

Candriam Fund

An undertaking for collective investment
organized under the laws of the Grand Duchy of Luxembourg as a SICAV

PROSPECTUS

Subscriptions may only be accepted if made on the basis of this prospectus (hereafter the "Prospectus"), which is only valid if accompanied by the last available annual report and the last semi-annual report if published after the last annual report.
These documents are an integral part of the Prospectus.

26 January 2026

ESG glossary

Carbon Emissions	<p>Carbon dioxide (CO₂) is the most common greenhouse gas (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.</p> <p>Company’s carbon emissions are measured in tons of carbon dioxide equivalent (tCO₂-eq) which allows to bundle the 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.</p> <p>The measurement of carbon emissions of a company can be made by distinguishing three subsets (Scopes”) as defined by the international GHG Protocol:</p> <ul style="list-style-type: none">• Scope 1 emissions are direct emissions from owned or controlled sources• Scope 2 emissions are indirect emissions from the generation of purchased energy• Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions
Portfolio Carbon Metrics	<p>There are several Carbon metrics at the level of an investment portfolio such as Total Carbon emissions and Carbon footprint as defined below.</p> <p>(1) Total Carbon Emissions</p> <p>measures the total GHG emissions of a portfolio in the most literal sense by summing all the GHG emissions of the underlying holdings, proportional to the share of ownership. The dependence of this measure to a portfolio’s specific size makes this metric of limited usefulness for benchmarking and comparison purposes. This metric may be used to evaluate the emissions in the case of a carbon offsetting mechanism</p> <p>(2) Carbon Footprint (Normalized Carbon Emissions)</p> <p>measures the asset weighted GHG emissions of a portfolio normalized per million € invested (expressed in tCO₂-eq / €m invested). This metric may be used for benchmarking and comparison purposes</p> <p>The Carbon Footprint may be calculated using another appropriate currency.</p> <p>The Carbon metrics at portfolio level might be considered incomplete insofar as for example</p> <ul style="list-style-type: none">(i) issuer coverage from data providers may be incomplete(ii) metrics may not take into account Scope 3 or all the aspects of Scope 3 and(iii) the exposure on money market instruments and index derivatives is in general not taken into account in the calculation
ESG score	<p>The ESG score is the result of Candriam’s proprietary internal ESG analysis.</p> <p>This score is calculated for companies as well as countries and also allows the calculation of an ESG score at portfolio level. The ESG score of a portfolio is calculated by adding up the scores of the securities in the portfolio according to their weighting in the portfolio’s assets.</p> <p>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.</p> <p>For countries, it incorporates the 4 essential dimensions of sustainability: human capital, natural capital, social capital and economic capital.</p> <p>The score ranges from 0 (worst rating) to 100 (best rating).</p> <p>The details of Candriam’s ESG analysis methodology are available in the transparency code (cfr link see supra).</p>
Green Bonds	<p>A green bond is a fixed-income instrument designed specifically to support specific climate-related or environmental projects.</p>



Paris
Agreement

The Paris Agreement is a legally binding international treaty on climate change. Its goal is to limit global warming to well below 2 degrees Celsius. This binding agreement brings all nations into a common cause to undertake ambitious efforts to combat climate change. To achieve this long-term goal, countries commit to reduce their Greenhouse Gas emissions.



INTRODUCTION

Candriam Fund (hereinafter the "SICAV") is registered on the official list of undertakings for collective investment (hereinafter "UCI") pursuant to Part I of the law of 17 December 2010 on UCI, as may be amended from time to time (hereinafter the "Law") and qualifies as an undertaking for collective investment in transferable securities ("UCITS").

Such registration may not be interpreted as a positive appraisal by the supervisory authority as to the content of the present prospectus (hereinafter the "Prospectus") or the quality of the securities offered or held by the SICAV. Any affirmation to the contrary is unauthorized and illegal.

This Prospectus cannot be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized.

Shares in this SICAV are not and will not be registered in the United States in accordance with the US Securities Act of 1933, as amended (hereinafter the "1933 Securities Act") and the SICAV is not and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "1940 Act").

The shares in the SICAV must not be offered, sold or transferred in the United States (including its territories and possessions) or directly or indirectly benefit any US Person (as defined in Regulation S of the 1933 Securities Act and Rule 4.7 under the U.S. Commodity Exchange Act). However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of U.S. Persons, to the extent permitted under applicable U.S. law.

In addition, financial institutions which do not comply with the FATCA programme (FATCA stands for the US Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (hereinafter the "HIRE Act"), and its application measures, including the identical provisions adopted by partner countries which have signed an "Intergovernmental Agreement" with the United States, must expect to be forced to have their shares redeemed when the programme is put in place.

The shares in the SICAV may not be offered, sold or transferred to a U.S. employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or any other U.S. employee benefit plan or U.S. individual retirement account or arrangement ("IRA") and may not be offered sold or transferred to a fiduciary or any other person or entity acting on behalf of the assets of a U.S. employee benefit plan or IRA (collectively, a "U.S. benefit plan investor"). Subscribers for shares in the SICAV may be required to certify in writing that they are not a U.S. benefit plan investor. Shareholders are required to notify the SICAV immediately in the event that they are or become a U.S. benefit plan investor and will be required to dispose of their shares to non-U.S. benefit plan investors. The SICAV reserves the right to repurchase any shares which are or become owned, directly or indirectly, by a U.S. benefit plan investor. However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of U.S. benefit plan investors, to the extent permitted under applicable U.S. law.

The SICAV meets the conditions set down in part I of the Law and European Directive 2009/65/EC as amended (hereinafter the "Directive 2009/65/CE").

The Board of Directors of the SICAV has taken reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make any statement contained herein misleading. The Board of Directors accepts responsibility accordingly.

The Prospectus may be translated into other languages provided that such translation shall be a direct translation of the English text and, in the event of a dispute, the English language version shall prevail. All disputes as to the terms thereof shall be governed by, and construed in accordance with the laws of the Grand Duchy of Luxembourg.

No person is authorized to give any information other than that contained in the Prospectus or in the documents referred to herein, which may be consulted by the general public.

This Prospectus will be updated in appropriate time in order to reflect significant changes. It is therefore recommended that potential subscribers contact the SICAV to enquire whether any updated Prospectus has been published.

Any reference made in this Prospectus:



- to the term “Business Day” refers to any full banking business day in Luxembourg. For the avoidance of doubt, December 24 is not to be considered as a Business Day;
- to the term “EU” refers to the European Union;
- to the term “EUR” refers to the official single European currency adopted by a number of EU Member States participating in the Economic and Monetary Union;
- to the term “Member State” refers to a Member State of the European Union. States that are party to the Agreement on the European Economic Area, other than the Member States of the European Union, are treated as equivalent to Member States of the European Union, within the limits defined by said Agreement and its associated instruments;
- to the term “US” refers to the United States of America
- to the term “USD” refers to the currency of the United States of America;
- to the term “U.S. Person” has the same meaning as defined in Regulation S under the 1933 Securities Act.

Subscribers and potential investors are advised to seek advice on the possible tax consequences, the legal requirements and any restriction or exchange control provision under the laws of their countries of origin, residence or domicile, which could have an influence on the subscription, purchase, ownership or sale of the shares of the SICAV.

The SICAV draws the attention of investors to the fact that no investor may fully and directly exercise his/her rights as investor vis-à-vis the SICAV (particularly the right to take part in the general meetings of shareholders) unless this investor is listed, in his/her own name, in the register of shareholders of the SICAV. In the event that the investor invests in the SICAV through an intermediary, which invests in the SICAV in its own name but on behalf of the investor, shareholder rights may not necessarily be exercised by the investor directly in relation to the SICAV. Investors are recommended to obtain information on their rights.



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1. Managing and administrative bodies for the SICAV

Board of Directors of the SICAV

- Chairman of the Board of Directors of the SICAV: Mr. Tanguy **de Villenfagne**, Advisor to the CEO, Candriam
- Members of the Board of Directors of the SICAV:
 - Mr. Renato **Guerriero**, Deputy Chief Executive Officer, Candriam
 - Ms. Nadège **Dufosse**, Global Head of Multi-Asset, Candriam
 - Mr. Koen **Van de Maele**, Chief Investment Solutions Officer, Candriam
 - Mrs Catherine **Delanghe**, Independent Director
 - Mr. Pascal **Dequenne**, Global Head of Operations, Candriam

Registered Office: 5, Allée Scheffer, L-2520 Luxembourg

Depository: CACEIS Bank, Luxembourg Branch, 5, Allée Scheffer, L-2520 Luxembourg

Management Company: Candriam, SERENITY- Bloc B, 19-21 route d'Arlon, L- 8009 Strassen

- Chairman of the Board of Directors of the Management Company:
 - Mr Naïm **Abou-Jaoudé**, Chairman and Chief Executive Officer, New York Life Investment Management LLC, New York Life Investment Management Holdings LLC
- Members of the Board of Directors of the Management Company:
 - M. Matthias **Baillieul**, Chief Financial Officer, Belfius Insurance SA.
 - M. Jean-Francois **Deschamps**, Head of AML & Capital Management, Belfius Bank
 - Mr Renato **Guerriero**, Deputy Chief Executive Officer - Global Development & Distribution, Candriam
 - M. Dirk **Gyselink**, Responsible for Private, Wealth and Retail, Belfius Bank.
 - Mr Vincent **Hamelink**, Chief Executive Officer, Candriam
 - Mr. Francis M. **Harte**, Senior Managing Director & Chief Financial Officer & Treasurer, New York Life Investment Management Holdings LLC, Senior Vice President, New York Life Insurance Company
 - Mr. Alain **Karaoglan**, Executive Vice President and Head of Strategic Businesses of New York Life Insurance Company
 - Ms. Melissa **Kuan**, Managing Director and Head of Strategy & Business Development of New York Life Investment Management
 - Mr. Jean-Yves **Maldague**, Managing Director, Candriam
 - Ms Alison **Micucci**, Chief Executive Officer, MacKay Shields LLC
- Chairman of the Management Committee: Mr. Jean-Yves Maldague, Managing Director, Candriam
- Members of the Board of Management:
 - Mrs. Justine Barrielle, Manager
 - Mr. Olivier Corby, Manager
 - Mr. Fabrice Cuchet, Manager
 - Mrs. Nadège Dufosse, Manager
 - Mr. Nicolas Forest, Manager
 - Mr. Renato Guerriero, Manager
 - Mr. Vincent Hamelink, Manager

Portfolio Manager: The portfolio management function is performed directly by Candriam and/or by one or more of its branches:

- Candriam – Belgian Branch, Avenue des Arts 58, B-1000 Bruxelles, Belgium
- Candriam - Succursale française, 40 rue Washington, F-75408 Paris Cedex 08
- Candriam - UK Establishment, Aldersgate Street 200, London EC1A 4 HD



Administrative Agent and Domiciliary Agent: CACEIS Bank, Luxembourg Branch, 5, Allée Scheffer, L-2520 Luxembourg

Transfer Agent and Registrar: CACEIS Bank, Luxembourg Branch, 5, Allée Scheffer, L-2520 Luxembourg

Certified Auditors: PricewaterhouseCoopers, 2 rue Gerhard Mercator, BP1443, L – 1014 Luxembourg



2. General description of the SICAV

Candriam Fund has been incorporated under Luxembourg law as a *Fonds Commun de Placement* (the "FCP") - initially under the name of **OXALIS Fund**, by the Luxembourg *société anonyme* FCP MULTI MANAGEMENT S.A. for an unlimited term.

Candriam, a Luxembourg partnership limited by shares (*société en commandite par actions*) with its registered office at SERENITY- Bloc B, 19-21 route d'Arlon, L-8009 Strassen, has been appointed as management company (hereinafter "Management Company") of the FCP for an indefinite period of time.

The FCP was converted into a SICAV subject to Part I of the Law with effect on 1st January 2016 by way of a deed of Me Henri Hellinckx, notary residing in Luxembourg, that was published in the *Mémorial C, Recueil des Sociétés et Associations* (the "Mémorial") on 21 January 2016 and is established for an indefinite period of time from the date of incorporation. The articles of incorporation were last amended on 1 July 2022. The corresponding amendments have been filed with the *Recueil Electronique des Sociétés et Associations*. The SICAV is registered at the Luxembourg Trade and Companies Register under reference B-202872.

The capital of the SICAV shall at all times be equal to the value of the net assets of the SICAV. The minimum capital of the SICAV is the legal minimum provided by law (i.e. EUR 1,250,000), represented by fully paid-up Shares of no par value.

The SICAV is an umbrella fund, enabling investors to choose between one or more investment strategies by investing in one or more separate sub-funds offered by the SICAV with the possibility of moving from one sub-fund to another.

The SICAV is open-ended, which means that, upon their request, shareholders can redeem their shares at prices based on the applicable net asset value as described in the Prospectus.

The following sub-funds are currently available to investors:

- Candriam Fund Bond 2027 (denominated in EUR)
- Candriam Fund Bond 2028 (denominated in EUR)
- Candriam Fund Bond 2030 (denominated in EUR)
- Candriam Fund Bonds Eastern Europe 2029 (denominated in EUR)
- Candriam Fund Equity EMU High Dividend (denominated in EUR)
- Candriam Fund ONE Global Best-In-Class Equities (denominated in EUR)
- Candriam Fund Sedes Sapientiae (denominated in EUR)
- Candriam Fund Sustainable Short Term Equivalent (denominated in EUR)
- Candriam Fund Sustainable Euro Corporate Bonds Fossil Free (denominated in EUR)
- Candriam Fund Sustainable European Equities Fossil Free (denominated in EUR)

The Board of Directors may decide to issue shares in different classes (each, a "share class"), the assets of which will be commonly invested as per the investment policy specific to the sub-fund in question. It may create share classes from time to time which may have different terms and characteristics such as a specific cost structure, distribution policy, hedging policy, reference currency, category of investors, marketing country or other specific features.

Furthermore, a currency hedging process may be applied to the share classes as specified in the Fact Sheets of the sub-funds:

- Base currency hedged share classes:

These hedged share classes aim to reduce the effect of exchange rate fluctuations between the base currency of the sub-fund and the currency in which the hedged share class is denominated. The aim of this type of hedging is for the performance of the hedged share class to be reasonably comparable (after adjusting for the difference in interest rates between the two currencies) to the performance of a share class denominated in the sub-fund's base currency. This type of hedging is identified with the suffix **H** added in the denomination of the share class.



- Asset hedged share classes:

These hedged share classes aim to reduce the effect of exchange rate fluctuations between the currencies in which a sub-fund's investments are held and the currency of the hedged share class. This type of hedging is identified with the suffix **AH** added in the denomination of the share class.

Both share classes types aim to mitigate currency risk however this will result in differences in performance between these hedged share classes and share classes denominated in the sub-funds base currency.

Investors should be aware that any currency hedging process may not lead to a complete hedge. Therefore, the currency hedge may not fully mitigate the currency risk.

All gains/losses arising from the hedging process are borne separately by the shareholders of the respective hedged share classes.

The share classes described below may be available as capitalization shares and/or as distribution shares, as detailed in the technical sheets accompanying this Prospectus (the "Fact Sheets") :

- The **C** share class is available to both individuals and legal entities.
- The **I** share class is reserved exclusively for institutional investors whose minimum initial subscription is EUR 250,000 or the equivalent in any other currency as decided by the Board of Directors (this minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same valuation date (in relation to a Sub-Fund's investments, the valuation date is a Business Day, other than a day on which any exchange or market on which a substantial portion of the relevant Sub-Fund's investments is traded, is closed ("Valuation Date")). The Valuation Date is detailed in each Fact Sheet).
- The **PI** share class is reserved to institutional investors that subscribe to shares before the sub-fund has reached a critical size in terms of assets under management. The minimum initial subscription is EUR 1,000,000 or the equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same valuation date. The share class remains open to subscriptions until any of the following events occurs: (i) a certain period of time set by the Board of Directors has elapsed, (ii) the sub-fund has reached a critical size in terms of assets under management as determined by the Board of Directors or (iii) the Board of Directors decides on a motivated basis to cease the offering of the Share Class.
The Board of Directors may re-open the PI Share Classes at its discretion without prior notice to Shareholders.
- The **R** share class is restricted to those financial intermediaries (including distributors and platform providers) which:
 - (i) have separated arrangements with their clients for the provision of investment services related to the sub-fund, and
 - (ii) are not entitled to accept and retain from the management company, due to their applicable laws and regulations or to agreements with their clients, any fee, commission or monetary benefit, in the context of the above mentioned investment services
- The **S** and **S2** share class are reserved for institutional investors specifically approved by the Management Company, whose minimum initial subscription amounts are defined in the fact sheet of the sub-funds. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same valuation date.
- The **V** share class is reserved exclusively for institutional investors whose minimum initial subscription is EUR 15,000,000 or the equivalent in any other currency as decided by the Board of Directors (this minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same valuation date).
- The **Y** share class is reserved exclusively for institutional investors specially approved by the Management Company.
- The **Z** share class is reserved for:



- institutional/professional investors approved by the Management Company. The portfolio management activity for this class is directly remunerated through the contract concluded with the investor, so no portfolio management fee is payable for the assets of this class.
- UCIs approved by the Management Company and managed by an entity of the Candriam group.

If it appears that an investor no longer meets the conditions for accessing the class in question, the Board of Directors may take all the necessary measures and, if necessary, convert the shares into another appropriate class.

The assets of the various share classes are pooled within a single account.

Before subscribing, investors should refer to the Fact Sheets to obtain further details about each sub-fund.

The Board of Directors may, from time to time, decide to offer additional sub-funds and/or additional share classes in any existing sub-fund. The Prospectus will then be updated and amended so as to include detailed information on the new sub-fund and/or share class.

The Board of Directors of the SICAV is responsible for defining the investment policy of each sub-fund.

3. Management and administration

3.1. Board of Directors

The Board of Directors of the SICAV is responsible for managing the assets of each of the sub-funds of the SICAV.

It has overall responsibility for the management of the SICAV including making general policy decisions and reviewing the actions of the Management Company, Depositary, and any other service provider appointed by the SICAV from time to time.

The list of the members of the Board of Directors is detailed in this Prospectus in the clause titled "Managing and administrative bodies for the SICAV" and in the financial reports.

3.2. Domiciliation

The SICAV and CACEIS Bank, Luxembourg Branch, have concluded a domiciliation agreement for an unlimited term.

Under this agreement, CACEIS Bank, Luxembourg Branch, provides the registered office and address to the SICAV in addition to other services relating to domiciliation.

The SICAV may terminate the domiciliary agent functions of CACEIS Bank, Luxembourg Branch with three months' written notice, and the latter may terminate its own functions with the same notice.

3.3. Management Company

Candriam, a Luxembourg partnership limited by shares (*société en commandite par actions*) with its registered office at SERENITY- Bloc B, 19-21 route d'Arlon, L-8009 Strassen, has been appointed as management company (hereinafter "Management Company") under a Management Company Agreement concluded for an indefinite period of time and may be terminated by either party with three months' written notice.

Candriam (formerly Candriam Luxembourg) is a subsidiary of Candriam Group, a New York Life Insurance Company group entity. It was incorporated in Luxembourg on 10 July 1991 for an indefinite period of time and started its management activities on 1 February 1999. It is registered with the Luxembourg Trade and Companies Register under reference B 37.647 and its articles of incorporation were amended for the last time on 17 June 2022; the corresponding amendments were published in the Mémorial.

Candriam is registered with the Luxembourg Supervisory Authority under Chapter 15 of the Law, and is authorized to provide collective portfolio management, investment portfolio management and investment advisory services.



3.3.1. Functions and responsibilities

The Management Company has the broadest possible powers to carry out UCI management and administration activities in accordance with its business purpose. It is responsible for the portfolio management, administration (i.e. activities of administrative agent, transfer agent and registrar) and marketing (distribution) activities of the SICAV.

The Management Company may at its own expense and under its control and supervision delegate its functions. However, it retains full responsibility for any action undertaken by the delegate.

In consideration for its portfolio management, administration and distribution services (as defined in Appendix II of the Law), the Management Company is entitled to receive the fees, payable by the SICAV to the Management Company, as detailed in each Fact Sheet.

Investors are advised to read the SICAV's financial reports to obtain detailed information on the fees paid to the Management Company in remuneration of its services.

3.3.1.1. Portfolio management duties

The Management Company shall be responsible for the portfolio management of all the sub-funds. Among other things, it may exercise any voting rights on behalf of the SICAV which are attached to the transferable securities that make up the assets of the SICAV. It may also, under its control and responsibility, delegate the exercise of such voting rights attached to the transferable securities that make up the assets of the SICAV.

The Management Company may, at its own expense and under its control and supervision, delegate its portfolio management functions in relation to the assets of the sub-funds within the limits prescribed by the Law.

In consideration for its services, the Management Company is entitled to receive management fees, payable out of the assets of the relevant sub-funds at the end of each month.

In consideration for its services, the Management Company is entitled to receive management fees (excluding securities lending), payable out of the assets of the relevant sub-funds at the end of each month.

3.3.1.2. Central Administration

The central administration's activity mainly consists of the following three functions in accordance with the provisions of CSSF circular 22/811:

- The NAV calculation and accounting function ("Administrative Agent"),
- The registrar function ("Transfer Agent"),
- The client communication function.

Under the terms of a Central Administration Agreement (the "Central Administration Agreement"), the Management Company has appointed, at its own expense and under its control and responsibility, CACEIS Bank, Luxembourg Branch, with its registered office at 5, Allée Scheffer, L-2520 Luxembourg as Transfer Agent and Administrative Agent.

The client communication function is provided by CACEIS Bank, Luxembourg Branch in collaboration, where applicable, with the Management Company, directly and/or through one or more of its branches.

The Central Administration Agreement is concluded for an indefinite period of time and may be terminated by either party with three months' written notice.

CACEIS Bank, Luxembourg Branch operates as the Luxembourg branch of CACEIS Bank, a société anonyme under French law whose registered office is at sis 89-91, rue Gabriel Peri, 92120 Montrouge, France, Trade Register number RCS Nanterre 692 024 722. It is a credit institution approved and supervised by the European Central Bank (ECB) and the French Prudential Supervision and Resolution Authority (ACPR). The institution is also authorized to perform banking activities and central administration activities in Luxembourg through its Luxembourg branch.



In particular, the Administrative Agent functions comprise the calculation of the NAV per share of each sub-fund and/or each share class as applicable, the management of accounts, the preparation of annual and semi-annual reports, and the performance of tasks in its capacity as the Administrative Agent.

In particular, the Transfer Agent functions comprise the processing of subscription, redemption and conversion orders and the keeping of the register of shareholders.

In this capacity, the Transfer Agent is also responsible for supervising measures to combat money laundering in accordance with the applicable regulations in Luxembourg on money laundering and financing of terrorism and preventing the financial sector from being used for the purposes of money laundering and financing of terrorism. CACEIS Bank, Luxembourg Branch is authorized to request the documents necessary in order to identify the investors.

The client communication function is comprised of the handling of confidential communication and correspondence of confidential documents intended for investors.

CACEIS Bank, Luxembourg Branch may outsource, for the performance of its activities, IT and operational functions related to its activities as UCI administrator, in particular as registrar and transfer agent, activities including shareholders and investor services, with other entities of the CACEIS group, located in Europe or in third countries, and notably in the United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the outsourcing provider data related to the investor, such as name, address, date and place of birth, nationality, domicile, tax number, identity document number (in case of legal entities: name, date of creation, head office, legal form, registration numbers on the company register and/or with the tax authorities and persons related to the legal entity such as investors, economic beneficiaries and representatives), etc.. In accordance with Luxembourg law, CACEIS Bank, Luxembourg Branch has to disclose a certain level of information regarding the outsourced activities to the Fund, which will communicate these information to the investors. The Fund will communicate to the investors any material changes to the information disclosed in this paragraph prior to their implementation.

The list of countries where the CACEIS group is located is available on the website www.caceis.com. Attention is drawn to the fact that this list could change over time.

3.3.1.3. Marketing

Marketing duties consist in coordinating the distribution of the SICAV's shares through intermediaries designated by the Management Company (hereinafter "Distributors").

Distributor agreements may be entered into by the Management Company and the various Distributors. Under these agreements, the Distributor will be entered in the register of shareholders, when acting in the capacity of nominee, instead of the customers who have invested in the SICAV.

These agreements stipulate, among other things, that a customer who has invested in the SICAV through the Distributor may at any time request the transfer of the shares purchased via the Distributor into his or her own name in the register of shareholders upon receipt of the transfer instructions from the Distributor.

Shareholders may subscribe for shares in the SICAV directly without needing to subscribe through a Distributor.

Any Distributor appointed must apply the procedures to combat money laundering as defined in the Prospectus. The appointed Distributor must be a professional of the financial sector situated in a country subject to obligations to combat money laundering and the financing of terrorism equivalent to those of the Luxembourg law or the European Directive (UE) 2015/849 (Hereinafter the "Directive (UE) 2015/849").

3.3.2. Remuneration Policy

The Management Company has an established remuneration framework and associated policy in place (the "Remuneration Policy") that is in accordance with the requirements of the Law of 2010 and the following statements:

The Remuneration Policy is consistent with and promotes sound and effective risk management including sustainability risks and does not encourage risk taking which is inconsistent with the risk profiles and with the SICAV's Articles ; Candriam has designed appropriate policies to promote responsible staff behaviour which duly considers sustainability impacts.



The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, of the SICAV and of the investors in the SICAV, and includes measures to avoid conflicts of interest;

Candriam's structure of remuneration is linked to risk-adjusted performance. The assessment of performance is set in a multi-year framework appropriate to the minimum holding period recommended to the investors of the SICAV in order to ensure that the assessment process is based on the longer-term performance of the SICAV and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;

Candriam aims to ensure that employees are not incentivized to take inappropriate and/or excessive risks including sustainability risks which are inconsistent with the risk profile of Candriam and, where appropriate, the managed funds". Moreover, when taken into account by the fund, Candriam ensures that staff duly consider sustainable impacts.

Therefore, the Remuneration Policy ensures an appropriate balance between fixed and variable components of total remuneration. The fixed component always represents a sufficiently high proportion of the total remuneration. The policy regarding variable remuneration components is a fully flexible policy and provides for the possibility to pay no variable remuneration component.

Details of the up-to-date Remuneration Policy, including the composition of the Remuneration Committee, a description of how remuneration and benefits are determined and of how this policy is consistent with the consideration of sustainability risks and impacts, are available on the website of the Management Company via the following link (Document titled Candriam Remuneration Policy):

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Upon request, a paper copy of the Remuneration Policy can be obtained from the Management Company free of charge.

4. The Depositary

CACEIS Bank, Luxembourg Branch acts as the depositary of the SICAV ("**Depositary**") in accordance with a depositary bank agreement for an unlimited term as amended from time to time ("**Depositary Bank Agreement**") and with the relevant provisions of the Law and applicable regulations.

The Depositary is responsible for the safekeeping and/or, as applicable, the registration and verification of ownership of the assets of the sub-fund, and it discharges the obligations and responsibilities set out in Part I of the Law and the applicable regulations. In particular, the Depositary performs appropriate and effective monitoring of the cash flows of the SICAV.

In accordance with the applicable regulations, the Depositary:

- (i) ensures that any sale, issue, redemption, repayment and cancellation of the shares of the SICAV take place in accordance with the Law and applicable regulations and the articles of incorporation of the SICAV,
- (ii) ensures that the net asset value of the shares is calculated in accordance with the applicable regulations, the articles of incorporation of the SICAV, and the procedures set out in Directive 2009/65/EC,
- (iii) carries out the instructions of the SICAV unless they conflict with the applicable regulations or the articles of incorporation of the SICAV,
- (iv) ensures that for transactions involving the SICAV's assets, the consideration is paid to the SICAV within the usual time limits,
- (v) ensures that the SICAV's income is allocated in accordance with the applicable regulations and the articles of incorporation of the SICAV.

The Depositary may not delegate any of the obligations and responsibilities in parts (i) to (v) above.

In accordance with Directive 2009/65/EC, the Depositary may, under certain conditions, entrust all or some of the assets for which it performs safekeeping or registration functions to correspondents or to third-party depositaries appointed from time to time ("Delegation"). The Depositary's responsibilities will not be affected by such Delegation, unless otherwise provided but solely within the limits allowed by the Law.



A list of these correspondents/third-party depositaries is available on the Depositary's web site (www.caceis.com, in the regulatory oversight section). This list may be updated from time to time. The complete list of correspondents/third-party depositaries may be obtained free of charge from the Depositary.

Up-to-date information about the identity of the Depositary, a description of its responsibilities and potential conflicts of interest, the safekeeping functions delegated by the Depositary and the potential conflicts of interest that may arise from such Delegation are also available on request free of charge on the Depositary's web site (above).

There are many situations in which a conflict of interest may arise, in particular when the Depositary delegates its safekeeping functions, or when the Depositary provides other services on behalf of the SICAV such as the central administration function or the registrar function. These situations and the potential conflicts of interest arising from them have been identified by the Depositary. In order to protect the interests of the SICAV and its investors, and to comply with the applicable regulations, the Depositary has put in place and guarantees application of a conflicts of interest policy, as well as procedures intended to prevent and to manage any potential or actual conflict of interest, principally aiming to do the following:

- (a) identify and analyse potential conflicts of interest,
- (b) record, manage and monitor conflicts of interest, either:
 - by relying on permanent measures established to manage conflicts of interest such as keeping separate legal entities, segregating functions, separating hierarchical structures, insider lists of staff members, or
 - by setting up case-by-case management with a view to (i) taking appropriate preventive measures such as preparing a new watch list, establishing new "Walls of China", ensuring that transactions take place under market conditions and/or informing the SICAV's relevant investors, or (ii) refusing to carry out the activity creating the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its depositary bank functions and the performance of other tasks on behalf of the SICAV, in particular its administrative agent and registrar services.

The SICAV and the Depositary may terminate the Depositary Bank Agreement at any time with written notice of ninety (90) days. The SICAV may only dismiss the Depositary, however, if a new depositary bank is appointed within two months to perform the functions and responsibilities of the depositary bank. Once dismissed, the Depositary may continue to discharge its functions and responsibilities until all the assets of the sub-fund have been transferred to the new depositary bank.

5. Investment objectives

The SICAV is made up of various sub-funds which each pursue a management strategy described in the Fact Sheets attached to this Prospectus. Each sub-fund offers shareholders the opportunity to access professional and diversified asset management.

In pursuit of its investment objective, each sub-fund is likely to be exposed to various risk factors mentioned in the Fact Sheets. These risk factors are set out in this Prospectus in the clause titled "Risk factors".

In view of fluctuations of the global financial markets and other risks to which investments in transferable securities, money market instruments and other financial assets are exposed, the value of the shares may go down or up.

6. Investment policy

6.1. The investments of the various sub-funds of the SICAV must consist only of one or more of the following:

- a) transferable securities and money market instruments admitted to or dealt on a regulated market as defined in the Law;



- b) transferable securities and money market instruments dealt on another market in a Member State which is regulated, operates regularly and is recognized and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or dealt on another market in any other country in Europe (other than those forming part of the European Union), North and South America, Asia, Oceania, Australia, or Africa, or dealt on another regulated market of a country of Europe (other than those forming part of the European Union), North and South America, Asia, Oceania, Australia, or Africa that is regulated, operates regularly, is recognized and open to the public.
- d) recently issued transferable securities and money market instruments, provided that:
 - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognized and open to the public of a Member State of the European Union, any other country in Europe (other than those forming part of the European Union), North and South America, Asia, Oceania, Australia and Africa; and
 - the admission is secured within one year of issue.
- e) units in UCITS authorized according to Directive 2009/65/EC and/or other UCI within the meaning of clause 1, paragraph (2), clauses (a) and (b) of Directive 2009/65/EC, whether established in a Member State or not, provided that:
 - such other UCI are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
 - the level of protection guaranteed to unitholders in these other UCI is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on asset segregation, borrowing, lending and short-selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
 - the activities of these other UCI are reported in semi-annual and annual reports such that their assets, liabilities, income and activities over the reporting period may be evaluated;
 - the proportion of assets that the UCITS or other UCI whose acquisition is contemplated, may invest overall, in accordance with their management rules or their documents of incorporation, in units in other UCITS or other UCI does not exceed 10%.

Furthermore, a sub-fund may acquire and/or hold shares to be issued or having been issued by one or more sub-funds of the SICAV (the one or more "target sub-funds"), without the SICAV being subject to the requirements stipulated by the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time, in terms of the subscription, acquisition and/or holding by a company of its own shares, subject, however, to the following:

 - the target sub-fund does not, in turn, invest in the sub-fund invested in this target sub-fund; and
 - the proportion of assets that the target sub-funds, whose acquisition is being contemplated, may invest overall in the units of other target sub-funds of the SICAV does not exceed 10%; and
 - any voting rights attached to the shares in question will be suspended for as long as they are held by the sub-fund concerned, without prejudice to the appropriate treatment in the accounts and the interim reports; and
 - in any event, for as long as these shares are held by the SICAV, their value will not be taken into consideration for the calculation of the net assets of the SICAV for the purpose of verifying the minimum asset level imposed by the Law.
- f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months provided that the credit institution has its registered office in a Member State or, if this is not the case, that the credit institution is subject to prudential rules considered by the CSSF to be equivalent to those provided for under EU legislation;



- g) financial derivative instruments, including equivalent cash-settled instruments, dealt on a regulated market of the type referred to under clauses (b), (c) and (d) above, or financial derivative instruments traded over-the-counter (“OTC”), provided that:
- the underlying consists of the instruments referred to in this clause 6.1, financial indices, interest rates, exchange rates or currencies, in which the sub-fund may make investments in accordance with its investment objectives;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories authorized by the CSSF;
 - the OTC derivatives are reliably and verifiably valued on a daily basis and can, at the initiative of the SICAV, be sold, liquidated or closed by way of an offsetting transaction at their fair value at any time.

Additional information pertaining to some instruments:

A sub-fund may make use of total return swaps or other derivative financial instruments which have the same characteristics, for example, certificates for differences, for the purpose of (buying or selling) exposure, hedging or arbitration.

The underlying instruments to these operations may be either individual securities, financial indices (equities, interest rates, credit, foreign currencies, commodities, volatility, etc.) in which the sub-fund may invest in accordance with its investment objectives. A sub-fund may conduct credit derivative transactions (single underlying or on a credit index) for the purposes of exposure, hedging or arbitrage.

These transactions are undertaken with counterparties which specialize in this type of transaction and are covered by agreements among the parties. They are carried out within the framework of the investment policy and the risk profile of each individual sub-fund.

The investment policy of each sub-fund set out in the Fact Sheet specifies whether a sub-fund is permitted to make use of total return swaps or these other forms of financial derivative instruments with the same characteristics, or of credit derivatives.

- h) money market instruments other than those normally dealt on the money market which are liquid and whose value can be accurately determined at any time, if the issuer or the issuer of these instruments is itself regulated for the purpose of protecting investors and savings and provided these instruments are:
- issued or guaranteed by a central, regional or local authority, by a central bank of a Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking whose securities are traded on the regulated markets referred to under clauses (b), (c) or (d) above, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF as being at least as stringent as those laid down by EU law, or
 - issued by other entities belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in the preceding three paragraphs, and provided the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000), and who presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or more listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.



6.2. A sub-fund may hold ancillary liquid assets. up to 20% of its net assets. Ancillary liquid assets are limited to bank deposits at sight such as cash held in current accounts with a bank accessible at any time.

6.3. The SICAV may acquire the movable or immovable property essential to the direct exercise of its activities.

6.4. Consideration of Environmental, Social and Governance («ESG») criteria

Each Sub-Fund's Technical Sheet will indicate in which category it is classified, within the meaning of EU Regulation 2019/2088 of 27 November 2019 on sustainability disclosures in the financial services sector (the "SFDR Regulation") i.e. :

- Sub-fund with a sustainable investment objective (« Art. 9 of the SFDR Regulation ») ;
- Sub-fund that promotes, among other characteristics, environmental and/or social characteristics (« Art. 8 of the SFDR Regulation ») ;
- Other Sub-fund that does not have a sustainable investment objective and does not specifically promote environmental and/or social characteristics.

Information relating to sustainability indicators, negative impacts in terms of sustainability, the promotion of environmental or social characteristics and sustainable investment objectives are included in the dedicated appendix attached to the Prospectus for each sub-fund concerned (the "SFDR Annex"). Moreover, information on principal adverse impacts on sustainability factors is available in the financial statements of the SICAV.

Alignment with the Taxonomy

The European taxonomy of green activities (the "Taxonomy") – Regulation (EU) 2020/852 is part of the EU's global efforts to meet the objectives of the European Green Deal and to allow Europe to achieve climate-neutrality by 2050.

Specifically, this Regulation sets out six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems.

For directly-managed investments and/or the underlying funds managed by Candriam, the environmental aspects making up these environmental objectives are placed at the heart of the ESG analysis of issuers as detailed in the SFDR Annex.

For the sub-funds which have sustainable investment as their objective and also for the sub-funds which promote, among other characteristics, environmental and/or social characteristics, this work to evaluate the contribution of issuers to the main environmental objectives, in particular the battle against climate change, requires a sector-based appraisal based on a heterogeneous data set and complex realities with multiple interdependencies. Candriam's ESG analysts developed their own analysis framework. This will enable a systematic evaluation of the contribution of a company's activities to various environmental objectives defined by Candriam and in line with the Taxonomy objective.

Following publication of the technical criteria for the two environmental objectives linked to climate change in the Taxonomy by the group of experts created at the European level, Candriam set out to integrate these technical criteria into its existing analysis framework.

Such an analysis covering the entire scope of affected issuers is only possible with effective publication of certain data by these key issuers, allowing a detailed appraisal of their contribution to be made.



At present, only a small number of companies in the world provide the minimum data required for a rigorous evaluation of their alignment with the Taxonomy.

As a consequence, the sub-funds may not yet commit to any minimum of Taxonomy alignment and, therefore, their minimum percentage of alignment should be considered as being 0.

For the sub-funds which promote, among other characteristics, environmental and/or social characteristics, the "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities and as such these sub-funds should not publish information on alignment with the Taxonomy.

MORE INFORMATION ON CANDRIAM'S ESG ANALYSES

For more information on ESG analyses, please consult Candriam's website especially via the following links:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

6.5. Efficient portfolio management techniques

In accordance with the provisions of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and reuse and amending Regulation (EU) 648/2012, each sub-fund is authorized, with a view to generating additional capital or income or reducing its costs or risks, increasing its return and/or reducing its risks, to make use of the following efficient portfolio management techniques covering transferable securities and money market instruments, if this is duly provided for in the Fact Sheet of the sub-fund:

6.5.1. Securities lending transactions

Each sub-fund may lend the securities in its portfolio to a borrower directly or through a standardized lending system organized by a recognized securities settlement service or a lending system organized by a financial institution that is subject to prudential supervision rules considered by the CSSF to be equivalent to those set down in EU legislation and that specializes in this type of transaction.

The type of securities covered by the securities lending transactions and the counterparties must meet the requirements of CSSF circular 08/356 and the conditions laid down in clause 7.10 of the present Prospectus.

The expected proportion as well as the maximum proportion of assets under management that can be subject to such transactions or agreements are detailed in the Fact Sheet of each sub-fund.

The SICAV must ensure that it maintains the amount of securities lending at an appropriate level or must be able to request the return of the loaned securities, such that the sub-fund in question is able at all times to meet its redemption obligations, and must ensure that these transactions do not compromise the management of the sub-fund's assets in accordance with its investment policy.

6.5.2. Reverse repurchase transactions

Each sub-fund may enter into reverse repurchase transactions for which, on maturity, the seller (counterparty) is required to take back the asset contained in the repurchase agreement and the sub-fund is required to return the asset contained in the reverse repurchase agreement. The type of securities covered by the reverse repurchase agreement and the counterparties must meet the requirements of CSSF circular 08/356.

The type of securities covered by the reverse repurchase transactions/agreements and the counterparties must meet the requirements of CSSF circular 08/356 and the conditions laid down in clause 7.10 of the present Prospectus.

The expected proportion as well as the maximum proportion of assets under management that can be subject to such transactions or agreements are detailed in the Fact Sheet of each sub-fund.



For the term of the reverse repurchase agreement, the sub-fund may not sell or use the securities which are subject to such agreement as a pledge/guarantee, unless the sub-fund has other means to cover its obligation to return the securities under the agreement.

6.5.3. Repurchase transactions

Each sub-fund may enter into repurchase transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The type of securities covered by the repurchase transactions/agreements and the counterparties must meet the requirements of CSSF circular 08/356 and the conditions laid down in clause 7.10 of the present Prospectus.

The expected proportion as well as the maximum proportion of assets under management that can be subject to such transactions or agreements are detailed in the Fact Sheet of each sub-fund.

The sub-fund in question must, on expiration of the term of the repurchase agreement, have the necessary assets to meet its redemption obligations.

The use of these transactions must not result in a change of the sub-fund's investment objectives or result in additional risks being taken which exceed its risk profile as defined in the Prospectus.

6.5.4. Associated risks and mitigation measures

The risks associated with efficient portfolio management techniques (including management of guarantees) are identified, managed and restricted by the risk management process. The principal risks are counterparty risk, delivery risk, operational risk, legal risk, custody risk and conflict of interest risk (as defined in the Risk factors article), and such risks are mitigated by the organisation and the procedures defined by the Management Company as follows:

- (i) *Selection of counterparties and legal framework:* The counterparties to these transactions are approved by the Management Company's risk management Department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised ratings agency or considered to be of equivalent quality by the Management Company. These counterparties are entities which are subject to prudential supervision and belong to the categories authorised by the CSSF (credit institution, investment company, etc.), and which specialise in this type of transaction. The counterparties are located in an OECD member state.
- (ii) *Financial guarantees:* See clause 7.10. titled "Management of financial guarantees for OTC derivative products and efficient portfolio management techniques".
- (iii) *Restrictions on reinvestment of financial guarantees received:* See clause 7.10. titled "Management of financial guarantees for OTC derivative products and efficient portfolio management techniques".
- (iv) *Measures taken to reduce the risk of conflicts of interest:*
To mitigate the risk of a conflict of interest, the Management Company has established a process for selecting and monitoring counterparties through committees organized by its risk management Department. In addition, the remuneration of transactions with these counterparties is in line with market practices in order to avoid any conflict of interest.
- (v) *Remuneration policy for reverse repurchase agreements*
Income from reverse repurchase agreements is paid in full to the sub-fund.
- (vi) *Remuneration policy for repurchase agreements*
This activity does not generate income.

6.5.5. Periodic investor information

Investors are advised to seek for further information on the use of these efficient portfolio management techniques in the financial reports.



7. Investment restrictions

7.1 a) A sub-fund may not:

- invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in clause 6.1.,
- acquire precious metals or certificates representing precious metals.

A sub-fund may invest no more than 10% of its assets in transferable securities or money market instruments issued by the same entity.

A sub-fund may invest no more than 20% of its assets in deposits made with a single entity.

The counterparty risk exposure arising from OTC financial derivative instruments or efficient portfolio management techniques may not exceed 10% of its assets when the counterparty is one of the credit institutions referred to in clause 6.1. (f) or 5% of its assets in other cases.

Counterparties to these transactions are approved by the Management Company's risk management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised ratings agency or considered to be of equivalent quality by the Management Company. These counterparties are entities which are subject to prudential supervision and belong to the categories authorised by the CSSF (credit institution, investment company, etc.), and which specialise in this type of transaction. The counterparties are located in an OECD member state.

The SICAV may be party to agreements under the terms of which financial guarantees may be granted under the conditions set in clause 7.10.

Additional information on these financial derivative instruments, notably the identity of the one or more counterparties to the transactions, along with the type and the amount of financial guarantees received by the SICAV, are shown in the annual report of the SICAV.

- b) The total value of the transferable securities and money market instruments held by the sub-fund in the issuers in each of which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to OTC derivative transactions with such institutions.

Notwithstanding the individual limits established in clause 7.1. (a) above, a sub-fund may not combine, if this were to result in it investing more than 20% of its assets in a single entity, several of the following items:

- investments in transferable securities or money market instruments issued by this entity,
- deposits made with this entity, or
- exposures arising from OTC derivative transactions with this entity.

- c) The 10% limit specified in clause 7.1 (a) above may be raised to a maximum of 35% if the transferable securities and money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State of the EU or by public international bodies to which one or more Member States belong.

- d) The 10% limit specified in clause 7.1 (a) above may be raised to a maximum of 25% in the case of certain bonds when these are issued by a credit institution which has its registered office in a Member State and which is subject by law to special supervision by the public authorities designed to protect bond-holders. In particular, the sums arising from the issue of these bonds must be invested, according to the legislation, in assets which, throughout the period of validity of the bonds, cover the claims arising from the bonds and which, in the event of the issuer's bankruptcy, would be used in priority for the repayment of the capital and the payment of accrued interest.

If a sub-fund invests more than 5% of its assets in the bonds as referred to in the preceding paragraph and issued by a single issuer, the total value of these investments may not exceed 80% of the asset value of this sub-fund.



- e) The transferable securities and money market instruments referred to in clause 7.1. (c) and (d) above will not be taken into account for the purpose of applying the limit of 40% referred to in clause 7.1. (b).

The limits established in clause 7.1. (a), (b), (c) and (d) may not be combined: consequently, investments in transferable securities or money market instruments issued by a single entity, deposits or derivative instruments with this same entity, in accordance with clause 7.1. (a), (b), (c) and (d), may not exceed in total 35% of the assets of the sub-fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognized international accounting rules, are regarded as a single entity for the purpose of calculating the limits set down in this clause 7.1.

A sub-fund may cumulatively invest up to 20% of its assets in transferable securities and money market instruments within a single group.

- 7.2 By way of exception to the restrictions specified in clause 7.1., sub-funds whose investment policy is to replicate an equity or bond index (hereinafter the "Benchmark Index") may raise the limits to a maximum of 20% for investments in equities and/or bonds issued by a single entity, provided that:
- the composition of the index is sufficiently diversified;
 - the index adequately represents the market to which it refers;
 - the index is published in an appropriate manner.

The 20% limit referred to above is raised to 35% if this proves to be justified by exceptional conditions on the markets, in particular, on regulated markets where certain transferable securities or certain money market instruments are largely dominant. Investing up to this limit is only authorized for a single issuer.

- 7.3 As an exemption from the restrictions specified in clause 7.1. above, each sub-fund is authorized to invest, according to the principle of risk spreading, up to 100% of its net assets in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by any member State of the OECD or by public international bodies to which one or more Member States of the EU belong. If a sub-fund exercises this latter option, it must hold transferable securities belonging to at least 6 different issues but securities belonging to the same issue may not exceed 30% of the total amount of the total net assets.

- 7.4 a) A sub-fund may acquire units of the UCITS and/or other UCI stated under clause 6.1. (a), provided it does not invest more than 20% of its assets in a single UCITS or other UCI. For the purpose of applying this investment limit, each sub-fund of an umbrella UCI is regarded as a separate issuer, provided the principle of the segregation of the liabilities of the various sub-funds with regard to third parties is ensured.

b) Investments in units of UCI other than UCITS may not exceed in total 30% of the assets of a UCITS. Where a sub-fund has acquired units of UCITS and/or other UCI, the assets of those UCITS or other UCI are not combined for the purposes of calculating the limits set down in clause 1 above.

c) If a sub-fund invests in the units of another sub-fund of the SICAV or in the units of other UCITS and/or other UCI which are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is associated by common-management or control or by means of a significant direct or indirect shareholding, the Management Company or the other company may not charge subscription or redemption fees for the sub-fund's investment in the units of said other UCITS and/or other UCI.

- 7.5 a) The SICAV may not acquire shares with voting rights allowing it to exercise a significant influence on the management of an issuer.

b) The SICAV may not acquire more than:

- 10% of the non-voting shares of a single issuer,
- 10% of the debt securities of a single issuer,
- 10% of the money market instruments of a single issuer,
- 25% of the units of the same UCITS or other UCI.



The limits set down in the second, third and fourth indents of clause 7.5. (b) above may be disregarded at the time of acquisition if at that time the gross amount of the bonds or money market instruments, or the net amount of the securities in issue, cannot be calculated.

c) The limits set down in clauses 7.5. (a) and (b) above do not apply to:

- transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU;
- transferable securities and money market instruments issued by public international bodies to which one or more Member States belong;
- shares held in the capital of a company incorporated in a non-Member State which invests its assets mainly in securities of issuing bodies having their registered office in that state, where under the legislation of that state, such holding represents the only way in which the SICAV, for each sub-fund, can invest in the securities of issuing bodies of that state and provided that the investment policy of the company complies with regulations governing risk diversification as well as restrictions with regard to control laid down therein;
- shares held in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country/state where the subsidiary is established, in regard to the repurchase of the shares at the shareholder(s)' request, exclusively on its/their behalf.

7.6 a) The SICAV may not borrow. However, a sub-fund may acquire currencies through back-to-back loans;

b) By way of derogation from clause (a):

- the sub-funds may borrow provided the loans are temporary and represent a maximum of 10% of their assets;
- the SICAV may borrow provided the loans afford the acquisition of immovable property essential to the direct exercise of its activities, and represent a maximum of 10% of its assets.

Where the SICAV is authorized to borrow under the terms of clause (b) above, these loans will not exceed a total of 15% of its assets.

7.7 a) A sub-fund may not grant loans or stand as guarantor in respect of third parties.

b) Clause (a) will not prevent the sub-funds from acquiring the transferable securities, money market instruments or other financial instruments referred to in clause 6.1. (a), (g) and (h), which are not fully paid-up.

7.8 A sub-fund may not short-sell transferable securities and money market instruments or other financial instruments referred to under clause 6.1 (a), (g) and (h),

7.9 a) The sub-funds need not necessarily follow the limits stated in this clause 7 when exercising the subscription rights relating to the transferable securities or money market instruments forming part of their assets.

While ensuring that the principle of risk distribution is followed, newly approved sub-funds may deviate from the provisions of clauses 7.1, 7.2, 7.3 and 7.4 for a period of six months from their approval date.

b) If the limits referred to in clause 7 are exceeded unintentionally by the sub-fund or as a result of the exercise of the subscription rights, the sub-fund's primary objective in its sales transactions will be to regularize this situation in the interests of the shareholders.

c) In the month preceding a closure, cancellation, liquidation or demerger transaction, and in the thirty days preceding a sub-fund merger, the investment policy of the sub-funds affected by these operations may be deviated from, as indicated in the Fact Sheets.

7.10 Management of financial guarantees for OTC derivative products and efficient portfolio management techniques



a) General criteria

All financial guarantees to reduce exposure to counterparty risk must at all times satisfy the following criteria:

- Liquidity: any financial guarantee received in a form other than cash will have a strong level of liquidity and will be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.
- Valuation: the financial guarantee received will be valued on a daily basis and assets with highly volatile prices will only be accepted as financial guarantee if sufficiently prudent security margins are in place.
- Quality of issuer credit: the financial guarantee received must be of high quality.
- Correlation: the financial guarantee received must be issued by an entity which is independent of the counterparty and whose valuation is not strongly correlated with the counterparty's performance.
- Diversification: the financial guarantee must be sufficiently diversified in terms of the countries, markets and issuers (as regards net assets). As regards issuer diversity, the maximum exposure to an issuer through the financial guarantee received shall not exceed 20% of the net assets of the respective sub-fund. However, this limit is raised to 100% for securities issued or guaranteed by a member state of the European Economic Area ("EEA"), by its local authorities, by a member state of the OECD, or by public international bodies to which one or more member states of the EEA belong. These issuers must be highly rated (in other words rated at least BBB- / Baa3 by a recognised rating agency or regarded as such by the Management Company). If the sub-fund exercises this latter option, it must hold securities belonging to at least six different issues, with securities belonging to the same issue not exceeding 30% of the total amount of the net assets.

The management risks connected with financial guarantees, such as operational and legal risks, will be identified, managed and restricted by the risk management process.

The financial guarantee received should be capable of being fully enforced by the SICAV at any time without reference to or approval from the counterparty.

b) Types of authorized financial guarantee

- cash denominated in a currency of a member state of the OECD;
- good quality debt securities (rated at least **BBB-/Baa3 or equivalent** by one of the ratings agencies) issued by public sector issuers from an OECD country (states, supranational bodies) and of a minimum issue size of EUR 250,000,000 (two hundred and fifty million euro), and a maximum residual maturity of 30 years;
- good quality debt securities (rated at least **BBB-/Baa3 or equivalent** by one of the ratings agencies) issued by private sector issuers from an OECD country (states, supranational bodies) and of a minimum issue size of EUR 250,000,000 (two hundred and fifty million euro) , and a maximum residual maturity of 15 years;
- shares listed or traded on a regulated market of a Member State of the European Union or on a stock exchange of a state which is a member of the OECD provided the shares are included in a significant index;
- shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, high quality bonds or shares that meet the conditions stated above.

The risk management team of the Management Company may impose stricter criteria in terms of financial guarantees received and thereby exclude certain types of instruments, certain countries, certain issuers or even certain securities.

In the event of materialisation of the counterparty risk, the SICAV could end up owning the financial guarantee received. If the SICAV may dispose of such guarantee at a value corresponding to the value of the loan/assets transferred, it would not bear negative financial consequences. Otherwise (if the value of assets received as a guarantee fell below the value of the assets loaned/transferred before they could be sold), it could incur a loss equal to the difference between the value of the assets loaned/transferred and the value of the guarantee once it is liquidated.



c) Level of financial guarantee

The Management Company has established a policy requiring a level of financial guarantees depending on the type of transaction.

The level of collateral required for over-the-counter financial instruments and efficient portfolio management techniques is determined by the agreements put in place with each of the counterparties, taking into account factors such as the nature and the characteristics of the transactions, the credit quality and the identity of the counterparties, and prevailing market conditions. At all times, the exposure of the counterparty not covered by the guarantee will remain below the counterparty risk limits set out in the Prospectus.

For repurchase and reverse repurchase transactions, the level of financial guarantees is 100% at the initiation of the transaction. If the collateralized amount falls below this level, it shall be adjusted in accordance with the minimum transferable amounts set in the agreements with the counterparties. In no case the counterparty risk shall exceed authorized regulatory limits.

For OTC derivatives: In the context of OTC transactions, certain sub-funds may hedge transactions by making cash margin calls in the currency of the sub-fund in compliance with the restrictions set out in section 7.1.1 of this Prospectus regarding counterparty risk.

d) Discounting policy

The Management Company has put in place a discounting policy suited to each category of assets received as financial guarantee.

For each of the categories of assets detailed below, the Management Company will apply the following discounts and reserves the right to apply additional discounts depending on market conditions:

Asset category	Discount
Cash	0%
Debt securities issued by public sector issuer	0-4%
Debt securities issued by private sector issuer	2-5%
Shares, UCI shares/units	2-8%

e) Restrictions on reinvestment of financial guarantees received

Financial guarantees received in cash can only be placed with those entities meeting the above eligibility criteria stated in clause 6.1. (f) of the Prospectus, invested in good quality government bonds, used for the purpose of repurchase transactions that can be recalled at any time and/or invested in short-term monetary funds, in accordance with the applicable diversification criteria. Although invested in assets with a low degree of risk, investments may nevertheless include a limited financial risk.

Non-cash financial guarantees may not be sold or reinvested or pledged.

f) Custody of guarantees

In the event of transfer of ownership, the guarantee received will be held by the Depositary or the sub-Depositaries. Other types of agreements giving rise to guarantees may be held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial guarantees.

The guarantees received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

g) Financial guarantee in favour of the counterparty.

Certain derivative instruments may initially require collateral to be lodged in favour of the counterparty (cash and/or securities).



h) Periodic investor information

Further information on the use of these efficient portfolio management techniques is contained in the annual and semi-annual reports.

7.11 Valuation

a) Reverse repurchase and repurchase agreements

Reverse repurchase and repurchase agreements are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.

b) Securities lending

Securities lending operations are not recorded individually in the NAV – the income generated is recorded monthly. Loaned securities remain valued in the NAV according to the valuation rules defined elsewhere.

c) Guarantees

Collateral received is valued daily by the Management Company and/or the collateral agent. This valuation follows the valuation principles defined in this Prospectus with the application of haircuts based on the type of instruments.

Collateral provided is valued daily by the Management Company and/or the collateral agent.

8. Risk factors

The SICAV's sub-funds may be exposed to various risks depending on their investment policy. The principal risks to which the sub-funds may be exposed are shown below. However, the risk descriptions below do not purport to be exhaustive and potential investors should take note firstly of the whole of this Prospectus and secondly of the "What are the risks and what could I get in return?" section shown in the key information document. It is also recommended that investors consult their professional advisors before investing. In addition, each Fact Sheet states the non-marginal risks to which the respective sub-fund may be exposed.

The net asset value of a sub-fund may rise or fall and shareholders may not receive back the amount invested or obtain any return on their investment.

- **Risk of loss of capital:** there is no guarantee for investors relating to the capital invested, and investors may not receive back the full amount invested.
- **Liquidity risk:** liquidity risk is the risk that a position in a sub-fund's portfolio cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardizing the sub-fund's ability to comply at any time with its obligations to redeem the shares of investors at their request. On certain markets (in particular emerging and high-yield bonds, and equities with low market capitalization), the quotation spreads may widen under less favorable market conditions, which could impact the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.
- **Interest rate risk:** a change in interest rates, resulting, in particular, from inflation, may cause a risk of losses and reduce the net asset value of the sub-fund (particularly in the event of a rate increase if the sub-fund has a positive rate sensitivity and in the event of a rate decline if the sub-fund has a negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations. A change in inflation, in other words a general rise or fall in the cost of living, is one of the factors potentially affecting interest rates and consequently the NAV.
- **Credit risk:** risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk.
Some sub-funds may be exposed to the credit market and/or particular issuers whose prices will change based on the expectations of the market as regards their ability to repay their debt. These sub-funds may also be exposed to the risk that a selected issuer will default, i.e. will be unable to honor its debt repayment, in the form of coupons and/or principal. Depending on whether the sub-fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement of the credit spreads, or a default, may negatively impact the net



asset value. The Management Company will under no circumstances rely exclusively on external ratings in determining the credit risk of a financial instrument.

- **Equity risk:** Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in the portfolio managers' ability to anticipate such changes that can adversely affect the value of the SICAV's holdings. Opportunity for greater gain often comes with greater risk of loss.
- **Concentration risk:** risk related to a significant concentration of investments in a specific asset class or certain markets. This means that changes in these assets or these markets have a significant impact on the sub-fund's portfolio value. The greater the diversification of the sub-fund's portfolio, the lesser the risk of concentration. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).
- **Foreign exchange risk:** foreign exchange risk derives from the sub-fund's direct investments and its investments in forward financial instruments, resulting in exposure to a currency other than the sub-fund's valuation currency. Changes in the exchange rate of this currency in relation to that of the sub-fund may negatively affect the value of assets in the portfolio.
- **Index tracking risk:** the performance of the sub-fund may not match the performance of the index. This may be the result of market fluctuations, changes in the index composition, transaction costs, the fund's portfolio turnover costs and other sub-fund expenses, etc.
- **Risk of changes made to the reference index by the index provider:** The attention of shareholders is hereby drawn to the complete discretion of the reference index provider to decide upon and so amend the features of the relevant reference index for which it acts as sponsor. Depending on the terms of the relevant license agreement, an index provider may have no obligation to provide the license holders who use the relevant reference index (including the SICAV) with adequate prior notice of any changes which are made to such reference index. As a consequence, the SICAV shall not necessarily be able to inform the shareholders of the Sub-Fund in advance of any such changes made by the relevant index provider to the features of the relevant reference index.
- **Counterparty risk:** the sub-funds may use OTC derivative products and/or efficient portfolio management techniques. These transactions may cause counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.
- **Emerging countries risk:** market movements can be stronger and faster on these markets than on the developed markets, which could cause the net asset value to fall in the event of adverse movements in relation to the positions taken. Sectoral concentration risks may also be prevalent on some emerging markets. These risks may also heighten volatility. Emerging countries can experience serious political, social, legal and fiscal uncertainties or other events that could impact negatively on the sub-funds investing in them. In addition, local custody services remain underdeveloped in many non-OECD and emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances, a sub-fund may not be able to recover or may encounter delays in the recovery of some of its assets.
- **Derivatives risk:** derivatives are investments whose value depends on (or is derived from) the value of an underlying instrument, such as a security, asset, reference rate or index. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the sub-fund to lose more money than it would have lost had it invested in the underlying instrument. Derivatives may be difficult to sell, unwind or value. Derivatives may also be subject to counterparty risk, which is the risk that the counterparty (the party on the other side of the transaction) on a derivative transaction will be unable to honor its contractual obligations to the sub-fund. Futures may be more volatile than direct investments in the instrument underlying the futures, and may not correlate perfectly to the underlying instrument. Futures also may involve a small initial investment relative to the risk assumed, which could result in losses greater than if they had not been used. Due to fluctuations in the price of the underlying security, the sub-fund may not be able to profitably exercise an option and may lose its entire investment in an option. Swap transactions tend to shift the sub-fund's investment exposure from one type of investment to another, and therefore entail the risk that a party will default on its payment obligations to the sub-fund.
- **Delivery risk:** a sub-fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the sub-fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged, may not be able in operational terms to return the assets quickly enough to allow the sub-fund to honor the sale of these instruments on the market.
- **Model risk:** the management process of some sub-funds relies on establishing a model which is used to identify signals based on past statistical results. There is a risk that the model is inefficient and that the strategies used will produce a poor performance. There is no guarantee that past market situations will be reproduced in the future.



- **Risk of conflicts of interest:** selection of a counterparty based on reasons other than the sole interest of the SICAV and/or unequal treatment in the management of similar portfolios could be the main sources of conflicts of interest.
- **Share class hedging risk:** the SICAV may make available “Currency Hedged Shares” and “Interest Rate Hedged Shares” in certain of the sub-funds. Investors should be aware that a variety of techniques will be utilized in order to implement the required hedging and that such techniques involve different risks. Any costs incurred as a result of the implementation of such hedging will be borne by the relevant share class. There can be no assurance or guarantee that the portfolio manager will be able to fully hedge or be successful in hedging the relevant risks on the share class.
- **Risk associated with external factors:** uncertainty about the sustainability of some external environmental factors (such as tax regime or regulatory changes) that may have an impact on the SICAV’s activities. The SICAV may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the sub-funds and their operations. In particular, tax regulations may be frequently modified or subject to controversial interpretation resulting in an increase of tax charge borne by the investor or borne by the SICAV on its assets, income, capital gain, financial transactions or service fee paid to or received from service providers.
- **Volatility risk:** a sub-fund may be exposed (taking directional positions or using arbitrage strategies for example) to market volatility risk and could therefore, based on its exposure, suffer losses in the event of changes in the volatility level of these markets.
- **Commodities risk:** trends for commodities may differ significantly from those of traditional transferable securities markets (equities, bonds). Climatic and geo-political factors can also affect the supply and demand levels of the respective underlying product, in other words altering the expected scarcity of the product on the market. Commodities, however, namely energy, metals and agricultural products, could have more closely correlated trends. Unfavourable trends on these markets may cause the net asset value of a sub-fund to fall.
- **Delivery risk:** the sub-fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the sub-fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged, may not be able in operational terms to return the assets quickly enough to allow the sub-fund to honour the sale of these instruments on the market.
- **Operational risk:** Operational risk encompasses the risks of direct or indirect loss related to a number of factors (eg human errors, fraud and malicious acts, information system failures and external events, etc.) that could have an impact on the sub-fund and / or the investors. The Management Company aims to reduce this risk through the implementation of controls and procedures.
- **Conservation risk :** the risk of loss of assets held by a custodian as a result of the insolvency, negligence or fraudulent acts of the custodian or a sub-custodian. This risk is mitigated by the regulatory obligations of the depositaries.
- **Legal risk:** the risk of litigation of any kind with a counterparty or a third party. The Management Company aims to reduce this risk through the implementation of controls and procedures.
- **Risk associated with investing in Contingent Convertible Bonds (“CoCos”):**
CoCos – or subordinated contingent capital securities – are instruments issued by banking institutions to increase their equity capital buffers in order to comply with new banking regulations which require them to increase their capital margins.
 - **Trigger threshold risk:** these debt securities are automatically converted into shares or depreciated (loss of interest and/or capital) when predefined trigger thresholds are reached, as, for example, in the case of non-compliance with the minimum level of capital required for the issuer.
 - **Capital structure inversion risk:** contrary to the classic capital hierarchy, CoCos investment may be exposed to the risk of loss of capital while equity holders may not.
 - **Discretionary coupon cancellation:** coupon payments are entirely discretionary and may be cancelled by the issuer at any point.



- **Risk associated with the innovative structure of CoCos:** given the lack of past experience with these instruments, it is uncertain how they will perform under certain market conditions (for example, a general problem with the asset class).
- **Deferred redemption risk:** While CoCos are perpetual instruments, they may, however, be redeemed on a determined date ("date of call") and at a predetermined level with the approval of the competent authority. There is, however, no guarantee that CoCos will be repaid on the scheduled date or that they will ever be repaid. Consequently, the sub-fund may never recover its investment.

Investment are often made in these types of instruments because of their attractive return, owing to the complexity involved, which only a well-informed investor may be in a position to understand.

- **Sustainability Risk :** The sustainability risk refers to any environmental, social or governance event or condition that could affect the performance and / or the reputation of issuers in the portfolio.

The sustainability risks can be divided in the following 3 categories:

- **Environmental:** environmental events can create physical risks for companies in portfolio. These events could for instance result from the consequences of climate change, loss of biodiversity, change in ocean chemistry, etc. Further to physical risks, companies could also be negatively impacted by mitigation measures adopted in order to address environmental risks. Such mitigation risks will impact companies differently depending on their exposure to aforementioned risks and their adaptation to them.
- **Social:** refers to risk factors related to human capital, supply chain and the way companies manage their impact on society. Questions around gender equality, remuneration policies, health and safety and risks associated with working conditions in general are addressed under the Social dimension. Risks of human or labour right violations within the supply chain are also part of the Social dimension.
- **Governance:** Those aspects are linked to governance structures such as, board independence, management structures, employee relations, remuneration and fiscal compliance or practices. Governance related risks have in common that they stem from a failure of company oversight and/or the lack of incentive for company management to uphold high governance standards.

The sustainability risk may be issuer specific, in line with their activities and practices, but may also be due to external factors. If an unexpected event occurs for a specific issuer such as workforce strike, or more globally such as an environmental disaster it may have negative impact on portfolio performance, on the other hand issuers adapting their activities and/or policies might be less exposed to sustainability risk.

In order to manage risk exposure mitigations measures might be the following :

- exclusion of controversial activities or issuers
- exclusion of issuers based on sustainable criteria
- integration of sustainability risks in the issuer selection or issuer weight in the portfolio
- issuer engagement and stewardship

- **ESG investment risk** refers to the risks arising from the inclusion of ESG factors in the management process, such as the exclusion of activities or issuers and the inclusion of sustainability risks in the selection and/or allocation of issuers in the portfolio.

The greater the consideration given to these factors, the higher the ESG investment risk will be.

The methodology is based on the definition of ESG sector models by Candriam's internal ESG analysts. Limitations to Candriam's research are largely related to the nature, scope and consistency of ESG data currently available.

- **Nature:** Some ESG dimensions are better suited to qualitative narrative information. This information is subject to interpretation and therefore introduces a degree of uncertainty into the models.
- **Scope:** Having defined the ESG dimensions that the analysts consider important for each sector, there is no guarantee that the data will be available for all companies in that sector. Wherever



possible, Candriam will seek to supplement missing data with its own ESG analysis.

- Homogeneity: the different providers of ESG data have different methodologies. Even within the same supplier, similar ESG dimensions may be treated differently depending on the sector. This makes it more difficult to compare data from different suppliers.

The lack of common or harmonized definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by managers when setting ESG objectives and determining that these objectives have been met by the funds they manage.

The methodology excludes or limits exposure to securities of certain issuers for ESG reasons. Therefore, potential market circumstances may generate financial opportunities that might not be exploited by the Sub-Fund. Where applicable, the exclusion or integration measures relating to ESG investment risk are described in the investment policy section of the prospectus and/or in the factsheet of each sub-fund.

9. Risk Management

The Management Company has put in place a system of risk management procedures in order to measure the risk of the positions and their contribution to the overall risk of the portfolio.

The method of determining the overall risk is established on the basis of the investment policy and strategy of each sub-fund (and, in particular, on the basis of the use of derivative financial instruments).

One of the two methods below is used to monitor the overall risk: commitment method or the value at risk method. The method used is stated in the Fact Sheet of each sub-fund.

a) Commitment method

This method consists in converting the derivative financial instruments into equivalent positions in the underlying assets (where applicable, based on their respective sensitivity). This conversion may, if necessary, be replaced by the notional value.

A derivative financial instrument will not be accounted for in the calculation of the overall risk in the following situations:

- if the simultaneous holding of this instrument linked to a financial asset and cash invested in risk-free assets is equivalent to the direct holding of the financial asset in question;
- if this financial instrument exchanges the performance of the financial assets held in the portfolio for the performance of other benchmark financial assets (at no additional risk relative to the direct holding of the benchmark financial assets).

The sub-fund may offset buying and selling positions in derivative financial instruments concerning identical underlying assets, regardless of the maturity of the contracts. Furthermore, offsetting is also permitted between derivative instruments and directly held assets, provided the two positions concern the same asset or assets whose historic yields are closely correlated. Offsetting may be in terms of market value or in terms of risk indicator.

The global risk assumed by the SICAV's sub-funds may not exceed 210% of the net asset value.

b) Value at risk (VaR) method

A VaR model is used to quantify the maximum potential loss that could be incurred by the sub-fund's portfolio under normal market conditions. This loss is estimated for a given period of time (holding period of 1 month) and a given confidence interval (99%).

The VaR may be calculated as an absolute or a relative value:

▪ Relative VaR limit

The overall risk arising from all the portfolio positions calculated through the VaR may not exceed twice the VaR of a benchmark portfolio with the same market value as the sub-fund. This management limit applies to all sub-funds for which a benchmark portfolio may be adequately defined. For the sub-funds in question, the benchmark portfolio is mentioned in the Fact Sheets.



- Absolute VaR limit

The overall risk of all the portfolio positions calculated through the VaR may not exceed an absolute VaR of 20%. This VaR must be calculated on the basis of an analysis of the investment portfolio.

If the overall risk is calculated via the VaR method, the expected leverage level and the possibility of a higher leverage level is referred to in the Fact Sheet of the sub-fund in question.

10. The shares

From the time of their issue, the shares of the SICAV participate equally in the profits and any dividends of the SICAV and the proceeds of its liquidation. Shares do not carry any preferential or pre-emptive rights and each whole share, regardless of its net asset value, carries the rights to one vote at any general meeting of shareholders. Shares must be fully paid-up and are issued at no par value.

There is no restriction as to the number of shares issued. In the event of liquidation, each share carries the right to a pro rata amount of the net liquidation proceeds.

The SICAV offers different share classes per sub-fund. Details of these are mentioned in the Fact Sheet of each sub-fund.

The shares of each share class shall be in registered form only. Shares may also be held and transferred through accounts maintained with clearing systems.

No certificate representing their shares will be issued. Instead, the SICAV may issue a written confirmation of entry in the register if so requested by the shareholder. Fractions of shares divided into thousandths may be issued.

11. Listing of shares

The shares may be listed on an official stock exchange, as decided by the Board of Directors.

12. Issue of shares and subscription and payment procedures

The Board of Directors is authorized to issue an unlimited number of shares at any time. The shares are issued at a price corresponding to the net asset value per share of the corresponding share class. This price may be increased by a subscription fee, as detailed in the Fact Sheets of the sub-funds.

The Valuation Date, the Calculation Date (as defined in the clause titled "Net asset value"), the cut-off time applicable to subscription requests are described in the Fact Sheets.

Any reference made to a Valuation Date shall be understood as any Business Day from which the net asset value is dated and as detailed in the Fact Sheets. The Management Company may consider certain days as not being Valuation Dates if the concerned banks, stock exchanges and/or regulated markets (i.e. the markets in which the sub-fund is mainly invested), as determined by the Management Company for each sub-fund, are closed for means of trading and/or settlement. An up-to-date list of days that are not considered as Valuation Dates for the different sub-funds is available on the following website www.candriam.com.

The SICAV's Board of Directors reserves the right to apply different arrangements for certain countries in order to comply with the laws, regulations and administrative provisions of those countries and provided the investment documents in relation to those countries make due mention of these requirements.

In order to be processed on the basis of the net asset value calculated on a Calculation Date, subscription requests must be received by the Transfer Agent in Luxembourg before the cut-off time indicated in each Fact Sheet. Subscription requests received after the official cut-off time will be processed on the next Valuation Date. Subscriptions are therefore processed at an unknown net asset value.

The SICAV can, however, at the discretion of its Board of Directors, permit exceptions for distributors, at their request, thereby granting them an additional reasonable period of a maximum of 90 minutes after the



official cut-off time of the SICAV to allow them to centralize, consolidate and send orders to the Transfer Agent, provided that the net asset value is still unknown.

Subscription requests must specify the sub-fund, the number of shares to be subscribed, the share class, the type of share (e.g. capitalization, distribution, etc.), and must include a statement declaring that the buyer has received and read a copy of the Prospectus and the key information document and that the subscription request is made on the basis of the terms of those documents. The request must specify the name and address of the person in whose name the shares are to be registered and the address to which confirmations of entry in the register of shareholders are to be sent.

Fair treatment of investors

Investors participate in the Sub-Funds by subscribing into, and holding, shares of individual share classes. Individual shares of a single share class bear the same rights and obligations in order to ensure equal treatment of all investors within the same share class of the relevant Sub-Fund.

While remaining within the parameters profiling the different share classes of the relevant Sub-Fund, the Management Company may enter into arrangements, on the basis of objective criteria as further specified below, with individual investors or a group of investors providing for special entitlements for those investors.

Such entitlements shall be understood as being rebates on fees charged to the share class, or specific disclosures, and will be granted solely based on objective criteria determined by the Management Company and out of its own resources.

Objective criteria include, but are not limited to (alternatively, or cumulatively):

- the expected holding period for an investment in the Sub-Fund;
- the investor's willingness to invest during the launch phase of the Sub-Fund;
- the current or anticipated amount subscribed or to be subscribed by an investor;
- the total Asset under Management (AuM) held by an investor in the Sub-Fund or in any other product of the Management Company;
- the type of the investor (e.g., repackager, wholesaler, fund management company, asset manager, other institutional investor, or private individual);
- the fee or revenues generated by the investor with a group of, or all affiliates of the group to which the Management Company belongs.

Any investor or prospective investor within a share class of a given Sub-Fund which is, in the reasonable opinion of the Management Company, objectively in the same situation than another investor in the same share class who entered into arrangements with the Management Company is entitled to the same arrangements. In order to obtain the same treatment, any investor or prospective investor may liaise with the Management Company by addressing a request to the Management Company. The Management Company will share the relevant information on the existence and nature of such specific arrangements with the relevant investor or prospective investor, verify the information received from the latter and determine on the basis of the information made available to it (including by such investor or prospective investor) whether the latter is entitled to the same treatment or not.

As soon as the price at which the shares are to be issued has been calculated, the Transfer Agent will notify the selling agent who, in turn, will inform the buyer of the total amount to be paid, including the subscription fee, in respect of the number of shares to be subscribed.

Full payment, including any subscription fee, must be received within the required subscription settlement period as specified in each Fact Sheet. If the payment and the written subscription request have not been received on time, the investor will be liable for the costs incurred (including interest), the request may be rejected and any allocation of shares made on the basis of such request may be cancelled. If payment in connection with a subscription request is received after the given period, the Transfer Agent may process this request on the basis that the number of shares that can be subscribed by means of such amount (including the applicable subscription fee) will be the number resulting from the next calculation of the asset value on the next Valuation Date following receipt of payment.

If a request is rejected in full or in part, the price paid or the remaining balance will be returned to the applicant by post or by bank transfer, at the latter's risk.

The SICAV reserves the right to reject any subscription requests or to only accept such requests in part. Furthermore, and in accordance with the articles of incorporation, the Board of Directors reserves the right to suspend the issue and sale of shares in the SICAV at any time and without notice.



No share will be issued by the SICAV during any period in which the calculation of the net asset value per share is suspended by the SICAV in accordance with the powers granted to it in its articles of incorporation and described in the Prospectus. Notice of any suspension of this type will be given to persons who have submitted a subscription request and any requests made or pending during such suspension may be withdrawn by written notification provided it is received by the Transfer Agent before the suspension is lifted. Unless they have been withdrawn, requests will be processed on the first Valuation Date following the end of the suspension.

13. Conversion of shares

Shareholders may request the conversion of all or some of their shares into shares in another class or another sub-fund, provided they meet the necessary criteria, by advising the Transfer Agent, in writing, by fax, or by any other electronic means accepted by the Transfer Agent.

The Valuation Date (as defined in the clause titled "Issue of shares and subscription and payment procedures"), the Calculation Date, the cut-off time applicable to conversion requests are described in the Fact Sheets.

The cut-off time for conversion requests is the same as for redemptions. The SICAV may, however, at the discretion of its Board of Directors, permit exceptions to distributors, at their request, thereby granting them an additional reasonable period of a maximum of 90 minutes after the official cut-off of the SICAV to allow them to centralize, consolidate and send orders to the Transfer Agent at an unknown net asset value.

Notwithstanding any suspension of the calculation of the net asset value, conversion will be carried out on the Calculation Date following the receipt of the request, at a rate calculated by reference to the price of the shares of the respective sub-funds established on that same date.

The rate at which all or some of the shares in a sub-fund or class (the "Original Sub-Fund" or "Original Class") are converted into shares in another sub-fund or class (the "new sub-fund" or the "new class") is determined, as closely as possible, on the basis of the following formula:

$$A = \frac{B \times C \times E}{D}$$

A = the number of shares in the new sub-fund or new class;

B = the number of shares in the original sub-fund or original class;

C = the net asset value per share of the original sub-fund or original class used on the date in question;

D = the net asset value per share of the new sub-fund or new class used on the date in question; and

E = the exchange rate on the date in question between the currency of the sub-fund to be converted and the currency of the sub-fund to be allocated.

After conversion, shareholders will be informed by the Transfer Agent of the number of shares that they have obtained in the new sub-fund or new class as a result of conversion and their price.

14. Redemption of shares

Shareholders are entitled at any time and without restriction to apply for their shares to be redeemed by the SICAV. The shares redeemed by the SICAV will be cancelled.

14.1. Redemption procedure

All shareholders wishing to have all or part of their shares redeemed must submit their request in writing to the Transfer Agent. The request must be irrevocable (with the exception of what is stated below in the case of temporary suspension of redemptions) and must indicate the number, sub-fund and class of shares to be redeemed and the name under which they are registered. The request must also contain the fax number or the address, if applicable, of the shareholder making the redemption request.

The Valuation Date (as defined in the clause titled "Issue of shares and subscription and payment procedures"), the Calculation Date, the cut-off time applicable to redemption requests are described in the Fact Sheets.



In order to be processed on the basis of the net asset value calculated on a Calculation Date, redemption requests must be received by the Transfer Agent in Luxembourg before the cut-off time indicated in each Fact Sheet. The redemption requests received after the official cut-off time will be processed on the next Valuation Date. Redemptions are therefore processed at an unknown net asset value.

The SICAV may, however, at the discretion of its Board of Directors, permit exceptions to distributors, at their request, thereby granting them an additional reasonable period of a maximum of 90 minutes after the official cut-off of the SICAV to allow them to centralize, consolidate and send orders to the Transfer Agent at an unknown net asset value.

As soon as reasonably possible, after the redemption price has been determined, the Transfer Agent will inform the applicant of the price. The price of the redeemed shares will be paid within the redemption settlement period as specified in each Fact Sheet.

14.2. Temporary suspension of redemptions

The right of any shareholder to apply for redemptions from the SICAV will be suspended during any period in which the calculation of the net asset value per share is suspended by the SICAV by virtue of the powers described in the clause titled "Temporary suspension of the calculation of the net asset value and of the issue, redemption and conversion of shares" of the Prospectus. Any shareholders requesting redemption will be notified of this suspension and of the end of the suspension. The shares in question will be redeemed on the first Business Day in Luxembourg following the lifting of the suspension.

14.3. Deferral of redemptions

If redemption requests received, on any one Sub-Fund, on any Valuation Day exceed ten percent (10%) of the total net assets of the relevant Sub-Fund, the Board of Directors or the Management Company on behalf of the Fund, may decide to defer part or all of such requests for such period as the Board of Directors or the Management Company considers to be in the best interests of the Sub-Fund provided that any such deferral period would not normally exceed ten (10) Business Days for each non-proceeded redemption. On the next Valuation Day following such period of deferral, redemption requests so deferred will be given priority over requests subsequently received. The price at which the deferred redemptions will be applied will be the Net Asset Value per Share of the Sub-Fund on the Valuation Day on which such requests can be met (meaning the net asset value calculated after the deferral period). In either case, the Directors may declare that redemptions and conversions will be deferred until the SICAV has realized, as soon as possible, the necessary assets out of the sub-fund concerned or until the exceptional circumstances cease to apply.

Redemptions and conversions so deferred will be done on a prorata basis and will be dealt with in priority to later requests.

15. Market Timing and Late Trading

"Market Timing" means the arbitrage technique whereby an investor systematically subscribes to and redeems or converts units or shares of a single UCI over a short period of time by exploiting the time differences and/or imperfections or deficiencies of the system for calculating the net asset value of the UCI.

"Late Trading" means the acceptance of a subscription, conversion or redemption order after the cut-off time for the acceptance of orders on the relevant trading day and its execution at the price based on the net asset value applicable to that day.

Market Timing and Late Trading, as defined above, are formally prohibited whether in relation to subscription, redemption or conversion orders. The SICAV reserves the right to reject any subscription, redemption or conversion orders received from an investor suspected of such practices and, where applicable, reserves the right to take all the necessary measures to protect the other shareholders.



16. The fight against money laundering and the financing of terrorism

16.1. Identification of subscribers

The SICAV, the Management Company, the Transfer Agent, and the selling agents must at all times comply with the rules in Luxembourg relating to the combating of money-laundering and financing of terrorism and the prevention of the use of the financial sector for these purposes.

With regard to the combating of money-laundering and financing of terrorism, the SICAV, the Management Company and the Transfer Agent will ensure that the applicable Luxembourg legislation in this area is respected, and will satisfy themselves that subscribers are identified in Luxembourg in accordance with the legislation which is in force, including but not limited to Directive (EU) 2015/849, the Law of 12 November 2004 and CSSF Regulation No 12-02 of 14 December 2012, as amended from time to time.

The Transfer Agent has a duty to comply with rules in Luxembourg when it receives subscription applications. As such, when a shareholder or future shareholder submits a request, the Transfer Agent is required to identify the customer and the effective beneficiaries, and to verify their identity on the basis of documents, data or information from reliable and independent sources, applying a risk-based approach.

When the shares are subscribed by an intermediary acting on behalf of others, the Transfer Agent must put in place extra vigilance measures specifically seeking to analyse the robustness of the monitoring structures in the combating of money-laundering and financing of terrorism.

If there are any doubts as to the identity of a person making a subscription or redemption application due to a lack, irregularity or insufficiency of proof regarding that person's identity, it is the responsibility of the Transfer Agent to suspend or even reject the subscription application for the reasons set out above. In such circumstances, the Transfer Agent will not be liable for any costs or interest.

16.2. Identification of the risk level of the investment

In addition, when performing investment transactions, the SICAV, the Management Company and, if applicable, the entity to which the implementation of the portfolio management duties is delegated, must carry out an analysis of the risk of money-laundering and financing of terrorism associated with the investment and put in place vigilance measures which are appropriate for the evaluated and documented risk.

17. Net asset value

The net asset value of the shares in each sub-fund is determined in that sub-fund's base currency in accordance with the articles of incorporation, which stipulate that this calculation will take place at least twice a month.

The net asset value of active sub-funds is calculated in Luxembourg on each calculation date (the "Calculation Date"), as stated in the Fact Sheets. Any reference made to a Calculation Date shall be understood as any Business Day on which the net asset value of the Valuation Date is determined and as detailed in the Fact Sheets. The net asset value is calculated on the basis of the last known prices on the markets where the securities held in the portfolio are predominantly traded.

The net asset value per share in each sub-fund shall be rounded to the closest second decimal.

In order to determine the net asset value, income and expenditures are accounted for up to the applicable settlement date for subscriptions and redemptions, which will be processed on the basis of the applicable net asset value. The value of the securities and other assets held in each sub-fund at the end of each Valuation Date is determined in accordance with the articles of incorporation of the SICAV, which stipulate various principles for determining this value, as explained below.

The net assets of each sub-fund will be valued as follows:

- a) The SICAV's assets shall, in particular, be comprised of:
 - all cash on hand or on deposit, including accrued interest;
 - all notes and bills payable on demand and accounts receivable (including proceeds from the sale of securities where payment has not yet been received);



- all securities, units, shares, bonds, derivative instruments or subscription rights and other investments and securities owned or contracted for by the SICAV;
- all dividends and distributions to be received by the SICAV (based on the understanding that the SICAV may make adjustments in light of fluctuations in the market value of the transferable securities resulting from ex-dividend or ex-rights trading or similar practices);
- all accrued interest from securities owned by the SICAV, unless such interest is included in the principal of these securities;
- the preliminary expenses of the SICAV insofar as they have not been amortized; and
- all other assets of any kind, including prepaid expenses.

The value of these assets will be determined as follows:

- **Equities, warrants and rights:** Equities are valued at the closing price on the various stock exchanges on the Valuation Date.
- **Exchange traded funds (“ETF”) and UCI:** ETFs and UCI are valued at the net asset value representative of the markets on the reference date or in the absence thereof the preceding date.
- **Bonds:** Bonds are valued at the closing price provided by pricing vendors on the Valuation Date.
- **Negotiable debt securities and other money market instruments:** Negotiable debt securities are valued at the closing price provided by pricing vendors on the Valuation Date. Negotiable debt securities and other money market instruments with a residual maturity of less than or equal to three months may be valued according to the amortized cost method. In the event of the deterioration of the quality of credit of one or more issuers which considerably affects the net asset value, the amortized cost method will be abandoned and the negotiable debt security/money market instrument will then be valued to reflect this deterioration.
- **Exchange traded derivatives:** These financial instruments are valued at the closing prices on the various futures and options markets on the Valuation Date.
- **OTC cleared derivatives:** These financial instruments are valued at the end of day official prices used for mark-to-market and margin call purposes on the Valuation Date.
- **Spot exchange rates:** The spot exchange rates are valued from the market data available from specialized data providers.
- **Forward foreign exchange:** Foreign exchange futures are valued on the basis of the market data available such as the spot price, interest rate curve etc, from specialized data providers.
- **Credit derivatives and credit derivative indices:** Non cleared credit derivatives are calculated based on models validated by the Management Company, using market data such as the spread curve, interest rate curve etc., available from specialized data providers. The prices obtained are compared with those of the counterparties.
- **Interest rate swaps:** Non cleared interest rate swaps are calculated based on models validated by the Management Company, using market data available on Bloomberg such as interest rate curves. The prices obtained are compared with those of the counterparties.
- **Other OTC derivatives:** Non-cleared OTC products are calculated based on models validated by the Management Company, using the market data available on Bloomberg (volatility, interest rate curve, etc.). The prices obtained from the models are compared with those of the counterparties.
- **Repurchase and reverse repurchase agreements, lending and borrowing of securities:** Repurchase agreements, reverse repurchase agreements and securities borrowing/lending are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.
- **Exceptional treatment:** Debt securities (bonds, negotiable debt securities, money market instruments, etc.) which are not actively traded or for which the price is clearly not representative of the market, may be valued on the basis of an estimated method at the discretion of the Management Company. In addition, the actuarial method, the rate applied being that for issues of equivalent securities, where applicable, allocated by a differential representative of the intrinsic characteristics of the issuer of the security, may be used.
- **Listed securities:** Listed securities (equities, warrants, rights, options) in which there are not significant amounts of transactions and/or for which the price is clearly not representative of the market, may be valued on the basis of a method representative of the close of the market at the discretion of the Management Company.
- **Main sources:** The principal specialized data providers for valuations are Bloomberg, Reuters and CMA. The Management Company may, nevertheless, use other sources as it deems appropriate.
- **Accounting methods:** Interest on bonds and debt securities is recognized using the accrued coupons method.



b) The liabilities of the SICAV will, in particular, be comprised of:

- all borrowings, matured bills and accounts payable;
- all accrued or payable administrative expenses (including but not limited to fees paid to the asset managers, custodians, representatives and agents of the SICAV);
- all known liabilities, whether or not due, including all contractual obligations due and relating to payments in cash or in kind, including the amount of any unpaid dividends declared by the SICAV where the Valuation Date coincides with the record date for the determination of the persons entitled to such payment;
- an appropriate reserve for future taxes on capital and on revenue, accrued up to the Valuation Date and determined periodically by the SICAV and, where necessary, other reserves authorized or approved by the Board of Directors;
- any other liabilities of the SICAV regardless of their nature and type, with the exception of those represented by its own funds. When valuing these other liabilities, the SICAV will take into consideration all its expenses, in particular: incorporation costs, fees and commissions payable to counterparties providing a service to the SICAV including management fees, performance fees and consulting fees, fees payable to the depository and correspondent agents, the administrative agent, the transfer agent, the paying agents, etc., including out-of-pocket expenses, legal fees and audit fees, promotional expenses, the cost of printing and publishing the share sales documents and any other document concerning the SICAV such as financial reports, the cost of calling and holding shareholders' meetings and of any amendments to the articles of incorporation, the cost of calling and holding meetings of the Board of Directors, reasonable travel expenses incurred by the directors in carrying out their duties plus attendance allowances, share issue and redemption costs, dividend payment costs, taxes due to the supervisory bodies in foreign countries where the SICAV is registered including fees and commissions payable to local permanent representatives, also the costs associated with maintaining registrations, taxes, charges and duties imposed by government authorities, stock exchange listing and follow-on costs, financial, banking or brokerage fees, the expenses and costs connected with subscription to an account or a license or any other request for paid information from financial index providers, ratings agencies or any other data suppliers, and all other operating expenses and all other administrative charges. When valuing the amount of all or some of these liabilities, the SICAV may estimate regular or periodic administrative and other expenses on the basis of one year or any other period, allocating the amount over that period on a pro rata basis, or may set a fee calculated and paid as described in the sales documents..

c) Each share of the SICAV that is in the process of being redeemed will be considered to be issued and outstanding until the close of business on the Valuation Date on which this share is redeemed and will, from that date until the redemption price is paid, be considered a liability of the SICAV.

Each share to be issued by the SICAV in accordance with subscription requests received will be treated as having been issued from the close of business on the Valuation Date on which its issue price is calculated, and its price will be treated as an amount due to the SICAV until received by it.

d) As far as possible, any investments or divestments made by the SICAV up to a given Valuation Date will be taken into account.

e) The net asset value of each sub-fund will be expressed in the currency selected by the Board of Directors as stated in the Fact Sheets.

All assets not expressed in the currency of the sub-fund will be converted into that currency at the same day exchange rate of the stock market used as reference for the calculation of the net asset value.

The net asset value of the SICAV is equal to the sum of the net assets of the various sub-funds. The capital of the SICAV will at all times be equal to the net asset value of the SICAV and its consolidation currency is the EUR.

f) Pools of assets are established for each sub-fund as follows:

- the proceeds from the issue of shares in a sub-fund will be allocated in the accounts of the SICAV to the pool of assets established for that sub-fund, and the assets, liabilities, income and expenses relating to that sub-fund will be allocated to the pool of assets of that sub-fund;
- assets which are derived from other assets will be allocated in the accounts of the SICAV to the



same pool of assets as the assets from which they are derived. Whenever an asset is re-valued, its increase or reduction in value will be allocated to the pool of assets of the sub-fund to which it is allocated;

- all of the liabilities of the SICAV which may be allocated to a given sub-fund will be allocated to the pool of assets of that sub-fund;
- the assets, liabilities, charges and expenses which cannot be allocated to a specific sub-fund will be allocated to the various sub-funds in equal parts, or insofar as the amounts concerned justify it, proportionate to their respective net assets.

Following any declaration of dividends to the shareholders of a sub-fund, the net value of that sub-fund will be reduced by the amount of the dividends.

g) Anti-dilution mechanism

- **Field of application**

A protection mechanism intended to avoid performance dilution (“Anti-Dilution Mechanism”) has been put in place on all the SICAV’s sub-funds, with the exception of the Candriam Fund Sedes Sapientae and Candriam Fund Sustainable Short Term Equivalent sub-funds, for which the application of such a mechanism is deemed neither appropriate nor practicable.

- **Description of the Anti-Dilution Mechanism and applicable thresholds**

The Anti-Dilution Mechanism put in place within the SICAV is intended to save existing sub-funds’ shareholders from having to bear expenses incurred for transactions on portfolio assets performed in the wake of significant subscriptions to or redemptions from the sub-fund by investors.

Indeed, when there are significant subscriptions to or redemptions from the sub-fund, the manager must invest/disinvest the corresponding amounts, thus generating large transactions which may entail variable transaction fees depending on the asset types concerned.

These fees are mainly taxes on certain markets and execution fees billed by brokers. These fees can be fixed amounts or variable in proportion to the volumes traded and/or take the form of the difference between the bid or ask prices for a financial instrument on the one hand and the valuation or average price on the other (typical situation in bond trading for example).

The goal of the Anti-Dilution Mechanism is therefore to have these costs borne by the investors at the origin of the subscription/redemption transactions concerned and to protect existing investors.

In practice, on valuation dates when the difference between the amount of subscriptions and the amount of redemptions of a sub-fund (representing the net transactions) exceeds a threshold set beforehand by the Board of Directors, the Board reserves the right:

- to assess the net asset value by adding a fixed percentage for fees and charges to the NAV (for net subscriptions) or deducting this percentage from the NAV (for net redemptions) with this percentage for fees and charges corresponding to market practice when buying or selling securities, i.e. the Swing Pricing mechanism;
- value the securities portfolio of this sub-fund on the basis of buying or selling prices or by setting spreads at a level representative of the market in question (in the case, respectively, of net inflows or net outflows), i.e. the Bid/Ask Mechanism.

Under no circumstances will the Swing Pricing mechanism and the Bid/Ask mechanism be implemented simultaneously.

- **Impact of activating the Anti-Dilution Mechanism and applicable Factor**

- in case of net subscriptions: increase in the net asset value, i.e. an increase in the purchase price for all investors subscribing to shares on that date,
- in case of net redemptions: reduction in the net asset value, i.e. a reduction in the selling price for all investors redeeming their shares on that date.



This increase or reduction in the net asset value is called the “Factor” of the Anti-Dilution Mechanism.

The scope of this variation depends on the estimate made by the Management Company of the transaction fees applied to the types of assets concerned.

The pricing adjustment must not exceed 2% of the net asset value, except in exceptional circumstances, such as in the event of a strong drop in liquidity. If this 2% limit is exceeded, the Management Company will inform the CSSF and will notify the shareholders via a publication on its website www.candriam.com. Details will also be published for the sub-fund concerned in the SICAV’s (semi-)annual report.

▪ **Process by which it is decided to apply the Anti-Dilution Mechanism**

The Board of Directors has entrusted the Management Company with implementation of the Anti-Dilution Mechanism.

The Management Company has drawn up a policy detailing how the Anti-Dilution Mechanism works and has implemented operational processes and procedures in order to oversee application of the Anti-Dilution Mechanism by the Administrative Agent and the Transfer Agent. The policy detailing the Management Company’s Anti-Dilution Mechanism has been duly validated by the SICAV’s Board of Directors.

▪ **Methodology to be applied in case of performance fees**

If performance fees must be calculated, these fees are calculated before any application of the Anti-Dilution Mechanism, making these fees immune to the impact of the Anti-Dilution Mechanism.

Investors’ rights

The SICAV complies with the principles and rules set out in CSSF circular 02/77, as replaced by CSSF circular 24/856 of March 29, 2024, concerning the protection of shareholders in the event of errors in the calculation of the net asset value and the correction of the consequences of non-compliance with the investment rules applicable to the SICAV. The rights of the final beneficiaries may be affected when compensation is paid out in case of errors/non-compliance at the level of the sub-fund where investors subscribed to units of the sub-fund through a financial intermediary. Investors are advised to seek advice on their rights.

18. Temporary suspension of the calculation of the net asset value and of the issue, redemption and conversion of shares

The Board of Directors is authorized to temporarily suspend the calculation of the net asset value of one or more sub-funds, as well as the issue, redemption and conversion of shares in one or more sub-funds in the following cases:

- a) If the net asset value of shares in the underlying funds representing a substantial part of the investments of the sub-fund cannot be determined;
- b) during any period when any market or stock exchange which is the principal market or stock exchange on which a significant percentage of the investments of the SICAV is listed, is closed, except for normal closing days, or when trading is subject to major restrictions or suspensions (for instance, when the stock exchange is closed for a half-day);
- c) during any period when there exists a state of affairs which, in the opinion of the SICAV, constitutes an emergency as a result of which it is impractical to dispose of investments by reasonable and normal means, or where it would seriously harm the shareholders’ interests;
- d) during any breakdown in the means of communication normally used to determine the price of any investment of the sub-fund or current prices on any stock exchange;
- e) during any period during which it is not possible to deliver the funds which are or may be necessary for the realization or payment of any investment of the SICAV, or during any period in which it is not possible to repatriate funds required for the redemption of the shares;
- f) in the event of cancellation/closure or demerger of one or more sub-funds or share classes or types of shares provided such suspension is justified in the interests of protecting the shareholders of the sub-funds, share classes or types of shares in question;
- g) if a meeting of shareholders is convened to propose the winding-up of the SICAV;



- h) in case a sub-fund is a feeder of another UCITS (or a sub-fund thereof), if the net asset value calculation of the master UCITS (or the sub-fund thereof) is suspended;
- i) any other cases where the Board of Directors determines that such a suspension is necessary to safeguard the interests of the shareholders concerned.

Shareholders requesting redemption or conversion of shares will be advised of any suspension of the calculation of the net asset value. Pending subscription, redemption or conversion requests may be withdrawn by means of a written notification to the Transfer Agent, provided such notification is received by the Transfer Agent before the suspension is lifted. Pending subscriptions, redemptions and conversions will be processed on the first possible Valuation Date after the lifting of the suspension.

19. Dividend distribution policy

19.1 General principles

At the proposal of the Board of Directors, the general meeting of shareholders will decide each year on the allocation of income.

For the capitalization shares, the Board of Directors will propose in principle the capitalization of the associated income.

For the distribution shares, the Board of Directors may propose to distribute the net income arising from investments for the financial year, realized and unrealized capital gains and the net assets within the limits of the law.

Where the Board of Directors considers it expedient to do so, it may proceed to payment of interim dividends.

19.2 Dividend distribution policy

The SICAV may propose to distribute dividends to the shareholders of the distribution shares. Capitalization shares will normally not pay dividends.

When the Board of Directors will propose a dividend distribution to the general meeting of shareholders, the distributed amount will be determined within the limits of the law.

Annual dividends may be declared separately in respect of each share class at the annual general meeting of shareholders. The Board of Directors also reserves the right to distribute interim dividends for each share class during the financial year.

Dividends may be paid by the SICAV more frequently in respect of some or all share classes, from time to time, or be paid at different times of the year, as deemed appropriate by the Board of Directors. It is intended that all the share classes with the suffix :

- (m) may distribute a monthly dividend
- (q) may distribute a quarterly dividend
- (s) may distribute a semi-annual dividend

The Board of Directors can determine the dividend policies and the payment methods for the dividends and interim dividends that have been decided upon.

For example, the SICAV may offer fixed distribution share classes where the dividend is based on a fixed amount or fixed percentage of the net asset value per share at the date determined by the Board of Directors. Such dividends will normally be paid at a fixed distribution frequency, as deemed appropriate by the Board of Directors (e.g. quarterly).

A dividend calendar including details on the distribution frequency and the dividend calculation basis can be requested from the Management Company and is available on www.candriam.com.

Shareholders should be particularly aware of the following:

- The dividend is not dependent upon the level of income or capital gains of the share class.
- The dividend paid may include a capital distribution, provided that after distribution, the net assets of the SICAV total more than the minimum capital requirement under Luxembourg Law.



As such, the dividend paid may exceed the gains of the share class resulting in erosion of the initially invested capital. Shareholders should note that, where the dividend rate is in excess of the investment income of the share class, dividends will be paid out of the capital attributed to the share class, as well as from realized and unrealized capital gains. This may be tax inefficient for investors in certain countries. Investors should consult their local tax adviser about their own position.

In addition, for fixed distribution share classes, shareholders should also be particularly aware of the following :

- During periods of negative performance of a sub-fund/share class, the dividend will normally continue to be paid. This may result in a more rapid decline in the capital value of the investment of the sub-fund/share class. Thus, the value of a shareholder's investment could ultimately be reduced to zero.
- The Directors of the SICAV will periodically review the fixed distribution share classes and reserve the right to make changes. Changes to the distribution policy will be communicated to shareholders through Candriam's website.
- It may not be possible to maintain the dividend payment indefinitely.
- The Board of Directors could decide that a share class does not distribute any dividend or to reduce the amount of the dividend to be distributed.

Dividends that are not claimed within 5 years of their date of payment may no longer be claimed and shall revert to the appropriate class.

20. Separation of the liabilities of the sub-funds

The SICAV is one and the same legal entity. However, all assets of a given sub-fund are accountable for the debts, liabilities and obligations relating to that sub-fund only. In relations between shareholders, each sub-fund is treated as a separate entity.

21. Taxation

21.1. Taxation of the SICAV

Under the terms of current legislation and according to current practice, the SICAV is not liable for any Luxembourg income tax (i.e. on dividends, interest, or capital gains received). Similarly, dividends paid by the SICAV are not subject to any form of Luxembourg withholding tax.

However, the SICAV is liable in Luxembourg to an annual subscription tax ("*taxe d'abonnement*") representing 0.05% of the net assets of the SICAV.

The Indexed sub-funds are exempted from the "*taxe d'abonnement*" as these are sub-funds:

- (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognized and open to the public; and
- (ii) whose exclusive object is to replicate the performance of one or more indices.

This subscription tax is reduced to 0.01% for classes reserved for institutional investors. The subscription tax is payable quarterly based on the net assets of the SICAV calculated at the end of the quarter to which the duty relates.

Certain revenues of the SICAV such as dividends, interest, and capital gains on assets from sources outside Luxembourg may, however, be liable for variable rate taxes, which are generally deducted at source. Generally speaking, these taxes or deductions at source are not fully or even partially recoverable. The relief from these taxes and deductions at source provided by the international double taxation prevention treaties entered into by the Grand Duchy of Luxembourg and the respective countries is not always applicable.



21.2. Taxation of shareholders

Under current legislation, shareholders are not liable in Luxembourg for any gift or inheritance tax, except for shareholders who are domiciled, resident or have a permanent address in Luxembourg. In terms of income tax, shareholders who are resident in Luxembourg are liable on the basis of a direct assessment on dividends received and capital gains realized on the sale of their shares if their shares are held for a period of less than 6 months, or if more than 10% of the shares of the company are held.

Shareholders who are non-resident in Luxembourg are not liable for tax in Luxembourg on the dividends received or capital gains realized on the sale of their shares.

We recommend that shareholders familiarise themselves with and, if necessary, seek advice on the laws and regulations governing taxation and exchange control applicable to the subscription, purchase, holding and sale of shares in their place of origin, residence and/or domicile.

22. General meetings of shareholders

The annual general meeting of the shareholders of each sub-fund of the SICAV is held at the registered office of the SICAV or any other place in Luxembourg as specified in the convening notice. It shall take place within 6 months after the financial year's end.

Notices of all general meetings of shareholders will be sent to all registered shareholders, to the address shown in the register of shareholders, at least 8 days before the general meeting. These notices will state the time and place of the general meeting of shareholders and the conditions of admission, the agenda and the requirements under Luxembourg law as regards the necessary quorum and majority.

If required by local legislation, the notices will also be published in Luxembourg and in the countries where the shares of the SICAV are authorized for public marketing in any newspaper selected by the Board of Directors.

The requirements concerning attendance, quorum and majority during any general meeting of shareholders will be those set down in the articles of incorporation of the SICAV.

23. Closure, merger and demerger of a sub-fund, class or type of share – Liquidation of the SICAV

23.1. Closure, cancellation and liquidation of sub-funds, share classes or share types

The Board of Directors may decide to close, cancel or liquidate one or more sub-funds, classes or types of shares by cancelling the shares in question either by repaying the relevant shareholders the total net asset value of the shares in the sub-funds, classes or types of shares in question, after deducting the liquidation charges, or by allowing them to convert to another sub-fund of the SICAV, with no conversion charge, thereby allocating them new shares equal to the value of their previous holding, after deducting the liquidation charges.

This decision may, in particular, be made in the following circumstances:

- a change in the economic and political situation in the countries in which investments are made or the shares of one of more sub-funds are sold;
- if the net assets of a sub-fund, a class or a type of share fall below a certain threshold considered by the Board of Directors to be insufficient to be able to continue managing the sub-fund or class effectively;
- within the context of rationalizing the products offered to shareholders.

This decision of the Board of Directors shall be made public through all appropriate means, including by publication in a newspaper in the countries where the shares of the SICAV are distributed, if required by the legislation of these countries.

The Board of Directors would be required to refer the matter of closing, cancelling or liquidating the final sub-fund of the SICAV to the general meeting of shareholders under the conditions of quorum and majority required by Luxembourg law.



The net liquidation proceeds of each sub-fund will be distributed to the shareholders of each sub-fund proportionate to their holding.

The liquidation proceeds attributable to shares whose holders do not come forward on completion of the liquidation proceedings of a sub-fund will remain on deposit with the *Caisse de Consignation* in Luxembourg to the profit of the relevant beneficiary.

23.2. Merger of sub-funds, share classes or share types

23.2.1. Merger of a class or type of share

Under the circumstances indicated in clause 23.1 above, the Board of Directors may decide to merge one or more classes or types of shares of the SICAV.

This decision of the Board of Directors shall be made public through all appropriate means and published in any newspaper in the countries where the shares of the SICAV are distributed, if required by the legislation of these countries. This publication will be made at least one month before the date the merger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares at no charge.

In case of a merger of a sub-fund, the Board of Directors will give notice to shareholders concerned, as required by Luxembourg laws and regulations. Such notice shall be provided to the shareholders concerned at least thirty days before the last date available for them to exercise their right to request the repurchase or redemption or conversion of their shares without charge other than the charges applied to meet disinvestment costs.

23.2.2. Merger of a sub-fund

Under the circumstances indicated in clause 23.1. above, the Board of Directors may decide to merge one or more sub-funds of the SICAV together or merge one or more sub-funds of the SICAV with another UCITS governed by Directive 2009/65/EC under the conditions set down in the Law.

However, for any merger resulting in the disappearance of the SICAV to take effect, the merger must be approved by a general meeting of shareholders deliberating in accordance with the methods and the quorum and majority requirements stated in the articles of incorporation.

The SICAV will send the shareholders appropriate and accurate information about the proposed merger so as to allow them to make a fully informed decision as to the impact of this merger on their investment. This information will be communicated based on the conditions set down in the Law.

23.3. Demerger of sub-funds, share classes or share types

Under the same circumstances as indicated in clause 23.1. above, the Board of Directors may also, if it deems appropriate in the interests of the shareholders of a sub-fund, class or type of share, decide to divide this sub-fund, class or type of share into two or more sub-funds, classes or types of share.

This decision of the Board of Directors shall be made public through all appropriate means and published in any other newspaper in the countries where the shares of the SICAV are distributed, if required by the legislation of these countries. This publication will be made at least one month before the date the demerger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares at no charge.

23.4. Liquidation / merger of the SICAV

The SICAV may be wound up / merged at any time by a resolution adopted by a general meeting of shareholders in accordance with the provisions of its articles of incorporation.

If the share capital of the SICAV were to fall below two-thirds of the minimum capital, the Board of Directors would be required to refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without a quorum requirement and acting by vote of a simple majority of the shares represented at the meeting.



If the share capital of the SICAV were to fall below one-quarter of the minimum capital, the Board of Directors would be required to refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without a quorum requirement. Winding-up may be declared by shareholders holding one-quarter of the shares represented at the meeting.

The meeting notice must be sent to shareholders in so as to ensure that the meeting is held within forty days of finding that the net assets have fallen, respectively, below two-thirds or one-quarter of the minimum capital.

The liquidation of the SICAV, whether court-ordered or otherwise, will be carried out in accordance with the Law and the articles of incorporation. In the event of non-court ordered liquidation, the process will be carried out by one or more liquidators who will be appointed by the general meeting of shareholders, which will determine their powers and remuneration.

The sums and amounts attributable to shares whose holders do not come forward on completion of the liquidation proceedings will remain on deposit with the *Caisse de Consignation* for the relevant beneficiary.

24. Fees and charges

The fees related to the Management Company's activities are detailed in the fact sheets of the various sub-funds.

The fees received by the Depositary are detailed in the fact sheets of the various sub-funds. These fees do not include costs and expenses (in respect of electronic communications, telephone, fax, bank confirmation fees, printing, publication or postage) incurred by the management company, its delegates and/or the Depositary in carrying out their duties. The charges and costs relating to opening a specific sub-fund may be amortised over five years exclusively in relation to the assets of such new sub-fund.

Start-up costs in connection with forming and launching the SICAV which have not been amortized on the creation date of the new sub-funds will continue to be borne exclusively by the sub-funds that existed at the time the SICAV was incorporated.

Costs and expenses relating to updating the Prospectus may be amortized over five years.

Fees and expenses chargeable to a given sub-fund shall be charged directly to such sub-fund. A sub-fund shall not be liable for expenses attributable to another sub-fund. Each sub-fund is treated as a separate entity in relations between shareholders.

Any Expenses and costs not directly attributable to a specific sub-fund will be charged equally among the various sub-funds or, where the amount of expenses and costs so requires, will be allocated among the sub-funds proportionate to their respective net assets.

The SICAV will normally bear the cost of all its operating expenses, which will notably include, but not be restricted to, the fees and expenses payable to the Management Company (which includes the administrative agent, the transfer agent and management delegation fees), the start-up costs and costs of amending the regulatory in the future, the commissions and fees payable to the Depositary and correspondent banks, paying agents or other representatives and employees of the Management Company as well as permanent representatives of the Management Company in the countries where the SICAV is authorized to be marketed, the legal expenses and expenses for auditing the annual accounts of the SICAV, the stock market listing expenses, the cost of promotion, preparation, printing and publication of the sales documents of the shares, the cost of preparing and printing the annual and semi-annual financial reports, reasonable travel expenses of the directors and managers, registration declarations fees, all duties and taxes imposed by the government and stock exchange authorities, the fees for publishing the issue, redemption and conversion prices as well as all other operating expenses including financial, banking and brokerage expenses incurred at the time of the purchase or sale of assets or otherwise, the fees and costs associated with a subscription or a license or any other request for data or information against a fee paid to a provider of financial indices, a rating agency or any other data provider, and any other administrative expenses.

Under the conditions set down by law, the legal, advisory or administrative costs associated with preparing and carrying out the merger of one or more sub-funds of the SICAV may not be charged to the respective sub-funds of the SICAV.



In certain jurisdictions where the SICAV's shares are marketed, investors might be charged by a local paying agent in return for services provided.

25. Information to shareholders

25.1. Publication of the net asset value

The net asset value per share of each sub-fund and/or of each share class and the issue, redemption and conversion prices will be published on each Valuation Date at the registered office of the SICAV and at the registered office of the financial service agents in the countries where the SICAV is authorized for public marketing of its shares.

25.2. Notices to shareholders

Notices to shareholders, including convening notices to general meetings, shall be sent to the shareholders by registered letter to their address entered in the register of shareholders, or by any other means of communication (including e-mail) that meets the conditions laid down by the law of August 10, 1915 on commercial companies and has been accepted by the shareholder. Any shareholder who fails to notify the SICAV of his or her e-mail address will be deemed to have refused all electronic communications.

If required by the local legislation, the notices will be published in Luxembourg and in the countries where the shares of the SICAV are authorized for public marketing in any newspaper selected by the Board of Directors.

25.3. Reports and financial statements

The financial reports to shareholders on the previous financial year will be available at the registered office of the SICAV.

The financial year of the SICAV ends on December 31st of each year. The financial reports of the SICAV are prepared in compliance with the generally accepted accounting principles in Luxembourg, known as "Luxembourg GAAP".

25.4. Documents of the SICAV

The Prospectus, articles of incorporation, key information documents and annual and semi-annual reports of the SICAV are available, free of charge on request at the Registered Office of the SICAV, on banking days and during usual business hours, or directly at www.candriam.com.

The Depositary Bank and Principal Paying Agent Agreement and the Management Company Agreement concluded by the SICAV are available for inspection during normal business hours on Business Days at the registered office of the SICAV.

Those documents can also be obtained free of charge on request from the financial service agents in the countries where the SICAV is authorized for public marketing of its shares.

25.5. Auditors

PricewaterhouseCoopers Luxembourg is responsible for the auditing of the accounts and the annual reports of the SICAV.

25.6. Additional Information

In order to meet regulatory and/or tax requirements, the Management Company may, over and above the legal publications, communicate to investors requesting it the SICAV's portfolio composition and all information relating to it.

25.7. Information for investors located in Asia

To facilitate communication in the Asian time zones, investors have the option of contacting CACEIS Malaysia Sdn. Bhd. directly to transmit their share subscription, redemption or conversion orders and to obtain any information or documentation concerning customer identification and/or Personal Data.



26. Processing of personal data

26.1 Introduction

In accordance with the provisions of Luxembourg law on the protection of persons with regard to the processing of their personal data and all applicable local laws and regulations (the “Applicable Data Protection Legislation”), including notably by operation EU Regulation 2016/679 (the “GDPR”), the Management Company acting on behalf of the SICAV process personal data and therefore act as data controllers (the “**Controllers**”).

26.2 Processing of personal data

In the context of their operations, the Controllers collect, store and process, by electronic or other means, the personal data of investors as well as their directors, officers, employees and beneficial owners (the “Data Subjects”) for the purpose of fulfilling the services required by the investors and complying with their legal and regulatory obligations. In particular, the Controllers may process personal data for the following purposes:

- To allow and facilitate investments for shares in the SICAV and their ongoing management and administration (including creation, update and maintenance of investors’ accounts and of the register of shareholders, processing of subscriptions, redemptions and conversions of shares, performance of any corporate actions in relation to holdings of shares);
- Fund administration purposes, compliance by the Controllers with their contractual obligations and pursuance of legitimate interests and purposes (including payments of dividends, information and reporting to investors, handling of complaints, convening and holding of general meetings of shareholders);
- Compliance with applicable laws and regulations, such as, but not limited to, applicable anti-money laundering rules, applicable tax requirements (notably under the FATCA), late trading and market timing practices, periodic and ad hoc reporting to investors and local authorities, compliance with judicial orders;
- For any other particular purpose, where the Data Subject has consented to the processing for such a purpose;
- Client relationship management.

The “legitimate interests” of the Controllers referred to above include: (a) client relationship management; (b) the provision of the proof, in the event of a dispute, of a transaction or any commercial communication; as well as in connection with any proposed purchase, merger or acquisition of any part of the SICAV’s business; and (c) exercising the business of the SICAV in accordance with reasonable market standards.

Given the purposes for which the processing of Personal Data is envisaged, the Controllers do not anticipate obtaining the consent to do so. If they were to rely on consent to process the Data Subjects’ personal data, the Controllers will contact them to obtain this consent. In the case consent is relied upon, Data Subjects will have the right to withdraw their consent at any time.

The personal data processed by the Controllers includes in particular the following: the name, contact details (including postal or email address), TIN, banking details, invested amount and holdings in the SICAV of investors (“Personal Data”).

In the event that the relevant investor is not the Data Subject to whom the personal data relates, it shall inform the relevant Data Subject(s) about the processing of their personal data for the purposes described herein, provide these persons with a copy of this notice and, where necessary and appropriate, obtain in advance their consent that may be required for the processing of their personal data. The Controllers assume that investors have complied with the undertakings contained herein.

The investor may at his/her discretion refuse to communicate Personal Data to the Controllers. In this case, however, the Management Company acting on behalf of the SICAV may reject a request for Shares.

The Personal Data is not retained for longer than is necessary for the purposes for which it is processed and is subject to applicable retention periods.

26.3 Third Parties’ access to Personal Data and transfers outside EEA

In addition to the Management Company acting on behalf of the SICAV, personal data might be shared



with delegates, agents and service providers of the Controllers, as well as with courts and public and administrative authorities (it being specified that these authorities, in particular tax authorities, may themselves transmit the Information to other authorities, in particular tax authorities). Personal Data may be transferred to affiliates and third-party entities supporting the activities of the Controllers which include, in particular, the Administrator, Custodian, Transfer agent and Distributors. The Controllers, as well as the above recipients may further disclose the personal data to their representatives, employees and to other entities within their group as well as to other third parties for the purposes mentioned above and for internal investigations and reporting.

Personal Data might be shared and transferred by the aforementioned entities within or outside of the European Economic Area (EEA), in which later case they shall ensure that the Personal Data is protected by either an adequacy decision of the European Commission or appropriate safeguards such as EU Standard Contractual Clauses (SCC), binding corporate rules, approved code of conduct, approved and/or certification mechanisms. The investor may at his/her discretion object to the transfer of his/her Personal Data by the Controllers outside the EEA. In this case, however, the Management Company acting on behalf of the SICAV may reject a request for Shares.

26.4 Rights of the Data Subjects

Under the Applicable Data Protection Legislation, each Data Subject has the following rights:

- **Access:** the right to obtain confirmation that Personal Data is or is not being processed and to obtain access to that Personal Data and to receive certain additional information such as the purpose of the processing or the categories of Personal Data. Data Subjects have the right to request a copy of the Personal Data. Data Subjects may be denied access to Personal Data if, for example, making it available involves disclosing the personal data of a third party, or if the Controllers are prohibited by law from disclosing such information.
- **Accuracy:** the Controllers shall keep the Personal Data up to date and ensure that it is accurate and complete.
- **Withdrawal:** where the processing is based on the consent, Data Subjects have the right to withdraw their prior consent to the processing of Personal Data.
- **Objection:** in some cases, taking into consideration all the facts of the case, Data Subjects also have the right to object to the processing of Personal Data.
- **Restriction:** In some cases, taking into consideration all the facts of the case, Data Subjects also have the right to restrict the processing of Personal Data.
- **Erasure:** In some cases, taking into consideration all the facts of the case, Data Subjects also have the right to have the Personal Data erased.
- **Portability:** the right to request that all or parts of the Personal Data are transferred to the Data Subject or to another data controller, in a commonly used and machine-readable format.
- **Complaints:** If the Data Subjects consider that their rights have been breached, they are entitled to lodge a complaint with the competent supervisory authority or to appeal to a court.

If the Data Subjects wish to submit a request to exercise one or more of their rights listed above, they must send an email at the following address: dpo@candriam.com. This request must clearly state which right the Data Subjects wish to exercise and, where applicable, the reasons for exercising the right. The Controllers will promptly notify when the request is received. If the request is valid, the Controllers will comply with it as soon as reasonably possible and, in any event, within one month of receiving the request. Otherwise, the Controllers will inform the Data Subjects of the reasons for refusal within one month of receiving the request.



26.5 More information

Should Data Subjects have any question, request or concern about the processing of their personal data hereunder, they can send an email to dpo@candriam.com or a mail at the registered office of the Management Company acting on behalf of the SICAV.

This Notice is kept under regular review and may be updated from time to time by the Controllers.



Appendix I - Fact sheets



Candriam Fund Bond 2027

- Fact Sheet -

This sub-fund is classified under Art 8. of the SFDR Regulation, i.e. it promotes, among other characteristics, environmental and/or social characteristics.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective and Investor Profile

The objective of the sub-fund is to use discretionary management to generate revenues by investing in bonds denominated in EUR, issued by highly rated issuers of all types until the maturity of the sub-fund.

Maturity date: The sub-fund implements its investment strategy over from the launch date until the maturity set by the SICAV.

The maturity date is initially set on December 31, 2027. Depending on the market conditions and depending on the possibility of achieving its investment objective as decided by the SICAV, the latter may decide to modify the maturity date. Such an extension must be decided two months before the expiry of the previous one*.

Before the maturity date, and on an exceptional basis the SICAV, may decide to close the sub-fund anticipatively to preserve the interests of shareholders. For example, if the sub-fund becomes difficult to manage or if the investment objective can no longer be achieved.

The shareholders will automatically be refunded at the NAV of the maturity date.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium-term investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) denominated in EUR. These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organizations, public entities and semi-public issuers. These securities are highly rated (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase) or considered to be of equivalent quality by the Management Company (in particular if there is no rating).

The remainder of the assets may be invested in:

- eligible securities other than those described above;
- high yield bonds (up to 20% of net assets), emerging market bonds (for a up to 20% of the net assets), subordinated debt (for up to 20% of the net assets), all together for a maximum of 30% of the net assets; and/or
- money market instruments and/or
- cash and deposits

Exposures to currencies other than the euro are hedged against the foreign exchange risk, however residual currency risk may remain.

When approaching the maturity date the sub-fund may be mainly invested in cash, money-market, and short dated investments.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The sub-fund aims to exclude some companies as described in the SFDR annexes.

Those exclusions are applicable to investments in direct lines and/or in UCI/UCITS for which Candriam is the Management Company.



The analysis and selection process of corporate issuers may be accompanied by company stewardship activities (e.g. active direct dialogue with companies, participation to collaborative engagement initiatives) as described within Candriam's Engagement Policy.

The details of Candriam's Exclusion and Engagement Policy are available via the following links:

<https://www.candriam.com/en/private/sfdr/> <https://www.candriam.com/en/professional/sfdr/>

Ø Document titled "Candriam Exclusion Policy"

Ø Document titled "Candriam Engagement Policy"

The Sub-Fund aims to invest at least 10% of its assets under management into Green Bonds. Green Bonds eligible to the Sub-Fund may include sovereign, quasi-sovereign as well as corporate issuances.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging and/or exposure.

The underlying of these derivative financial instruments can be currencies, interest rates, credit spreads such as credit default swaps, forwards, and futures.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 50% and 75% of the net assets of the portfolio, and which may reach a maximum of 100% of the net assets of the portfolio, under certain market conditions.

In any case, these operations will only be carried out if market conditions allow to generate income for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.

In particular, the sub-fund will use reverse repurchase agreements when justified by the market conditions, and only when a cash investment based on such a transaction is justified.

The sub-fund will use repurchase agreements in a proportion which may vary between 0% and 10% of the net assets of the portfolio, and which may reach a maximum of 10% of the net assets of the portfolio, under certain market conditions.

In every case, such transactions must be justified in order to meet temporary liquidity needs.

4. Risk factors specific to the sub-fund and risk management

4.1. Risk factors specific to the sub-fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- Derivatives risk
- Sustainability risk
- ESG investment risk
- Liquidity risk
- Counterparty risk
- Emerging market risk
- Risk associated with external factors

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.



4.2. Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.

5. **Base currency:** EUR.

6. **Form of the shares:** registered shares only.

7. Share classes

- C, capitalization shares, denominated in **EUR** [LU2667742220]
- C, distribution shares, denominated in **EUR** [LU2667742493]
- I, capitalization shares, denominated in **EUR** [LU2667742576]
- I, distribution shares, denominated in **EUR** [LU2667741685]
- I-H, capitalization shares, denominated in **USD** [LU2683116706]
- R, capitalization shares, denominated in **EUR** [LU2667741768]
- R, distribution shares, denominated in **EUR** [LU2667741842]
- V, capitalization shares, denominated in **EUR** [LU2683116615]
- Z, capitalization shares, denominated in **EUR** [LU2667741925]
- Z, distribution shares, denominated in **EUR** [LU2667742147]

8. Minimum initial subscription

- There is no initial subscription minimum applicable for those share classes.

9. Fees and charges

Shares	Fees and charges					
	Subscription (for the benefit of the selling agents)	Conversion	Exit (for the benefit of the sub-fund) (***)	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
C	Max 2,5%	0%	Max 2,5%	Max 0,75%	Max 0,06%	Max 0,05%
I	0%	0%	Max 2,5%	Max 0,40%	Max 0,04%	Max 0,05%
R	Max 2,5%	0%	Max 2,5%	Max 0,40%	Max 0,06%	Max 0,05%
V	0%	0%	Max 2,5%	Max 0,40%	Max 0,04%	Max 0,05%
Z	0%	0%	Max 2,5%	0%	Max 0,04%	Max 0,05%

(*) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.

(**) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.

(***) This fee may be charged on redemption requests provided that at the same Valuation Date, the same exit fee is charged to all investors of the sub-fund.

10. Applicable cut-off times for the subscription, redemption and conversion of shares

D	12 noon (Luxembourg time) is the cut-off time.
D	Valuation Date
D +1	Calculation Date
D+3	Settlement date

This Fact Sheet forms an integral part of the Prospectus dated 26 January 2026.



Candriam Fund Bond 2028

- Fact Sheet -

This sub-fund is classified under Art 8. of the SFDR Regulation, i.e. it promotes, among other characteristics, environmental and/or social characteristics.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective and Investor Profile

The objective of the sub-fund is to use discretionary management to generate revenues by investing in bonds denominated in EUR, issued by issuers of all types until the maturity of the sub-fund.

Maturity date : The Sub-Fund implements its investment strategy over from the launch date until the maturity set by the SICAV.

The maturity date is initially set on December 31, 2028. Depending on the market conditions and depending on the possibility of achieving its investment objective as decided by the SICAV, the latter may decide to modify the maturity date. Such an extension must be decided two months before the expiry of the previous one*.

Before the maturity date, and on an exceptional basis the SICAV, may decide to close the sub-fund anticipatively to preserve the interests of shareholders. For example, if the sub-fund becomes difficult to manage or if the investment objective can no longer be achieved.

The shareholders will automatically be refunded at the NAV of the maturity date.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium-term investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) denominated in EUR. These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organizations, public entities and semi-public issuers. These securities can be of any rating quality, a maximum of 35 % of the sub-fund's assets can be invested in high yields bonds (rated at least BB-/Ba3 by one of the rating agencies at the time of purchase) or considered to be of equivalent quality by the Management Company (in particular if there is no rating).

The remainder of the assets may be invested in:

- eligible securities other than those described above
- emerging market bonds (up to 20% of the net assets), subordinated debt (up to 20% of the net assets), all together for a maximum of 20% of the net assets; and/or
- money market instruments and/or
- cash and deposits

Exposures to currencies other than the euro are hedged against the foreign exchange risk, however residual currency risk may remain.

Given the buy & hold strategy of the sub-fund, in case of downgrade of a security below BB-/Ba3 after purchase, it will not be automatically sold. In this case, the portfolio manager will take the necessary actions in the best interest of the sub-fund.

When approaching the maturity date the sub-fund may be mainly invested in cash, money-market, and short dated investments.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.



The sub-fund aims to exclude some companies as described in the SFDR annexes. Those exclusions are applicable to investments in direct lines and/or in UCI/UCITS for which Candriam is the Management Company.

The analysis and selection process of corporate issuers may be accompanied by company stewardship activities (e.g. active direct dialogue with companies, participation to collaborative engagement initiatives) as described within Candriam's Engagement Policy.

The details of Candriam's Exclusion and Engagement Policy are available via the following links:

<https://www.candriam.com/en/private/sfdr/> <https://www.candriam.com/en/professional/sfdr/>

Ø Document titled "Candriam Exclusion Policy"
Ø Document titled "Candriam Engagement Policy"

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging and/or exposure.

The underlying of these derivative financial instruments can be currencies, interest rates, credit spreads such as credit default swaps, forwards, and futures.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 50% and 75% of the net assets of the portfolio, and which may reach a maximum of 100% of the net assets of the portfolio, under certain market conditions.

Under no circumstances will such transactions be carried out when the market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.

In particular, the sub-fund will use reverse repurchase agreements when justified by the market conditions, and only when a cash investment based on such a transaction is justified.

The sub-fund will use repurchase agreements in a proportion which may vary between 0% and 10% of the net assets of the portfolio, and which may reach a maximum of 10% of the net assets of the portfolio, under certain market conditions.

In every case, such transactions must be justified in order to meet temporary liquidity needs.

4. Risk factors specific to the sub-fund and risk management

4.1. Risk factors specific to the sub-fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- Derivatives risk
- Sustainability risk
- ESG investment risk
- Emerging market risk
- Liquidity risk
- Counterparty risk
- Risk associated with external factors

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.



4.2. Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.

5. **Base currency:** EUR.

6. **Form of the shares:** registered shares only.

7. Share classes

- C, capitalization shares, denominated in **EUR** [LU3070547529]
- C, distribution shares, denominated in **EUR** [LU3070547792]
- I, capitalization shares, denominated in **EUR** [LU3070547875]
- I, distribution shares, denominated in **EUR** [LU3070547958]
- R, capitalization shares, denominated in **EUR** [LU3070548097]
- R, distribution shares, denominated in **EUR** [LU3070548170]
- Y, capitalization shares, denominated in **EUR** [LU3070548253]
- Z, capitalization shares, denominated in **EUR** [LU3070548337]
- Z, distribution shares, denominated in **EUR** [LU3070548410]

8. Minimum initial subscription

- There is no initial subscription minimum applicable for those share classes.

9. Fees and charges

Shares	Fees and charges					
	Subscription (for the benefit of the selling agents)	Conversion	Exit (for the benefit of the sub-fund) (***)	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
C	Max 2,5%	0%	Max 2,5%	Max 0,75%	Max 0,06%	Max 0,05%
I	0%	0%	Max 2,5%	Max 0,40%	Max 0,04%	Max 0,05%
R	Max 2,5%	0%	Max 2,5%	Max 0,40%	Max 0,06%	Max 0,05%
Y	Max 2,5%	0%	Max 2,5%	Max 0,20%	Max 0,04%	Max 0,05%
Z	0%	0%	Max 2,5%	0%	Max 0,04%	Max 0,05%

(*) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.

(**) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.

(***) This fee may be charged on redemption requests provided that at the same Valuation Date, the same exit fee is charged to all investors of the sub-fund.

10. Applicable cut-off times for the subscription, redemption and conversion of shares

D	12 noon (Luxembourg time) is the cut-off time.
D	Valuation Date
D +1	Calculation Date
D+3	Settlement date

This Fact Sheet forms an integral part of the Prospectus dated 26 January 2026.



Candriam Fund Bond 2030

- Fact Sheet -

This sub-fund is classified under Art 8. of the SFDR Regulation, i.e. it promotes, among other characteristics, environmental and/or social characteristics.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective and Investor Profile

The objective of the sub-fund is to use discretionary management to generate revenues by investing in bonds denominated in EUR, issued by highly rated issuers of all types until the maturity of the sub-fund.

Maturity date: The sub-fund implements its investment strategy over from the launch date until the maturity set by the SICAV.

The maturity date is initially set on December 31, 2030. Depending on the market conditions and depending on the possibility of achieving its investment objective as decided by the SICAV, the latter may decide to modify the maturity date. Such an extension must be decided two months before the expiry of the previous one*.

Before the maturity date, and on an exceptional basis the SICAV, may decide to close the sub-fund anticipatively to preserve the interests of shareholders. For example, if the sub-fund becomes difficult to manage or if the investment objective can no longer be achieved.

The shareholders will automatically be refunded at the NAV of the maturity date.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium-term investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) denominated in EUR. These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organizations, public entities and semi-public issuers. These securities are highly rated (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase) or considered to be of equivalent quality by the Management Company (in particular if there is no rating).

The remainder of the assets may be invested in:

- eligible securities other than those described above
- high yield bonds (up to 20% of net assets), emerging market bonds (for a up to 20% of the net assets), subordinated debt (for up to 20% of the net assets), all together for a maximum of 30% of the net assets; and/or
- money market instruments and/or
- cash and deposits

Exposures to currencies other than the euro are hedged against the foreign exchange risk, however residual currency risk may remain.

When approaching the maturity date the sub-fund may be mainly invested in cash, money-market, and short dated investments.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The sub-fund aims to exclude some companies as described in the SFDR annexes.

Those exclusions are applicable to investments in direct lines and/or in UCI/UCITS for which Candriam is the Management Company.



The analysis and selection process of corporate issuers may be accompanied by company stewardship activities (e.g. active direct dialogue with companies, participation to collaborative engagement initiatives) as described within Candriam's Engagement Policy.

The details of Candriam's Exclusion and Engagement Policy are available via the following links:

<https://www.candriam.com/en/private/sfdr/> <https://www.candriam.com/en/professional/sfdr/>

Ø Document titled "Candriam Exclusion Policy"

Ø Document titled "Candriam Engagement Policy"

The Sub-Fund aims to invest at least 10% of its assets under management into Green Bonds. Green Bonds eligible to the Sub-Fund may include sovereign, quasi-sovereign as well as corporate issuances.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging and/or exposure.

The underlying of these derivative financial instruments can be currencies, interest rates, credit spreads such as credit default swaps, forwards, and futures.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 50% and 75% of the net assets of the portfolio, and which may reach a maximum of 100% of the net assets of the portfolio, under certain market conditions.

In any case, these operations will only be carried out if market conditions allow to generate income for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.

In particular, the sub-fund will use reverse repurchase agreements when justified by the market conditions, and only when a cash investment based on such a transaction is justified.

The sub-fund will use repurchase agreements in a proportion which may vary between 0% and 10% of the net assets of the portfolio, and which may reach a maximum of 10% of the net assets of the portfolio, under certain market conditions.

In every case, such transactions must be justified in order to meet temporary liquidity needs.

4. Risk factors specific to the sub-fund and risk management

4.1. Risk factors specific to the sub-fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- Derivatives risk
- Sustainability risk
- ESG investment risk
- Liquidity risk
- Counterparty risk
- Emerging market risk
- Risk associated with external factors

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.



4.2. Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.

5. **Base currency:** EUR.

6. **Form of the shares:** registered shares only.

7. **Share classes**

- C, capitalization shares, denominated in **EUR** [LU2667587583]
- C, distribution shares, denominated in **EUR** [LU2667587666]
- I, capitalization shares, denominated in **EUR** [LU2667587740]
- I, distribution shares, denominated in **EUR** [LU2667587823]
- R, capitalization shares, denominated in **EUR** [LU2667588045]
- R, distribution shares, denominated in **EUR** [LU2667588128]
- Y, capitalization shares, denominated in **EUR** [LU2982110418]
- Z, capitalization shares, denominated in **EUR** [LU2667588391]
- Z, distribution shares, denominated in **EUR** [LU2667588474]

8. **Minimum initial subscription**

- There is no initial subscription minimum applicable for those share classes.

9. **Fees and charges**

Shares	Fees and charges					
	Subscription (for the benefit of selling agents)	Conversion	Exit (for the benefit of the sub-fund) (***)	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
C	Max 2,5%	0%	Max 2,5%	Max 0,75%	Max 0,06%	Max 0,05%
I	0%	0%	Max 2,5%	Max 0,40%	Max 0,04%	Max 0,05%
R	Max 2,5%	0%	Max 2,5%	Max 0,40%	Max 0,06%	Max 0,05%
Y	0%	0%	Max 2,5%	Max 0,20%	Max 0,04%	Max 0,05%
Z	0%	0%	Max 2,5%	0%	Max 0,04%	Max 0,05%

(*) *The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.*

(**) *The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.*

(***) *This fee may be charged on redemption requests provided that at the same Valuation Date, the same exit fee is charged to all investors of the sub-fund.*

10. **Applicable cut-off times for the subscription, redemption and conversion of shares**

D	12 noon (Luxembourg time) is the cut-off time.
D	Valuation Date
D +1	Calculation Date
D+3	Settlement date

This Fact Sheet forms an integral part of the Prospectus dated 26 January 2026.



Candriam Fund Bonds Eastern Europe 2029

- Fact Sheet -

This sub-fund is classified under Art 8. of the SFDR Regulation, i.e. it promotes, among other characteristics, environmental and/or social characteristics.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective and Investor Profile

The objective of the sub-fund is to use discretionary management to generate revenues by investing in bonds issued or guaranteed by governments, international and supranational organizations and public entities in Central and Eastern Europe until the maturity of the sub-fund.

Maturity date : the sub-fund implements its investment strategy from the launch date until the maturity set by the SICAV.

The maturity date is initially set on 2 April 2029. Depending on the market conditions and depending on the possibility of achieving its investment objective as decided by the SICAV, the latter may decide to modify the maturity date. Such an extension must be decided two months before the expiry of the previous one.

Before the maturity date, and on an exceptional basis the SICAV, may decide to close the sub-fund anticipatively to preserve the interests of shareholders. For example, if the sub-fund becomes difficult to manage or if the investment objective can no longer be achieved.

The shareholders will automatically be refunded at the NAV of the maturity date.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium-term investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities)

- issued or guaranteed by governments, international and supranational organizations, public entities;
- of Central and/or Eastern Europe (notably of Poland, Czech Republic, Hungary, Slovakia, Romania, Lithuania, Latvia);
- denominated notably in EUR, PLN, CZK, HUF;
- rated at least BBB-/Baa3 at the time of purchase by one of the rating agencies or considered to be of equivalent quality by the Management Company.

The remainder of the assets may be invested in:

- eligible securities other than those described above (notably debt securities issued or guaranteed by governments, international and supranational organizations, public entities of the European Union);
- in UCIs and UCITS for a maximum of 10% of its assets;
- money market instruments; and/or
- cash and deposits.

Given the buy & hold strategy of the sub-fund, in case of downgrade of a security below BBB-/Baa3 after purchase, it will not be automatically sold. In this case, the portfolio manager will take the necessary actions in the best interest of the sub-fund.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging and/or exposure.

The underlying of these derivative financial instruments can be currencies, interest rates, credit spreads



such as notably forwards and futures.

When approaching the maturity date,

- the sub-fund is authorized to invest, according to the principle of risk diversification, up to 100% of its assets in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by a Member State of the OECD or by public international bodies to which one or more Member States of the EU belong; and/or
- the sub-fund may be mainly invested in cash.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The sub-fund aims to have a weighted average Freedom House Country Score that is higher than an absolute threshold. This threshold is defined in function of the sub-fund's investment universe and may be reviewed if the investment universe changes.

Freedom House work to defend human rights and promote democratic transition by focusing on political and civil rights and freedoms. Their analysis focuses on major issues such as authoritarian drift, the integrity of elections, freedom of the press and the transparency and accountability of governments.

The sub-fund aims to exclude some issuers as described in the SFDR annexes.

Those exclusions are applicable to investments in direct lines and/or in UCI/UCITS for which Candriam is the Management Company.

The details of Candriam's Exclusion Policy are available via the following links:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Ø Document titled "Candriam Exclusion Policy"

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.

In any case, these operations will only be carried out if market conditions allow to generate income for the sub-fund.

4. Risk factors specific to the sub-fund and risk management

4.1. Risk factors specific to the sub-fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Emerging market risk
- Liquidity risk
- Sustainability risk
- ESG investment risk
- Concentration risk
- Derivatives risk
- Counterparty risk
- Risk associated with external factors

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

4.2. Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.



5. **Base currency:** EUR.

6. **Form of the shares:** registered shares only.

7. **Share classes**

- C, capitalization shares, denominated in **EUR [LU2725806850]**
- C, distribution shares, denominated in **EUR [LU2725806934]**

8. **Minimum initial subscription**

- There is no initial subscription minimum applicable for those share classes.

9. **Fees and charges**

Shares	Fees and charges					
	Subscription (for the benefit of selling agents)	Conversion	Exit (for the benefit of the sub-fund) (***)	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
C	Max 2,5%	0%	Max 2,5%	Max 0,75%	Max 0,06%	Max 0,05%

(*) *The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.*

(**) *The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.*

(***) *This fee may be charged on redemption requests provided that at the same Valuation Date, the same exit fee is charged to all investors of the sub-fund.*

10. **Applicable cut-off times for the subscription, redemption and conversion of shares**

D	12 noon (Luxembourg time) is the cut-off time.
D	Valuation Date
D +1	Calculation Date
D+3	Settlement date

This Fact Sheet forms an integral part of the Prospectus dated 26 January 2026.



Candriam Fund Equity EMU High Dividend

- Fact Sheet -

This sub-fund is classified under Art 8. of the SFDR Regulation, i.e. it promotes, among other characteristics, environmental and/or social characteristics.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective and Investor Profile

The aim of the sub-fund is to invest in high dividend stocks from companies having their registered office and/or carrying out their primary economic activity in a eurozone country, taking into account Candriam's ESG exclusions while limiting deviation from the performance of the MSCI EMU High Dividend Yield Index (Net Return).

2. Investment policy

The assets of this sub-fund are invested principally in equity-type securities of companies that have their registered office and/or carry out their primary economic activity in a Member State of the eurozone and that pay a dividend higher than market average.

The remainder of the assets may be invested in:

- Transferable securities and money market instruments other than those described above
- UCITS or other open-ended UCIs, but may not exceed 10% of the net assets
- Deposits and/or cash.

The sub-fund may also make use of derivative financial instruments such as options or futures on stock exchange indices and/or individual equities and warrants on transferable securities for the purpose of hedging or exposure. Investors' attention is drawn to the fact that warrants and futures contracts are more volatile than the underlying equities and that the leverage effect may operate unfavorably on the performance of the sub-fund.

While investing in high dividend stocks from companies having their registered office and/or carry out their primary economic activity in a eurozone country the sub-fund intends not to deviate too much from the performance of its benchmark "MSCI EMU High Dividend Yield Index (Net Return).

Not all the securities from the benchmark are necessarily bought (mainly due to the ESG analysis, described hereunder, which reduces the eligible investment universe) nor weighted exactly the same as in the benchmark. The ex-post tracking error is expected to be situated – calculated over a period of 52 weeks – between 1% and 3%.

Moreover, as the sub-fund pays the costs (transaction costs, for example) and fees, the sub-fund's performance may deviate from the performance of benchmark.

The investment strategy factors in an ESG analysis in the selection of securities using a form of analysis developed in-house by Candriam, as described in the Investment policy section of the Prospectus and in the SFDR Annex. This analysis is an additional source of difference in composition and/or performance between the benchmark and the portfolio.

The sub-fund aims to reduce its carbon footprint in relation to the benchmark and seeks to exclude certain companies as described in the SFDR Annex.

Finally, under certain conditions, the process may also be accompanied by active involvement, in particular dialogue with companies and voting as the shareholder at AGMs.

For more information about the ESG criteria, please see the Transparency Code which is available via the following link:

https://www.candriam.com/documents/candriam/article_210/en/document.pdf



3. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark. The selected benchmark does not explicitly take into account sustainability criteria.

Benchmark name	MSCI EMU High Dividend Yield Index (Net Return)
Benchmark definition	The index measures the performance of the large and mid-capitalization equity segment across developed markets in the European Economic and Monetary Union (EMU) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.
Use of the benchmark	<ul style="list-style-type: none"> • as investment universe. The sub-fund's financial instruments are essentially part of the benchmark. This said, investments outside this benchmark are admitted; • in the determination of risk levels / parameters; • for performance comparison.
Deviation level of the portfolio composition from the benchmark	<p>The sub-fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the sub-fund will be limited to moderate, this is comprised between 1% and 3,5%.</p> <p>This measure is an estimation of the deviation of the sub-fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error.</p>
Benchmark provider	<p>MSCI Limited</p> <p>MSCI Limited is an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p> <p>The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.</p>

4. Efficient portfolio management techniques

The sub-fund may use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.

In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will not use reverse repurchase or repurchase agreements.

5. Risk factors specific to the sub-fund and risk management

5.1. Risk factors specific to the sub-fund

- Risk of loss of capital
- Equity risk
- Sustainability risk



- ESG investment risk
- Liquidity risk
- Concentration risk
- Model risk
- Risk on index replication
- Risk associated with external factors

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

5.2. Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.

6. Base currency: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- Y, capitalization shares, denominated in **EUR** [LU3087816586]

9. Minimum initial subscription

- There is no initial subscription minimum applicable for those share classes.

10. Fees and charges

Shares	Fees and charges					
	Subscription (for the benefit of selling agents)	Conversion	Exit	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
C	Max 2,5%	0%	0%	Max 0,10%	Max 0,05%	Max 0,05%

(*) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.

(**) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.

11. Applicable cut-off times for the subscription, redemption and conversion of shares

D	12 noon (Luxembourg time) is the cut-off time.
D	Valuation Date
D +1	Calculation Date
D+2	Settlement date

This Fact Sheet forms an integral part of the Prospectus dated 26 January 2026.



Candriam Fund ONE Global Best-In-Class Equities

- Fact Sheet -

This sub-fund is classified under Art 8. of the SFDR Regulation, i.e. it promotes, among other characteristics, environmental and/or social characteristics.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective and Investor Profile

The aim of the sub-fund, through discretionary and quantitative management, is to benefit from the equity market performance of companies in developed countries and to aim for a performance close to the MSCI World (Net Return) by selecting companies based on Environmental, Social and Governance (“ESG”) criteria.

The sub-fund is intended for investors pursuing this objective over a long-term investment horizon. The client must be aware of, understand and be able to bear the specific risks of the sub-fund listed below and defined in the Risk Factors section of the prospectus.

2. Investment policy

This sub-fund enables shareholders to invest mainly in a portfolio of equities, which are present in the MSCI World (Net Return) and based on an analysis of Environmental, Social and Governance (“ESG”) criteria.

The remaining assets may be invested in:

- Transferable securities and/or money market instruments, other than those defined above;
- UCITS and/or other open-ended UCI, within the limit of 10% of net assets;
- Deposits and/or cash.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

This analysis is based on the MSCI ESG rating for each company.

From the investment universe, being the MSCI World, companies with the worst ESG rating are excluded.

The sub-fund aims to exclude some companies as described in the SFDR annexes.

Those exclusions are applicable to investments in direct lines and/or in UCI/UCITS for which Candriam is the Management Company.

The analysis and selection process of corporate issuers may be accompanied by company stewardship activities (e.g. active direct dialogue with companies, participation to collaborative engagement initiatives) as described within Candriam’s Engagement Policy.

The details of Candriam’s Exclusion and Engagement Policy are available via the following links:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

- [Document titled “Candriam Exclusion Policy”](#)
- [Document titled “Candriam Engagement Policy”](#)

The sub-fund may also use derivative financial instruments on the regulated and/or over-the-counter market (notably via foreign exchange transactions, options or futures) for the purpose of hedging and/or exposure. The underlyings of these derivative financial instruments can be currencies, equities, equity-indices or volatility.



3. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark. The selected benchmark does not explicitly take into account sustainability criteria.

Benchmark name	MSCI World (Net Return)
Benchmark definition	The index measures the performance of the large and mid-capitalization equity segment across developed markets countries.
Use of the benchmark	<ul style="list-style-type: none">• as investment universe. The sub-fund's financial instruments are essentially part of the benchmark. This said, investments outside this benchmark are admitted;• in the determination of risk levels / parameters.
Deviation level of the portfolio composition from the benchmark	<p>The sub-fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the sub-fund will be limited, this is comprised between 0% and 1%.</p> <p>This measure is an estimation of the deviation of the sub-fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error.</p>
Benchmark provider	<p>MSCI Limited</p> <p>MSCI Limited is an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p> <p>The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.</p>

4. Efficient portfolio management techniques

The sub-fund does not use efficient portfolio management techniques.

5. Risk factors specific to the sub-fund and risk management

5.1. Risk factors specific to the sub-fund

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- Sustainability risk
- ESG investment risk
- Liquidity risk
- Derivatives risk
- Counterparty risk
- Model risk
- Risk associated with external factors
- Risk of changes made to the reference index by the index provider

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.



5.2. Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.

6. **Base currency:** EUR.

7. **Form of the shares:** registered shares only.

8. **Share classes**

- S, capitalization shares, denominated in **EUR** [LU1781258261]
- R, capitalization shares, denominated in **EUR** [LU1781258428]

9. **Minimum initial subscription**

- There is no initial subscription minimum applicable for those share classes.

10. **Fees and charges**

Shares	Fees and charges					
	Subscription (for the benefit of selling agents)	Conversion	Exit	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
S	Max. 2.50%	0%	Max. 2.50%	Max. 1.50%	Max. 0.04%	Max. 0.05%
R	Max. 2.50%	0%	Max. 2.50%	Max. 1.50%	Max. 0.06%	Max. 0.05%

(*) *The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.*

(**) *The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.*

11. **Applicable cut-off times for the subscription, redemption and conversion of shares**

D	12 noon (Luxembourg time) is the cut-off time.
D	Valuation Date
D +1	Calculation Date
D+3	Settlement date

This Fact Sheet forms an integral part of the Prospectus dated 26 January 2026.



Candriam Fund Sedes Sapientiae

- Fact Sheet -

This sub-fund is classified under Art 8. of the SFDR Regulation, i.e. it promotes, among other characteristics, environmental and/or social characteristics.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective

The sub-fund's objective is to achieve long-term capital growth through a balanced portfolio invested in different asset classes and to outperform the benchmark.

2. Investment policy

The sub-fund invests mainly in the following asset classes via UCITS and/or UCIs and/or via derivative instruments:

- bonds and/or similar securities (such as "investment grade" bonds, high-yield bonds, inflation-linked bonds, etc.);
- equities or other similar securities;
- money market instruments;
- cash.

The sub-fund may also invest:

- directly in equities, bonds or other securities, money market instruments and cash;
- in UCIs which follow specific strategies (such as commodities, alternative strategies or other opportunities) in accordance with article 41 (1) of the Law.

The assets held may be issued by issuers in different regions of the world, including the emerging countries.

The quota of assets invested in equities may be either the majority, or the minority and it could be highly reduced, according to the asset manager's expectations of the trend of the financial markets and in order to reduce the risk for the investor.

The analysis of ESG aspects is integrated in the selection and allocation of underlyings.

Accordingly, 75% of the sub-fund 's investments in UCIs, are invested in UCI that have a sustainable investment objective and/or promote, among other characteristics, environmental and/or social characteristics.

In addition, when investing in companies (directly or through UCI), the sub-fund aims to exclude* some companies as described in the SFDR annexes.

**For funds not managed by Candriam and funds that do not take particularly into account of ESG criteria some of these exclusions may not be applicable.*

The analysis and selection process of corporate issuers may be accompanied, if appropriate via the underlying funds, by company stewardship activities (e.g. active direct dialogue with companies, voting at general meetings, participation to collaborative engagement initiatives) as described within Candriam's Engagement Policy

Candriam's Voting Committee may decide not to vote for certain sub-funds either because these votes are not relevant, or because the portfolio turnover is high, or because the voting fees are too high in relation to the net assets of the fund.



The details of Candriam's Exclusion, Engagement and Voting Policy are available on Candriam's website via the following links:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

- [Document titled "Candriam Exclusion Policy"](#)
- [Document titled "Candriam Engagement Policy"](#)
- [Document titled "Candriam Voting Policy"](#)

Use of derivatives

The sub-fund may also make use of derivative financial instruments (for example swaps, forwards, options, futures) on the regulated or over-the-counter markets for the purpose both for investment and hedging purposes.

The underlyings of these derivative financial instruments can be equities indices, currencies, interest rates, credit spreads and volatility spreads.

3. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark. The selected benchmark does not explicitly take into account sustainability criteria.

Benchmark name	<ul style="list-style-type: none"> • 18% MSCI Europe (Net Return) • 8% S&P500 (Net Return) • 14% MSCI World (Net Return) • 5% MSCI Emerging Markets (Net Return) • 23% J.P. Morgan GBI Europe (Total Return) • 18% J.P. Morgan GBI Global (Total Return) • 6% iBoxx EUR Corporates • 4% J.P. Morgan EMBI Global Diversified • 4% ICE BofA BB-B Global High Yield Non-Financial Constrained Index Hedged EUR (Total Return)
Benchmark definition	<ul style="list-style-type: none"> • MSCI Europe : measures the performance of the large and mid-capitalization equity segment across developed markets in Europe. • S&P500 : measures the performance of the large capitalization equity segment of the U.S. market and is composed of 500 companies. • MSCI World : measures the performance of the large and mid-capitalization equity segment across developed markets countries. • MSCI Emerging Markets : measures the performance of the large and mid-capitalization equity segment across emerging markets countries. • J.P. Morgan GBI Europe : measures the performance of the most liquid European developed markets local treasury bonds. • J.P. Morgan GBI Global : measures the performance of the most liquid global developed markets local treasury bonds. • iBoxx EUR Corporates : measures the performance of investment-grade EUR-denominated corporate bonds. • J.P. Morgan EMBI Global Diversified : measures the performance of USD-denominated emerging markets sovereign and quasi-sovereign bonds using a diversification scheme that allows for more even weight distribution among the countries in the index. • ICE BofA BB-B Global High Yield Non-Financial Constrained Index : measures the performance of USD, CAD, GBP and EUR-denominated non-financial corporate bonds below investment grade rated BB1 through B3 issued in the major domestic or eurobond markets and with issuer exposure capped at 2%.
Use of the benchmark	<ul style="list-style-type: none"> • as investment universe. In general, the majority of the sub-fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted; • in the determination of risk levels / parameters ; • for performance comparison.



Deviation level of the portfolio composition from the benchmark	<p>The sub-fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the sub-fund will be important this is over 2,5%.</p> <p>This measure is an estimation of the deviation of the sub-fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error.</p>
Benchmark provider	<p>MSCI Limited S&P Dow Jones Indices LLC J.P. Morgan Securities PLC IHS Markit Benchmark Administration Limited ICE Data Indices LLC</p> <p>S&P Dow Jones Indices LLC and MSCI Limited are entities authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p> <p>The other providers are, since Brexit, entities benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p> <p>The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.</p>

4. Investor profile

The sub-fund is intended for investors wishing to benefit from the performance of the equity, bond and money markets through discretionary management over a long-term investment horizon.

The client must be aware of, understand and be able to bear the specific risks of the sub-fund listed below and defined in the Risk Factors section of the prospectus.

5. Efficient portfolio management techniques

The sub-fund does not use efficient portfolio management techniques.

6. Risk factors specific to the sub-fund and risk management

6.1 Risk factors specific to the sub-fund

- Risk of loss of capital
- Equity risk
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Emerging countries risk
- Derivatives risk
- Counterparty risk
- Arbitrage risk
- Sustainability risk
- ESG investment risk
- Commodity risk
- Liquidity risk



- Volatility risk
- Risk associated with external factors
- Risk of changes made to the reference index by the index provider

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

6.2 Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.

7. **Base currency:** EUR.

8. **Form of the shares:** registered shares only.

9. **Share classes**

- **S**, capitalization shares, denominated in **EUR** [LU1444483835]
- **S2**, capitalization shares, denominated in **EUR** [LU3281031172]

10. **Minimum initial subscription**

- The minimum initial subscription for the **S** shares is EUR 20,000,000 or its equivalent in other currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.
- The minimum initial subscription for the **S2** shares is EUR 1,000,000 or its equivalent in other currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

11. **Fees and charges**

Shares	Fees and charges					
	Subscription (for the benefit of selling agents)	Conversion	Exit	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
S	0%	0%	0%	Max. 0.50%	Max. 0.01%	Max. 0.005%
S2	0%	0%	0%	Max. 0.70%	Max. 0.01%	Max. 0.005%

(*) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.

(**) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.

12. **Applicable cut-off times for the subscription, redemption and conversion of shares**

D	12 noon (Luxembourg time) is the cut-off time.
D	Valuation Date
D +1	Calculation Date The net asset value will be calculated once a week on Friday. If this Calculation Date is a public or bank holiday, the Calculation Date will, unless otherwise decided by the SICAV, be the next Business Day. Moreover, the net asset value will also be calculated on the last Business Day of each month.
D+5	Settlement date

This Fact Sheet forms an integral part of the Prospectus dated 26 January 2026.



Candriam Fund Sustainable Short Term Equivalent

- Fact Sheet -

This sub-fund will be launched on board decision.

This sub-fund is classified Art 9. of the SFDR Regulation, i.e. it has a sustainable investment objective.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective & Investor profile

The objective of the sub-fund is to enable shareholders to benefit from the evolution of the global bond and/or money markets, through securities whose issuers are selected by the portfolio manager on the basis of their capacity to generate performance in line with the investment universe and with a maturity not exceeding 5 years.

Beside its financial objective, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis, and aims to have a long term positive impact on environment and social domains.

Investment in this sub-fund may be suitable for any type of investors who want to pursue this investment objective within a short term investment horizon and who are aware, understand and can carry the specific risks of the sub-fund listed below and defined in the paragraph "Risk Factors" of the Prospectus.

2. Investment policy

The assets are mainly invested in debt instruments, money market instruments (including bonds, notes, commercial paper, rights and other equivalent securities) which:

- are issued or guaranteed by governments, international and supranational organisations, public authorities and private or semi-public issuers;
- may be at fixed or variable rates, indexed and / or, for a maximum of 10%, subordinated, from financial and non-financial companies (subordinated bonds are debt instruments which rank after other non-subordinated debts (senior) in relation to repayment. In case of insolvency of the issuer, such subordinated bonds are repayable after repayment of senior debts. Some of these subordinated bonds are perpetual bonds (no maturity). As the chance of receiving any repayment on insolvency is reduced, subordinated debt represent a greater risk but will generally offer a higher return than senior debts issued by the same issuer);
- are denominated or hedged in EUR;
- are rated BBB-/Baa3 (or equivalent) at least by one of the independent rating agency or considered of comparable quality by the Management Company (notably when issue rating is missing).

The remainder of the assets can be invested in:

- eligible securities and/or money market instruments other than those described above (notably high yield bonds for a maximum of 10%, etc...)
- UCITS and/or other open-ended UCI;
- deposits and/or cash.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

ESG aspects are analyzed using a methodology developed by the Management Company and detailed below.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis



aims to better enable managers to identify the risks but also the opportunities arising from the main major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the sub-fund, excluding deposits, cash and index derivatives.

FOR ISSUING COMPANIES

The sub-fund selects companies on the basis of Candriam's ESG analysis, which assesses issuers from two distinct but related perspectives: - the analysis of the company's activities: an assessment of how the company's activities address the main challenges of sustainable development, in particular climate change and resource and waste management; and - the analysis of stakeholders: assessment of how companies manage issues that are important to stakeholders, in particular employees, customers, society, the environment, suppliers, investors.

NORMATIVE ASSESSMENT AND EXCLUSIONS APPLICABLE TO ISSUING COMPANIES

In order to mitigate the risks associated to ESG themes and to take account of significant societal changes, the sub-fund tends to exclude companies that come under Candriam's exclusion policy.

The sub-fund aims to exclude some companies as described in the SFDR annexes.

FOR SOVEREIGN ISSUERS:

Candriam's ESG selection process enables countries to be selected that are well equipped to manage their human, natural and social capital in addition to their economic capital, and that are not considered to be highly repressive regimes and/or that are not exposed to the risk of financing of terrorism and/or money laundering.

IMPLEMENTATION OF THE SUB-FUND'S SUSTAINABILITY OBJECTIVES

Sustainability objective related to climate change is one of the most critical environmental challenges of our time. The possibility of taking up other urgent environmental challenges, such as limiting deforestation, combating the loss of biodiversity or the protection of freshwater resources, will depend on humanity's ability to limit climate warming over the next 30 years. At the same time, the path to be followed to limit greenhouse gas emissions has never been so clear.

Indeed, numerous international and European conventions, backed up by scientific reports, have established specific scenarios to achieve the necessary reduction in emissions. Thus, in the Paris Accord the European Commission committed to reducing overall greenhouse gas emissions by 40% by 2030 compared to 1990 levels. This commitment was updated in 2019 to make Europe the first continent to achieve carbon neutrality on a net basis by 2050 and reduce greenhouse gas emissions by 55% instead of 40% by 2030.

In this context, the Sub-Fund aims to have a carbon footprint below a determined absolute threshold. This threshold has been set at around 30% lower than the investment universe and it can be reviewed depending on the evolution of the investment universe.

For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website:

https://www.candriam.com/documents/candriam/article_206/en/document.pdf

GLOBAL SUSTAINABLE OBJECTIVE

In addition, the Sub-fund is also seeking to have positive long term impacts on the environment, more broadly than climate change and also in social areas.

Several sustainable impacts are incorporated into investment decisions. This is why Candriam has developed an impact assessment methodology based on the analysis of business activities and their contribution to the main sustainable objectives.

As part of this assessment, Candriam analysts seek to determine to what extent the products and services of the companies contribute to the achievement of these major sustainable objectives, which are as follows:



- the attenuation and adaptation to climate change;
- resource and waste management;
- promotion of health and well-being;
- Digitalisation and the promotion of innovation;
- adaptation to demographic changes.

This assessment constitutes the basis for the overall assessment of each company, as well as the analysis of how its stakeholders are managed. By incorporating this assessment of the impact of business activities, Candriam can now implement well-diversified strategies in order to focus investments on companies that contribute to several sustainable objectives.

The objective of having a positive long term environmental and social impact is currently assessed by calculating a score based on Candriam's exclusive ESG analysis.

To address this sustainability objective, the sub-fund's weighted average ESG score, including sovereign issuers and corporate issuers, must be higher than 50 (on a scale of 0 to 100).

The thresholds and the details of the methodology are available in the Transparency Code on Candriam's website as indicated above.:

The Sub-Fund has an overall duration, i.e. sensitivity to movements in interest rates, within a range of 0 to 5 years depending on the manager's expectations regarding the evolution of interest rates.

Exposures to currencies other than the euro will be hedged against foreign exchange risk, however. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk on these currencies may remain.

Engagement and voting

The issuing company analysis and selection process is accompanied by good corporate management activities (for example, direct active dialogue with the companies, participation in collaborative commitment initiatives) described in Candriam's Engagement Policy, available via the following links:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

➤ [Document titled "Candriam Engagement Policy"](#)

Use of derivatives

The sub-fund may also make use of derivative financial instruments on regulated and/or over-the-counter markets (such as swaps, forwards, options or futures) for the purpose of hedging.

The underlyings of these derivative financial instruments may be currencies, interest rates, credit spreads and volatility.

3. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

The selected benchmark does not explicitly take into account sustainability objectives.

There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

Benchmark name	€STR
Benchmark definition	The euro short-term rate (€STR) reflects the wholesale euro unsecured overnight borrowing costs of banks located in the euro area.
Use of the benchmark	For performance comparison.



Benchmark provider	European Central Bank
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.

The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.

In any case, these transactions will be justified by temporary liquidity needs.

5. Risk factors specific to the sub-fund and risk management

5.1. Risk factors specific to the sub-fund

- Risk of loss of capital
- ESG investment risk
- Interest rate risk
- Credit risk
- Derivatives risk
- Counterparty risk
- Foreign exchange risk
- Liquidity risk
- Emerging countries risk
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

5.2. Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.

6. Base currency: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **S**, capitalization shares, denominated in **EUR** [LU2444423664]
- **S**, distribution shares, denominated in **EUR** [LU2444423748]

9. Minimum initial subscription

- The minimum initial subscription for the S shares is EUR 250,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.



10. Fees and charges

Shares	Fees and charges					
	Subscription (for the benefit of selling agents)	Conversion	Exit	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
S	0%	0%	0%	Max. 0.10%	Max. 0.05%	Max. 0.05%

(*) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.

(**) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.

11. Applicable cut-off times for the subscription, redemption and conversion of shares

D	12 noon (Luxembourg time) is the cut-off time.
D	Valuation Date
D +1	Calculation Date
D+3	Settlement date

This Fact Sheet forms an integral part of the Prospectus dated 26 January 2026.



- Fact Sheet -

This sub-fund is classified Art 9. of the SFDR Regulation, i.e. it has a sustainable investment objective.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective & Investor profile

The aim of the sub-fund is to benefit from the performance of the euro-denominated corporate bonds markets, with an investment in bonds of good quality, issued by the private sector and selected on a discretionary basis. Moreover the selection is based on an in-house analysis of Environmental, Social and Governance (“ESG”) criteria.

Beside its financial objective, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis, and aims to have a long-term positive impact on environment and social domains.

Investment in this sub-fund may be suitable for any type of investors who want to pursue this investment objective within a medium term investment horizon and who are aware, understand and can carry the specific risks of the sub-fund listed below and defined in the paragraph “Risk Factors” of the Prospectus.

2. Investment policy

The assets are principally invested in debt instruments (bonds and other equivalent securities) which:

- are issued by private sector issuers (companies);
- are denominated in EUR;
- may be at fixed or variable rates, indexed and / or, for a maximum of 20%, subordinated, from financial and non-financial companies (*subordinated bonds are debt instruments which rank after other non-subordinated debts (senior) in relation to repayment. In case of insolvency of the issuer, such subordinated bonds are repayable after repayment of senior debts. Some of these subordinated bonds are perpetual bonds (no maturity). As the chance of receiving any repayment on insolvency is reduced, subordinated debt represent a greater risk but will generally offer a higher return than senior debts issued by the same issuer.*)
- are rated BBB-/Baa3 (or equivalent) at least by one of the independent rating agency or considered of comparable quality by the Management Company (notably when issue rating is missing).

The remainder of the assets can be invested in:

- for up to 20% non-euro denominated securities issued by private sector issuers on the condition that the issuers’ business activities are exposed to the specific sustainable & responsible themes such as:
 - renewable energy (wind, sun, aerothermal, geothermal, hydropower, ...);
 - energy storage
 - circular economy
- eligible securities other than those described above (notably debt securities issued by public sector issuers, *Contingent Convertible Bonds* (CoCos) for a maximum of 5% of the net assets, etc),
- money market instruments other than those described above; deposits and/or cash;
- a maximum of 10% in UCITS and/or UCI.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual exchange risk may remain.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG criteria are analyzed through a methodology developed by the Management Company.



The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

This consists in selecting companies which:

- are best positioned to address the sustainable development challenges and to manage stakeholder's issues specific to their sector;
- comply with the principles of the United Nations Global Compact covering human and labor rights, environment and anti-corruption.
- are not exposed to fossil fuel energy and are not significantly exposed to controversial activities like but not limited to weapons, tobacco.

Implementation of the Sub-Fund's sustainable objectives

SUSTAINABLE OBJECTIVE RELATED TO CLIMATE CHANGE

Climate change represents one of the most acute environmental challenges of our time. From humanity's ability to limit global warming over the next 30 years will depend the possibility to tackle other pressing environmental challenges such as limiting deforestation, reversing the loss of biodiversity or preserving fresh water resources.

At the same time the path to limit greenhouse gas emissions has never been clearer. At the international and European level a number of agreements backed by scientific reports have laid down specific scenarios to achieve such reduction in emissions. The European Commission has committed under the Paris Agreement to reduce its overall greenhouse gas emissions by 40% by 2030 compared to their 1990 level. This commitment was actualized in 2019 by the one to become the first carbon neutral continent on a net basis by 2050, and to reduce greenhouse gas emissions by 55% instead of 40% by 2030.

The objective of the Sub-Fund is to contribute to this European objective of limiting greenhouse gas emissions in order for fulfill the long-term objectives of the Paris Agreement.

Therefore the Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For further information on the scope and methodology relating to carbon metrics please refer to the Transparency Code on Candriam's website:

https://www.candriam.com/documents/candriam/article_206/en/document.pdf

A large part of bonds contributing to climate change mitigation and adaptation are now issued in the form of Green Bonds. The Sub-Fund aims to invest at least 10% of its AuM into Green Bonds. This share of Green Bonds shall rise to 20% by the end of 2025, in line with the development of the Green Bond market and the diversification of issuers.

GLOBAL SUSTAINABLE OBJECTIVE

Moreover, the Sub-Fund aims also to have long-term positive impacts on the environment, more broadly than Climate change, and also on social domains.

Several sustainable impacts are integrated into the investment decisions for corporates, Therefore Candriam has developed an impact assessment methodology based on the analysis of business activities and their contribution to major sustainable goals. As part of this assessment, Candriam analysts aim to assess to what extent companies' products and services contribute to the achievement of these major sustainable goals, which are:

- Climate change mitigation and adaptation
- Resources and waste management
- Promoting health and wellbeing
- Digitalisation and fostering innovation
- Adapting to demographic changes

This assessment forms the bedrock of each company's overall assessment together with the analysis of their stakeholder management. Through the integration of this business activities impact assessment,



Candriam is able to focus investments in well-diversified strategies on companies contributing to several sustainable objectives.

The aim to have long-term positive impact on environment and social domains is currently assess by the calculation of an ESG score calculated by Candriam.

To fulfil this sustainable objective, the Sub-Fund’s weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

With the purpose of reducing ESG associated risks and in order to take account of far-reaching societal changes, the Sub-Fund aims to exclude some companies as described in the SFDR annexes.

Specific for this Sub-Fund, the investment strategy excludes companies with exposure to fossil fuels, such as companies:

- with fossil fuel reserves, involved in the distribution and/or marketing of fossil fuel ;
- prospecting for coal, oil, and gas or involved in the production, treatment, refining or transporting of the same ;
- investing in utilities that use fossil fuels to produce electricity.

The analysis and selection process of corporate issuers is accompanied by company stewardship activities (e.g. active direct dialogue with companies, participation to collaborative engagement initiatives) as described within Candriam’s Engagement Policy.

The details of Candriam's Exclusion and Engagement Policy are available via the following links:

- <https://www.candriam.com/en/private/sfdr/>
- <https://www.candriam.com/en/professional/sfdr/>
- [Document titled “Candriam Exclusion Policy”](#)
- [Document titled “Candriam Engagement Policy”](#)

Use of derivatives

The sub-fund may also make use of derivative financial instruments on regulated and/or over-the-counter markets (such as swaps, forwards, options or futures) for the purpose of hedging and investment.

The underlyings of these derivative financial instruments may be currencies, interest rates, credit spreads and volatility.

3. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark. The selected benchmark does not explicitly take into account sustainability objectives.

There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

Benchmark name	iBoxx EUR Corporates (Total Return)
Benchmark definition	The index measures the performance of investment-grade EUR-denominated corporate bonds.
Use of the benchmark	<ul style="list-style-type: none"> • as investment universe. In general, the issuers in the portfolio of the sub-fund are for the majority part of the benchmark. This said, investments outside this benchmark are admitted; • in the determination of risk levels / parameters ; • for performance comparison.



Deviation level of the portfolio composition from the benchmark	<p>The sub-fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the sub-fund will be limited to moderate, this is comprised between 0.4% and 1.5%.</p> <p>This measure is an estimation of the deviation of the sub-fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error.</p>
Benchmark provider	<p>IHS Markit Benchmark Administration Limited</p> <p>The benchmark is provided by IHS Markit Benchmark Administration Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p> <p>The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.</p>

4. Efficient portfolio management techniques

The sub-fund does not use efficient portfolio management techniques.

5. Risk factors specific to the sub-fund and risk management

5.1. Risk factors specific to the sub-fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- ESG investment risk
- Liquidity risk
- Derivatives risk
- Counterparty risk
- Risk associated with investing in Contingent Convertible Bonds ("CoCos")
- Concentration risk
- Emerging countries risk
- Risk associated with external factors
- Risk of changes made to the reference index by the index provider
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

5.2. Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.

6. Base currency: EUR.



7. **Form of the shares:** registered shares only.

8. Share classes

- **C**, capitalization shares, denominated in **EUR** [LU1829309381]
- **I**, capitalization shares, denominated in **EUR** [LU1829309464]
- **R**, capitalization shares, denominated in **EUR** [LU1829309548]
- **Z**, capitalization shares, denominated in **EUR** [LU1829309621]

9. Minimum initial subscription

- There is no initial subscription minimum applicable for the C, R and Z share classes.
- The minimum initial subscription for the I shares is EUR 250,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Shares	Fees and charges					
	Subscription (for the benefit of selling agents)	Conversion	Exit	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
C	Max. 2.50%	0%	0%	Max. 0.75%	Max. 0.06%	Max. 0.05%
I	0%	0%	0%	Max. 0.40%	Max. 0.04%	Max. 0.05%
R	0%	0%	0%	Max. 0.40%	Max. 0.06%	Max. 0.05%
Z	0%	0%	0%	0%	Max. 0.04%	Max. 0.05%

(*) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.

(**) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.

11. Applicable cut-off times for the subscription, redemption and conversion of shares

D	12 noon (Luxembourg time) is the cut-off time.
D	Valuation Date
D +1	Calculation Date
D+3	Settlement date

This Fact Sheet forms an integral part of the Prospectus dated 26 January 2026.



Candriam Fund Sustainable European Equities Fossil Free

- Fact Sheet -

This sub-fund is classified Art 9. of the SFDR Regulation, i.e. it has a sustainable investment objective.

This Fact Sheet shall be read together with the detailed information about the ESG characteristics of this sub-fund which is described in the SFDR annexes.

1. Investment Objective & Investor profile

The aim of the sub-fund is to benefit from the performance of the equity markets with an investment in stocks from European companies selected on a discretionary basis.

Moreover, the selection is based on an in-house analysis of Environmental, Social and Governance (“ESG”) criteria.

Beside its financial objective, the Sub-Fund’s aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in equity securities analysis, and aims to have long-term a positive impact on environment and social domains.

Investment in this sub-fund may be suitable for any type of investors who want to pursue this investment objective within a long term investment horizon and who are aware, understand and can carry the specific risks of the sub-fund listed below and defined in the paragraph “Risk Factors” of the Prospectus.

2. Investment policy

This sub-fund invests in a portfolio consisting of minimum 80% of equities issued by companies having their registered office or carrying out their primary economic activity in Europe.

The remainder of the assets can be invested :

- for up to 20% in equities from global companies (ex-Europe) on the condition that the companies’ business activities are exposed to the specific sustainable & responsible themes, such as :
 - renewable energy (wind, sun, aerothermal, geothermal, hydropower, ...);
 - energy storage
 - circular economy
- money market instruments; deposits and/or cash;
- for maximum 10% in UCITS and/or UCI.

Securities are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG criteria are analyzed through a methodology developed by the Management Company.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

This consists in selecting companies which:

- are best positioned to address the sustainable development challenges and to manage stakeholder’s issues specific to their sector;
- comply with the principles of the United Nations Global Compact covering human and labor rights, environment and anti-corruption.
- are not exposed to fossil fuel energy and are not significantly exposed to controversial activities like but not limited to weapons, tobacco



Implementation of the Sub-Fund's sustainable objectives

SUSTAINABLE OBJECTIVE RELATED TO CLIMATE CHANGE

Climate change represents one of the most acute environmental challenges of our time. From humanity's ability to limit global warming over the next 30 years will depend the possibility to tackle other pressing environmental challenges such as limiting deforestation, reversing the loss of biodiversity or preserving fresh water resources.

At the same time the path to limit greenhouse gas emissions has never been clearer. At the international and European level a number of agreements backed by scientific reports have laid down specific scenarios to achieve such reduction in emissions. The European Commission has committed under the Paris Agreement to reduce its overall greenhouse gas emissions by 40% by 2030 compared to their 1990 level. This commitment was actualized in 2019 by the one to become the first carbon neutral continent on a net basis by 2050, and to reduce greenhouse gas emissions by 55% instead of 40% by 2030.

The objective of the Sub-Fund is to contribute to this European objective of limiting greenhouse gas emissions in order for fulfill the long-term objectives of the Paris Agreement.

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For further information on the scope and methodology relating to carbon metrics please refer to the Transparency Code on Candriam's website:

https://www.candriam.com/documents/candriam/article_206/en/document.pdf

GLOBAL SUSTAINABLE OBJECTIVE

Moreover, the Sub-Fund aims also to have long-term positive impacts on the environment, more broadly than Climate change, and also on social domains.

Several sustainable impacts are integrated into the investment decisions for corporates, Therefore Candriam has developed an impact assessment methodology based on the analysis of business activities and their contribution to major sustainable goals. As part of this assessment, Candriam analysts aim to assess to what extent companies' products and services contribute to the achievement of these major sustainable goals, which are:

- Climate change mitigation and adaptation
- Resources and waste management
- Promoting health and wellbeing
- Digitalisation and fostering innovation
- Adapting to demographic changes

This assessment forms the bedrock of each company's overall assessment together with the analysis of their stakeholder management. Through the integration of this business activities impact assessment, Candriam is able to focus investments in well-diversified strategies on companies contributing to several sustainable objectives.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score calculated by Candriam.

To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

With the purpose of reducing ESG associated risks and in order to take account of far-reaching societal changes, the Sub-Fund aims to exclude some companies as described in the SFDR annexes.

Specific for this Sub-Fund, the investment strategy excludes companies with exposure to fossil fuels, such as companies:

- with fossil fuel reserves, involved in the distribution and/or marketing of fossil fuel ;
- prospecting for coal, oil, and gas or involved in the production, treatment, refining or transporting of the same ;
- investing in utilities that use fossil fuels to produce electricity.

This analysis and selection process is accompanied by active shareholder involvement (e.g. dialogue with companies, voting at general meetings,...) on best effort basis.

For further information, please refer to the Management Company's website and/or the annual report.



The analysis and selection process of corporate issuers is accompanied by company stewardship activities (e.g. active direct dialogue with companies, voting at general meetings, participation to collaborative engagement initiatives) as described within Candriam's Engagement Policy.

The details of Candriam's Exclusion, Engagement and Voting Policy are available on Candriam's website via the following links:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

- [Document titled "Candriam Exclusion Policy"](#)
- [Document titled "Candriam Engagement Policy"](#)
- [Document titled "Candriam Voting Policy"](#)

Use of derivatives

The sub-fund may also make use of derivative financial instruments on regulated and/or over-the-counter markets (such as swaps, forwards, options or futures) for the purpose of hedging and/or exposure.

The underlyings of these derivative instruments may be currencies, interest rates, credit spreads, equities, equity indices and volatility.

3. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark. The selected benchmark does not explicitly take into account sustainability objectives.

There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

Benchmark name	MSCI Europe (Net Return)
Benchmark definition	The index measures the performance of the large and mid-capitalization equity segment across developed markets in Europe.
Use of the benchmark	<ul style="list-style-type: none"> • as investment universe. In general, the majority of the sub-fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted; • in the determination of risk levels / parameters ; • for performance comparison.
Deviation level of the portfolio composition from the benchmark	<p>The sub-fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the sub-fund will be important, this is over 4%</p> <p>This measure is an estimation of the deviation of the sub-fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error.</p>
Benchmark provider	<p>MSCI Limited</p> <p>MSCI Limited is an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p> <p>The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge,</p>



upon request, at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund does not use efficient portfolio management techniques.

5. Risk factors specific to the sub-fund and risk management

5.1. Risk factors specific to the sub-fund

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- ESG investment risk
- Liquidity risk
- Derivatives risk
- Counterparty risk
- Risk associated with external factors
- Risk of changes made to the reference index by the index provider
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

5.2. Risk Management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF circular 11/512.

6. **Base currency:** EUR.

7. **Form of the shares:** registered shares only.

8. Share classes

- **C**, capitalization shares, denominated in **EUR** [LU1829309894]
- **I**, capitalization shares, denominated in **EUR** [LU1829309977]
- **R**, capitalization shares, denominated in **EUR** [LU1829310041]
- **Z**, capitalization shares, denominated in **EUR** [LU1829310124]

9. Minimum initial subscription

- There is no initial subscription minimum applicable for the C, R and Z share classes.
- The minimum initial subscription for the I shares is EUR 250,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Shares	Fees and charges					
	Subscription (for the benefit of selling agents)	Conversion	Exit	Portfolio Management (*)	Administration fee (**)	Custody fee (**)
C	Max. 2.50%	0%	0%	Max. 1.50%	Max. 0.08%	Max. 0.05%
I	0%	0%	0%	Max. 0.70%	Max. 0.05%	Max. 0.05%
R	Max. 2.50%	0%	0%	Max. 0.70%	Max. 0.08%	Max. 0.05%
Z	0%	0%	0%	0%	Max. 0.05%	Max. 0.05%

(*) The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each month.



*(**)The fees are expressed as an annual percentage of the average net asset value of the share class and are payable at the end of each quarter.*

11. Applicable cut-off times for the subscription, redemption and conversion of shares

D	12 noon (Luxembourg time) is the cut-off time.
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Appendix II – SFDR Annexes

- Candriam Fund Bond 2027
- Candriam Fund Bond 2028
- Candriam Fund Bond 2030
- Candriam Fund Bonds Eastern Europe 2029
- Candriam Fund Equity EMU High Dividend
- Candriam Fund ONE Global Best-In-Class Equities
- Candriam Fund Sedes Sapientiae
- Candriam Fund Sustainable Short Term Equivalent
- Candriam Fund Sustainable Euro Corporate Bonds Fossil Free
- Candriam Fund Sustainable European Equities Fossil Free



Product name:

Legal entity identifier

Candriam Fund - Bond 2027

52990094KHN3OFQPTX13

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : _% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective _%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20 % of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
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What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund promotes Environmental and Social characteristics by :

- Aiming to avoid exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact (UNGC) and the OECD Guidelines for Business standards.
- Aiming to avoid exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium).
- Aiming to support the energy transition through an energy mix that favors renewables and avoids issuers with high exposure to particularly polluting energy sources, such as coal, oil

sands and shale gas/oil.

- Aiming to avoid exposure to oppressive regimes

In addition to the above, Candriam's ESG research methodology is integrated within the investment process.

Finally, the Sub-Fund aims to invest a minimum proportion of its assets in Sustainable Investments.

No non-financial reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

● ***What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of environmental and social characteristics are as follows :

- to assure that there are no investments in issuers that are most seriously in violation of the normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact (UNGC) and the OECD Guidelines for Business standards for Multinational Enterprises;

- to assure that there are no investments in issuers that are exposed to controversial weapons;

- to assure that there are no investments in issuers that are significantly exposed to extraction, transportation or distribution of thermal coal;

- to assure that there are no investments in issuers that are significantly exposed to the production and distribution of tobacco,

- to assure that there are no investments in issuers that are significantly exposed to the production, manufacture, trading, testing or maintenance of conventional armements and/or critical components / services for conventional armements;

- to assure that there are no investments in electricity-generating issuers with new coal- or nuclear-based projects, or with a carbon intensity above a certain threshold;

- to assure that there are no investments in issuers with significant exposure to unconventional oil and gas, or in issuers with exposure to conventional oil and gas that do not derive a significant proportion of their revenues from natural gas and renewable energies;

- to assure that there are no investments in issuers with significant direct or indirect exposure to gambling activities;

- to assure that there are no investments in issuers with significant exposure to nuclear energy;

- to assure that there are no investments in palm oil producers, distributors and buyers who are not members of the Roundtable on Sustainable Palm Oil and who are significantly exposed to non-RSPO-certified palm oil, and who do not have a deforestation policy;

- to assure that there are no investments in issuers that are directly involved in the extraction and smelting of metals and minerals and that have not put in place relevant ESG risk management systems in place, in accordance with recognised international standards such as the UN Guiding Principles, the Voluntary Principles on Human Rights and the OECD guidelines;

- to assure that there are there is no investment in sovereign issuers of regimes considered to be oppressive,

The sub-fund will invest a minimum of 10 % of its net assets in green bonds. Green bonds eligible for the sub-fund can include sovereign issues and quasi-sovereign issues.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Sustainable investments that the Sub-Fund partially intends to make aim to have a positive impact on environmental and social domains in the long-term.

The sustainable investments in the Sub-Fund do not have specific environmental objectives. However, being subject to Candriam's proprietary ESG analysis & screening, these sustainable investments may contribute on the long term to one or more of the following environmental objectives set out in Article 9 of Regulation (EU) 2020/852:

- (a) climate change mitigation;
- (b) climate change adaptation;
- (c) the sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy;
- (e) pollution prevention and control.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments that the financial product partially makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy. Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

— → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The indicators for principal adverse impacts on sustainability factors have been taken into account using Candriam's ESG rating framework, controversial activities exclusions and norms-based exclusions.

For example:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional and conventional fossil fuel activities and/or nonrenewable energy production. For PAI 4 and 5, Candriam applies thresholds when considering exposure to these activities.
- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).
- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology.

- PAI 16: Investee countries subject to social violations.

3. Through analysis of the contribution of companies' business activities to the Key Sustainability Challenges of climate change and of resource depletion, Candriam takes into account the following Principal Adverse Impacts:

- PAI 1, 2, 3, 4, 5 and 6: Through the assessment of the Key Sustainability Challenge of climate change, Candriam analyses the climate risk exposure of in companies as well as the GHG emission intensity of their business activities. This supports the evaluation of whether companies' business activities contribute positively or negatively to climate change.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

• PAI 7, 8 and 9: Assessment of companies' business activities impact on the depletion of natural resources.

4. Through analysis of countries as regards the way countries preserve Natural Capital:

• PAI15 – GHG Intensity: greenhouse gas intensity of GDP of countries is accounted for in one of the components of Natural Capital.

5. Through entity-level engagement: To avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through Candriam's company-wide engagement programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary across issuers based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at Sub-Fund level, as referred to in Annex I of SFDR Delegated Regulation supplementing Regulation (EU) 2019/2088, a number of principal adverse impacts (PAI) on sustainability factors are considered through one or several of the following means: • Exclusions:

Through the exclusion of companies involved in controversial activities or through norms-

based exclusions, Candriam considers:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology:

- PAI 16: Sovereign investee countries subject to social violations.

• Engagement and voting:

To avoid and/or reduce adverse impacts on sustainability factors, the Sub-Fund also considers adverse impacts through Candriam's entity-wide engagement program, which includes dialogue with companies and exercise of voting rights. Candriam prioritises its engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary by issuer based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 7 (activities negatively affecting biodiversity sensitive areas), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

• Monitoring:

Monitoring encompasses the calculation and evaluation of PAIs on sustainability factors. For funds with carbon footprint as a sustainability indicator, PAI 2 is covered via this monitoring approach. PAI 3 (GHG intensity of investee companies) is monitored for funds in scope of Candriam's commitment to the Net Zero Asset Managers Initiative. Further, PAI 10 (violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises), PAI 14 (exposure to controversial weapons) and PAI 16 (sovereign investee countries subject to social violations) are covered via monitoring.

The specific PAI indicators that are taken into consideration are subject to data quality and availability and may evolve with improving data quality and availability. Where it is not possible to use a PAI indicator due to data limitations or other technical issues, the fund manager can use a representative proxy indicator.

For further information regarding the types of principal adverse impact indicators that are taken into account, please consult the document titled "PAI Consideration at Product Level" at the following link on Candriam's SFDR page:

<https://www.candriam.com/en/private/market-insights/sfdr/>

<https://www.candriam.com/en/professional/market-insights/sfdr/>

No

What investment strategy does this financial product follow?

The objective of the sub-fund is to use discretionary management to generate revenues by investing in bonds denominated in EUR, issued by highly rated issuers of all types until the maturity of the sub-fund.

The investment strategy is implemented following a well defined investment process and a strict risk framework. Respect of these elements are subject to Candriam risk monitoring.

With regard to the environmental and social sustainability aspects of the investment strategy, Candriam's proprietary ESG analysis, leading to ESG Rating and scoring, as well as the norms



The investment strategy guides investment decisions based on factors such as investment objectives and

based controversy assessment and controversial activities exclusion policy are implemented as they enable to define the investable universe for the Sub-Fund.

In addition, Candriam's ESG analysis, comprising an analysis of the business activities of an issuer and of its interactions with its key stakeholders, is integrated into the financial management of the portfolio to enable the fund manager to identify the risks as well as opportunities that arise from the major challenges of sustainable development.

Candriam as a management company has put in place a monitoring framework as described within the sustainability risk policy. Risk monitoring of the investment strategy of the Sub-Fund aims to ensure that investments are aligned with and take into account the environmental, social and governance indicators and sustainability thresholds as explained above.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***

The binding elements used by the investment strategy are an exclusion policy including a normative filter as well as the exclusion of certain controversial activities as described in Candriam's Level 2A Exclusions Policy targets harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Exposure to these activities presents important systemic and reputational risks for the investee companies from an economic as well as environmental and social perspective.

Moreover, considering that climate change is the pivotal sustainability challenge for the near future, Candriam's Level 2A Exclusions Policy takes this into account and accordingly emphasizes environmental issues. The aim is to help tackle climate change by excluding activities that do significant harm to the environment. We believe that supporting environmental sustainability can also have positive repercussions on social issues.

Candriam's Level 2A Exclusions Policy applies to investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives.

As regards the Level 2A Exclusions Policy, Candriam excludes controversial armament, tobacco and thermal coal activities and encourages third parties to do the same. These activities carry substantial systemic risks regarding society and the global economy.

The application of Candriam's Level 2A Exclusions Policy also involves the exclusion of conventional weapons. This is in line with many sustainable investors' approach and various standards that consist in excluding this activity due to the adverse nature of armaments which have often served to infringe on human rights and led to devastating effects on human lives and the overall well-being of society. The challenge of obtaining granular information on end users and end uses of weapons is an additional factor supporting this exclusion.

Portfolios subject to Candriam's Level 2A Exclusions Policy exclude gambling activities, too, as such activities can potentially be intertwined with illegal activities and corruption and could therefore generate reputational risks for Candriam and our clients. This reflects the concerns of many responsibility-oriented investors as well as certain independent ESG frameworks.

Moreover securities are selected only if they reach or comply with :

- the sustainability indicator targets presented above;
- the defined minimum of investments with Environmental & Social characteristics;
- the defined minimum sustainable investments.

When approaching the maturity date, the sub-fund may be invested in cash, money-market, and short dated investments. As such the minimum allocation and minimum investment in Green Bonds presented above might not be fully achieved as the fund approaches its final maturity. However, exposure to companies or countries will still be compliant with Candriam Level 2A Exclusion Policy.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset

manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Sub-Fund is subject to an exclusion policy which includes a normative filter as well as the exclusion of certain controversial activities. There is no minimum committed rate to reduce the scope of investments prior to the application of the investment strategy.

- **What is the policy to assess good governance practices of the investee companies?**

Corporate governance is a key aspect of Candriam's Stakeholder analysis. It allows to assess :

- 1) how a company interacts with and manages its relevant stakeholders and ;
- 2) how a company's board fulfils its governance and management duties with respect to disclosure and transparency as well as the consideration of sustainability objectives.

To assess a company's governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance as defined by SFDR, Candriam's ESG analysis comprises, among others, 5 key governance pillars:

1. Strategic direction which assesses the independence, expertise and composition of the board and ensures that the board acts in the best interests of all shareholders and other stakeholders and can act as a counterbalance to management;
2. Audit committee and auditor independence evaluation to avoid conflicts of interests;
3. Transparency on executive remuneration, which enables executives and the remuneration committee to be held accountable by shareholders and helps align interests of both top executives and shareholders and focus on long term performance;
4. Share capital to ensure all shareholders have equal voting rights;
5. Financial conduct and transparency.

What is the asset allocation planned for this financial product?

The Sub-Fund aims to invest at least 75% of its total net assets in investments with environmental and social characteristics out of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the Sub-Fund's total net assets can be allocated to other assets as defined below.

Investment with environmental and social characteristics are investments which are subject to Candriam's proprietary ESG analysis and are eligible based on their ESG rating. In addition, such investments will need to comply with Candriam's Level 1 - Company-Wide exclusion policy on both controversial activities and normative screening. Investments with E/S characteristics must display good governance practices.

The definition of Sustainable Investments is based on Candriam proprietary ESG Analysis. An issuer that is compliant with our corporate exclusionary screening is eligible as sustainable investment on basis of its ESG rating reflecting high standards of sustainability.

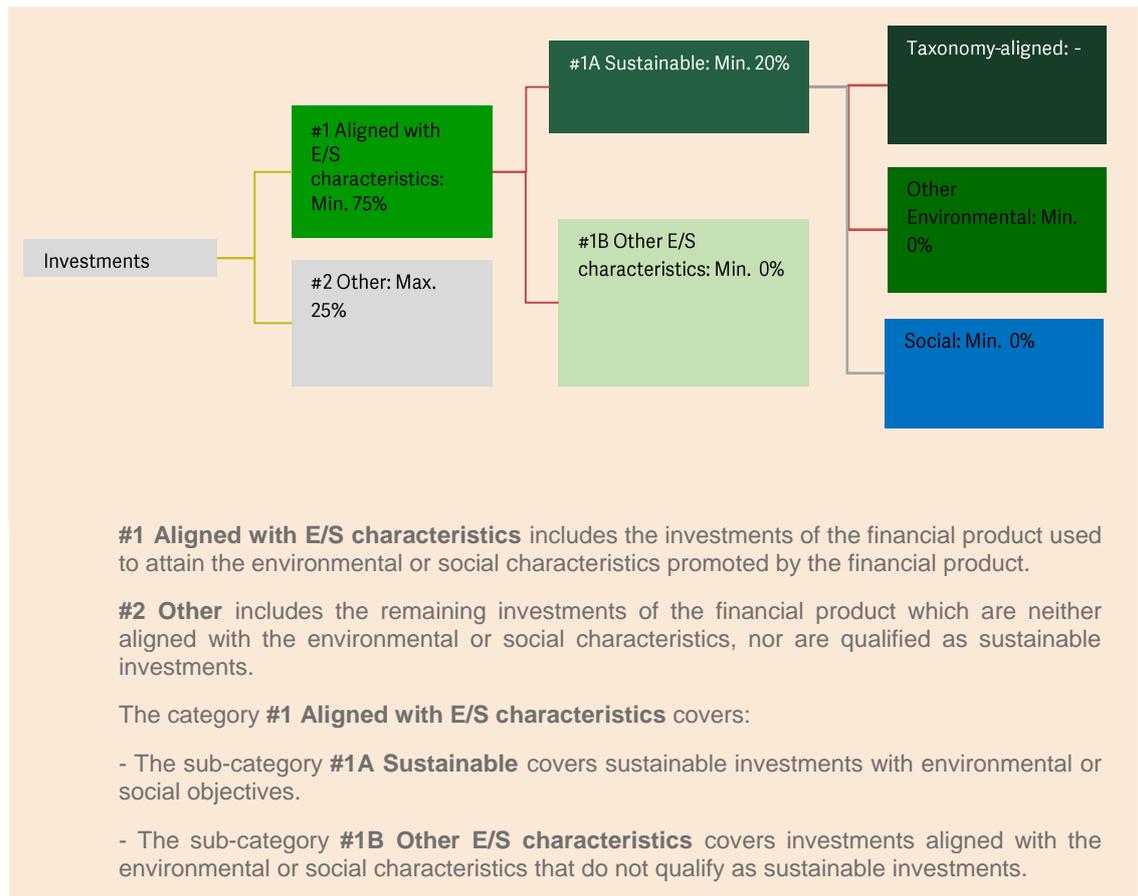
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives usage is not directed to attaining the environmental or social characteristics promoted by the Sub-Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The European Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data required for a rigorous evaluation of their alignment with the Taxonomy.

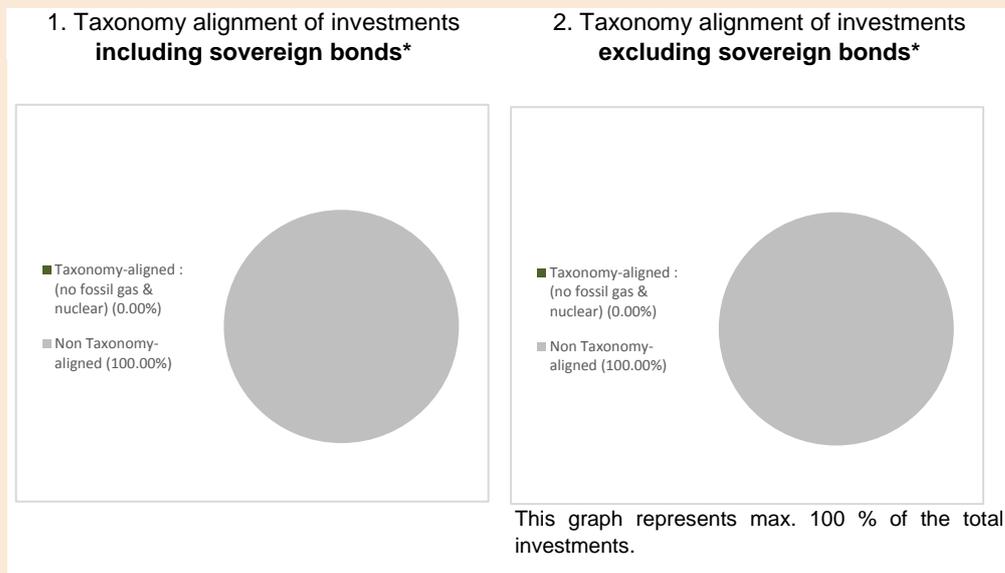
As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

- Yes
- In fossil gas
- In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and Analysis framework includes an assessment of transitional and/or enabling activities and how they contribute to sustainable objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with an environmental objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under "Other investment" can be present in the Sub-Fund for a maximum of 25% of the total net assets.

These investments can be:

- Cash: Cash at sight, reverse repo needed to manage the liquidity of the Sub-Fund following S/R and/or being the result of the decision of market exposure of the Sub-Fund;
- Issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments are planned to be sold;
- Other investments (including single name derivatives) that at least respect the principles of good governance;
- Non single name derivatives can be used according to the terms foreseen in the fact sheet of the Sub-Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is designated as a reference benchmark to assess the alignment with E/S Characteristics.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Product name:

Legal entity identifier

Candriam Fund - Bond 2028

TBC

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : _%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20 % of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective _%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund promotes Environmental and Social characteristics by :

- Aiming to avoid exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact (UNGC) and the OECD Guidelines for Business standards.
- Aiming to avoid exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium)
- Aiming to support the energy transition through an energy mix that favors renewables and avoids issuers with high exposure to particularly polluting energy sources, such as coal, oil

sands and shale gas/oil.

- Aiming to avoid exposure to oppressive regimes.

In addition to the above, Candriam's ESG research methodology is integrated within the investment process.

Finally, the Sub-Fund aims to invest a minimum proportion of its assets in Sustainable Investments.

No non-financial reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

● ***What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of environmental and social characteristics are as follows :

- to assure that there are no investments in issuers that are most seriously in violation of the normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact (UNGC) and the OECD Guidelines for Business standards for Multinational Enterprises;

- to assure that there are no investments in issuers that are exposed to controversial weapons;

- to assure that there are no investments in issuers that are significantly exposed to extraction, transportation or distribution of thermal coal;

- to assure that there are no investments in issuers that are significantly exposed to the production and distribution of tobacco,

- to assure that there are no investments in issuers that are significantly exposed to the production, manufacture, trading, testing or maintenance of conventional armements and/or critical components / services for conventional armements;

- to assure that there are no investments in electricity-generating issuers with new coal- or nuclear-based projects, or with a carbon intensity above a certain threshold;

- to assure that there are no investments in issuers with significant exposure to unconventional oil and gas, or in issuers with exposure to conventional oil and gas that do not derive a significant proportion of their revenues from natural gas and renewable energies;

- to assure that there are no investments in issuers with significant direct or indirect exposure to gambling activities;

- to assure that there are no investments in issuers with significant exposure to nuclear energy;

- to assure that there are no investments in palm oil producers, distributors and buyers who are not members of the Roundtable on Sustainable Palm Oil and who are significantly exposed to non-RSPO-certified palm oil, and who do not have a deforestation policy;

- to assure that there are no investments in issuers that are directly involved in the extraction and smelting of metals and minerals and that have not put in place relevant ESG risk management systems in place, in accordance with recognised international standards such as the UN Guiding Principles, the Voluntary Principles on Human Rights and the OECD guidelines;

- to assure that there are there is no investment in sovereign issuers of regimes considered to be oppressive.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Sustainable investments that the Sub-Fund partially intends to make aim to have a positive impact on environmental and social domains in the long-term.

The sustainable investments in the Sub-Fund do not have specific environmental objectives. However, being subject to Candriam's proprietary ESG analysis & screening, these sustainable investments may contribute on the long term to one or more of the

following environmental objectives set out in Article 9 of Regulation (EU) 2020/852:

- (a) climate change mitigation;
- (b) climate change adaptation;
- (c) the sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy;
- (e) pollution prevention and control.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments that the financial product partially makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy. Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

— → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The indicators for principal adverse impacts on sustainability factors have been taken into account using Candriam's ESG rating framework, controversial activities exclusions and norms-based exclusions.

For example:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional and conventional fossil fuel activities and/or nonrenewable energy production. For PAI 4 and 5, Candriam applies thresholds when considering exposure to these activities.
- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).
- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology.

- PAI 16: Investee countries subject to social violations.

3. Through analysis of the contribution of companies' business activities to the Key Sustainability Challenges of climate change and of resource depletion, Candriam takes into account the following Principal Adverse Impacts:

- PAI 1, 2, 3, 4, 5 and 6: Through the assessment of the Key Sustainability Challenge of climate change, Candriam analyses the climate risk exposure of in companies as well as the GHG emission intensity of their business activities. This supports the evaluation of whether companies' business activities contribute positively or negatively to climate change.
- PAI 7, 8 and 9: Assessment of companies' business activities impact on the depletion of natural resources.

4. Through analysis of countries as regards the way countries preserve Natural

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

Capital:

- PAI15 – GHG Intensity: greenhouse gas intensity of GDP of countries is accounted for in one of the components of Natural Capital.

5. Through entity-level engagement: To avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through Candriam's company-wide engagement programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary across issuers based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at Sub-Fund level, as referred to in Annex I of SFDR Delegated Regulation supplementing Regulation (EU) 2019/2088, a number of principal adverse impacts (PAI) on sustainability factors are considered through one or several of the following means:

- Exclusions:

Through the exclusion of companies involved in controversial activities or through norms-based exclusions, Candriam considers:

1. Through the exclusion of companies involved in controversial activities and

through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology:

- PAI 16: Sovereign investee countries subject to social violations.

• Engagement and voting:

To avoid and/or reduce adverse impacts on sustainability factors, the Sub-Fund also considers adverse impacts through Candriam's entity-wide engagement program, which includes dialogue with companies and exercise of voting rights. Candriam prioritises its engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary by issuer based on Candriam's prioritisation methodology.

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• Monitoring:

Monitoring encompasses the calculation and evaluation of PAIs on sustainability factors. For funds with carbon footprint as a sustainability indicator, PAI 2 is covered via this monitoring approach. PAI 3 (GHG intensity of investee companies) is monitored for funds in scope of Candriam's commitment to the Net Zero Asset Managers Initiative. Further, PAI 10 (violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises), PAI 14 (exposure to controversial weapons) and PAI 16 (sovereign investee countries subject to social violations) are covered via monitoring.

The specific PAI indicators that are taken into consideration are subject to data quality and availability and may evolve with improving data quality and availability. Where it is not possible to use a PAI indicator due to data limitations or other technical issues, the fund manager can use a representative proxy indicator.

For further information regarding the types of principal adverse impact indicators that are taken into account, please consult the document titled "PAI Consideration at Product Level" at the following link on Candriam's SFDR page:

<https://www.candriam.com/en/private/market-insights/sfdr/>

<https://www.candriam.com/en/professional/market-insights/sfdr/>

No

What investment strategy does this financial product follow?

The objective of the sub-fund is to use discretionary management to generate revenues by investing in bonds denominated in EUR, issued by highly rated issuers of all types until the maturity of the sub-fund.

The investment strategy is implemented following a well defined investment process and a strict risk framework. Respect of these elements are subject to Candriam risk monitoring.

With regard to the environmental and social sustainability aspects of the investment strategy, Candriam's proprietary ESG analysis, leading to ESG Rating and scoring, as well as the norms based controversy assessment and controversial activities exclusion policy are implemented as they enable to define the investable universe for the Sub-Fund.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In addition, Candriam's ESG analysis, comprising an analysis of the business activities of an issuer and of its interactions with its key stakeholders, is integrated into the financial management of the portfolio to enable the fund manager to identify the risks as well as opportunities that arise from the major challenges of sustainable development.

Candriam as a management company has put in place a monitoring framework as described within the sustainability risk policy. Risk monitoring of the investment strategy of the Sub-Fund aims to ensure that investments are aligned with and take into account the environmental, social and governance indicators and sustainability thresholds as explained above.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***

The binding elements used by the investment strategy are an exclusion policy including a normative filter as well as the exclusion of certain controversial activities as described in Candriam's Level 2A Exclusions Policy targets harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Exposure to these activities presents important systemic and reputational risks for the investee companies from an economic as well as environmental and social perspective.

Moreover, considering that climate change is the pivotal sustainability challenge for the near future, Candriam's Level 2A Exclusions Policy takes this into account and accordingly emphasizes environmental issues. The aim is to help tackle climate change by excluding activities that do significant harm to the environment. We believe that supporting environmental sustainability can also have positive repercussions on social issues.

Candriam's Level 2A Exclusions Policy applies to investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives.

As regards the Level 2A Exclusions Policy, Candriam excludes controversial armament, tobacco and thermal coal activities and encourages third parties to do the same. These activities carry substantial systemic risks regarding society and the global economy.

The application of Candriam's Level 2A Exclusions Policy also involves the exclusion of conventional weapons. This is in line with many sustainable investors' approach and various standards that consist in excluding this activity due to the adverse nature of armaments which have often served to infringe on human rights and led to devastating effects on human lives and the overall well-being of society. The challenge of obtaining granular information on end users and end uses of weapons is an additional factor supporting this exclusion.

Portfolios subject to Candriam's Level 2A Exclusions Policy exclude gambling activities, too, as such activities can potentially be intertwined with illegal activities and corruption and could therefore generate reputational risks for Candriam and our clients. This reflects the concerns of many responsibility-oriented investors as well as certain independent ESG frameworks.

Moreover securities are selected only if they reach or comply with :

- the sustainability indicator targets presented above;
- the defined minimum of investments with Environmental & Social characteristics;
- the defined minimum sustainable investments.

When approaching the maturity date, the sub-fund may be invested in cash, money-market, and short dated investments. As such the minimum allocation and minimum investment presented above might not be fully achieved as the fund approaches its final maturity. However, exposure to companies or countries will still be compliant with Candriam Level 2A Exclusion Policy.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Sub-Fund is subject to an exclusion policy which includes a normative filter as well as the exclusion of certain controversial activities. There is no minimum committed rate to reduce the scope of investments prior to the application of the investment strategy.

- **What is the policy to assess good governance practices of the investee companies?**

Corporate governance is a key aspect of Candriam's Stakeholder analysis. It allows to assess :

- 1) how a company interacts with and manages its relevant stakeholders and ;
- 2) how a company's board fulfils its governance and management duties with respect to disclosure and transparency as well as the consideration of sustainability objectives.

To assess a company's governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance as defined by SFDR, Candriam's ESG analysis comprises, among others, 5 key governance pillars:

1. Strategic direction which assesses the independence, expertise and composition of the board and ensures that the board acts in the best interests of all shareholders and other stakeholders and can act as a counterbalance to management;
2. Audit committee and auditor independence evaluation to avoid conflicts of interests;
3. Transparency on executive remuneration, which enables executives and the remuneration committee to be held accountable by shareholders and helps align interests of both top executives and shareholders and focus on long term performance;
4. Share capital to ensure all shareholders have equal voting rights;
5. Financial conduct and transparency.

What is the asset allocation planned for this financial product?

The Sub-Fund aims to invest at least 75% of its total net assets in investments with environmental and social characteristics out of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the Sub-Fund's total net assets can be allocated to other assets as defined below.

Investment with environmental and social characteristics are investments which are subject to Candriam's proprietary ESG analysis and are eligible based on their ESG rating. In addition, such investments will need to comply with Candriam's Level 1 - Company-Wide exclusion policy on both controversial activities and normative screening. Investments with E/S characteristics must display good governance practices.

The definition of Sustainable Investments is based on Candriam proprietary ESG Analysis. An issuer that is compliant with our corporate exclusionary screening is eligible as sustainable investment on basis of its ESG rating reflecting high standards of sustainability.

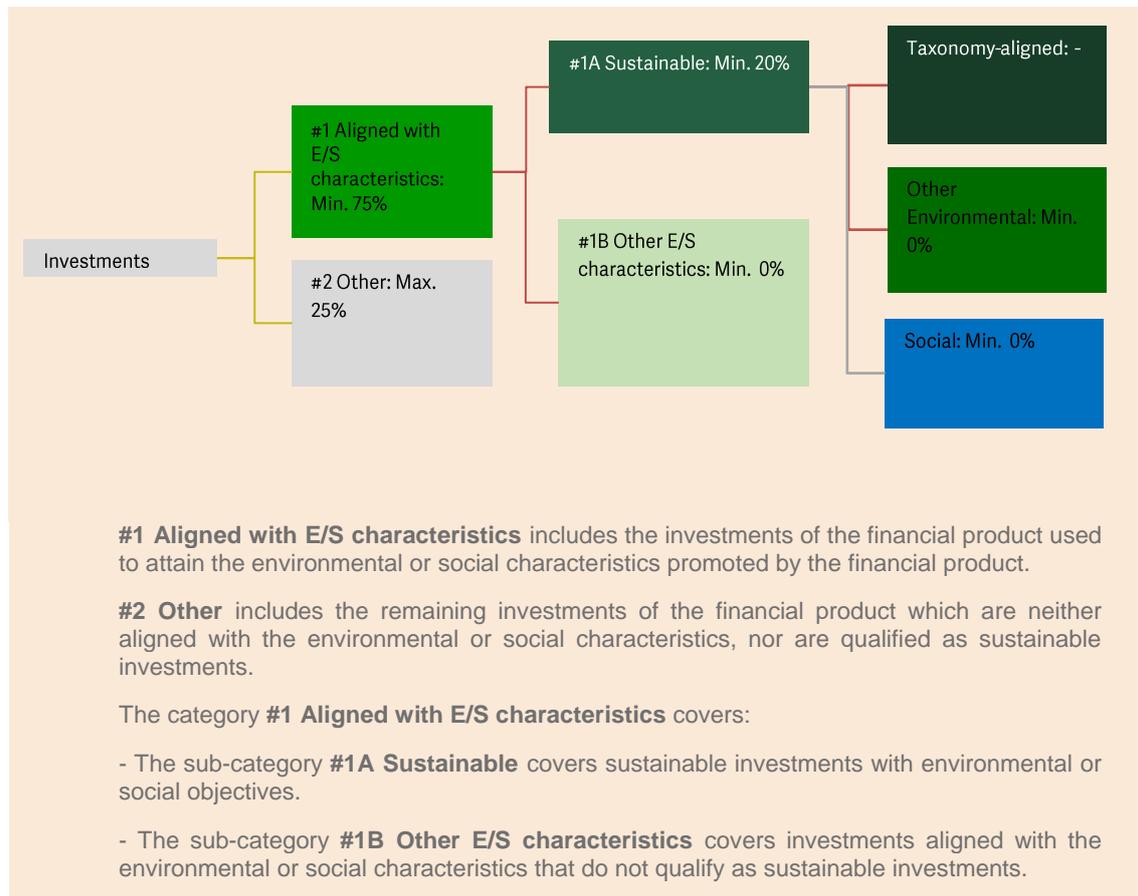
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● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives usage is not directed to attaining the environmental or social characteristics promoted by the Sub-Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The European Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data required for a rigorous evaluation of their alignment with the Taxonomy.

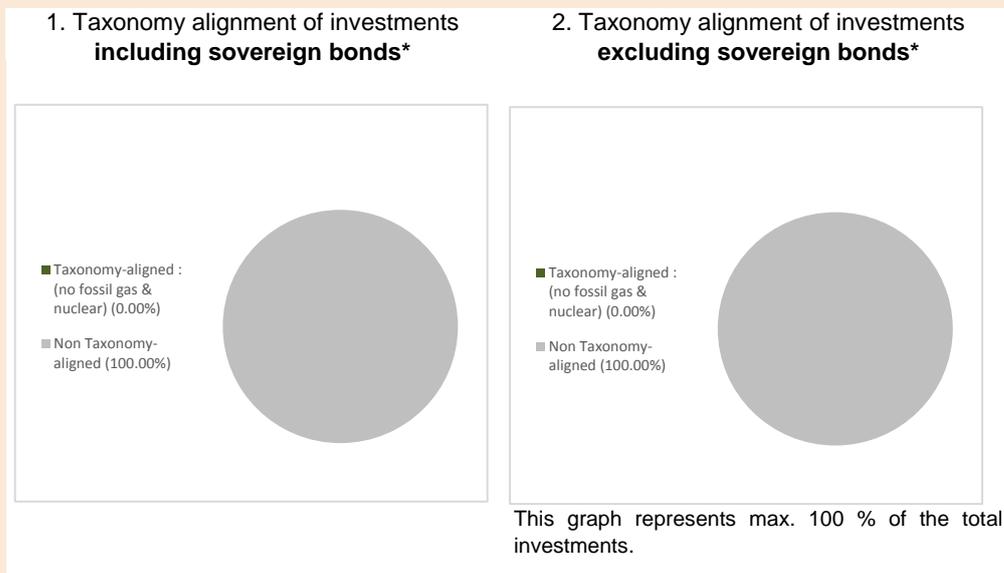
As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

- Yes
- In fossil gas
- In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and Analysis framework includes an assessment of transitional and/or enabling activities and how they contribute to sustainable objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with an environmental objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under "Other investment" can be present in the Sub-Fund for a maximum of 25% of the total net assets.

These investments can be:

- Cash: Cash at sight, reverse repo needed to manage the liquidity of the Sub-Fund following S/R and/or being the result of the decision of market exposure of the Sub-Fund;
- Issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments are planned to be sold;
- Other investments (including single name derivatives) that at least respect the principles of good governance;
- Non single name derivatives can be used according to the terms foreseen in the fact sheet of the Sub-Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is designated as a reference benchmark to assess the alignment with E/S Characteristics.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Product name:

Candriam Fund - Bond 2030

Legal entity identifier

529900YT3OSKQ5O71184

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : _%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20 % of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective _%	<input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/>	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund promotes Environmental and Social characteristics by :

- Aiming to avoid exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact (UNGC) and the OECD Guidelines for Business standards.
- Aiming to avoid exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium)
- Aiming to support the energy transition through an energy mix that favors renewables and avoids issuers with high exposure to particularly polluting energy sources, such as coal, oil

sands and shale gas/oil.

- Aiming to avoid exposure to oppressive regimes.

In addition to the above, Candriam's ESG research methodology is integrated within the investment process.

Finally, the Sub-Fund aims to invest a minimum proportion of its assets in Sustainable Investments.

No non-financial reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

● ***What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of environmental and social characteristics are as follows :

- to assure that there are no investments in issuers that are most seriously in violation of the normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact (UNGC) and the OECD Guidelines for Business standards for Multinational Enterprises;

- to assure that there are no investments in issuers that are exposed to controversial weapons;

- to assure that there are no investments in issuers that are significantly exposed to extraction, transportation or distribution of thermal coal;

- to assure that there are no investments in issuers that are significantly exposed to the production and distribution of tobacco,

- to assure that there are no investments in issuers that are significantly exposed to the production, manufacture, trading, testing or maintenance of conventional armements and/or critical components / services for conventional armements;

- to assure that there are no investments in electricity-generating issuers with new coal- or nuclear-based projects, or with a carbon intensity above a certain threshold;

- to assure that there are no investments in issuers with significant exposure to unconventional oil and gas, or in issuers with exposure to conventional oil and gas that do not derive a significant proportion of their revenues from natural gas and renewable energies;

- to assure that there are no investments in issuers with significant direct or indirect exposure to gambling activities;

- to assure that there are no investments in issuers with significant exposure to nuclear energy;

- to assure that there are no investments in palm oil producers, distributors and buyers who are not members of the Roundtable on Sustainable Palm Oil and who are significantly exposed to non-RSPO-certified palm oil, and who do not have a deforestation policy;

- to assure that there are no investments in issuers that are directly involved in the extraction and smelting of metals and minerals and that have not put in place relevant ESG risk management systems in place, in accordance with recognised international standards such as the UN Guiding Principles, the Voluntary Principles on Human Rights and the OECD guidelines;

- to assure that there are there is no investment in sovereign issuers of regimes considered to be oppressive,

The sub-fund will invest a minimum of 10 % of its net assets in green bonds. Green bonds eligible for the sub-fund can include sovereign issues and quasi-sovereign issues.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Sustainable investments that the Sub-Fund partially intends to make aim to have a positive impact on environmental and social domains in the long-term.

The sustainable investments in the Sub-Fund do not have specific environmental objectives. However, being subject to Candriam's proprietary ESG analysis & screening, these sustainable investments may contribute on the long term to one or more of the following environmental objectives set out in Article 9 of Regulation (EU) 2020/852:

- (a) climate change mitigation;
- (b) climate change adaptation;
- (c) the sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy;
- (e) pollution prevention and control.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments that the financial product partially makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy. Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

— → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The indicators for principal adverse impacts on sustainability factors have been taken into account using Candriam's ESG rating framework, controversial activities exclusions and norms-based exclusions.

For example:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional and conventional fossil fuel activities and/or nonrenewable energy production. For PAI 4 and 5, Candriam applies thresholds when considering exposure to these activities.
- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).
- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology.

- PAI 16: Investee countries subject to social violations.

3. Through analysis of the contribution of companies' business activities to the Key Sustainability Challenges of climate change and of resource depletion, Candriam takes into account the following Principal Adverse Impacts:

- PAI 1, 2, 3, 4, 5 and 6: Through the assessment of the Key Sustainability Challenge of climate change, Candriam analyses the climate risk exposure of in companies as well as the GHG emission intensity of their business activities. This supports the evaluation of whether companies' business activities contribute positively or negatively to climate change.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

• PAI 7, 8 and 9: Assessment of companies' business activities impact on the depletion of natural resources.

4. Through analysis of countries as regards the way countries preserve Natural Capital:

• PAI15 – GHG Intensity: greenhouse gas intensity of GDP of countries is accounted for in one of the components of Natural Capital.

5. Through entity-level engagement: To avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through Candriam's company-wide engagement programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary across issuers based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at Sub-Fund level, as referred to in Annex I of SFDR Delegated Regulation supplementing Regulation (EU) 2019/2088, a number of principal adverse impacts (PAI) on sustainability factors are considered through one or several of the following means:

• Exclusions:

Through the exclusion of companies involved in controversial activities or through norms-based exclusions, Candriam considers:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology:

- PAI 16: Sovereign investee countries subject to social violations.

• Engagement and voting:

To avoid and/or reduce adverse impacts on sustainability factors, the Sub-Fund also considers adverse impacts through Candriam's entity-wide engagement program, which includes dialogue with companies and exercise of voting rights. Candriam prioritises its engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary by issuer based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 7 (activities negatively affecting biodiversity sensitive areas), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

• Monitoring:

Monitoring encompasses the calculation and evaluation of PAIs on sustainability factors. For funds with carbon footprint as a sustainability indicator, PAI 2 is covered via this monitoring approach. PAI 3 (GHG intensity of investee companies) is monitored for funds in scope of Candriam's commitment to the Net Zero Asset Managers Initiative. Further, PAI 10 (violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises), PAI 14 (exposure to controversial weapons) and PAI 16 (sovereign investee countries subject to social violations) are covered via monitoring.

The specific PAI indicators that are taken into consideration are subject to data quality and availability and may evolve with improving data quality and availability. Where it is not possible to use a PAI indicator due to data limitations or other technical issues, the fund manager can use a representative proxy indicator.

For further information regarding the types of principal adverse impact indicators that are taken into account, please consult the document titled "PAI Consideration at Product Level" at the following link on Candriam's SFDR page:

<https://www.candriam.com/en/private/market-insights/sfdr/>

<https://www.candriam.com/en/professional/market-insights/sfdr/>

No

What investment strategy does this financial product follow?

The objective of the sub-fund is to use discretionary management to generate revenues by investing in bonds denominated in EUR, issued by highly rated issuers of all types until the maturity of the sub-fund.

The investment strategy is implemented following a well defined investment process and a strict risk framework. Respect of these elements are subject to Candriam risk monitoring.

With regard to the environmental and social sustainability aspects of the investment strategy,



The investment strategy guides investment decisions based on factors such as

Candriam's proprietary ESG analysis, leading to ESG Rating and scoring, as well as the norms based controversy assessment and controversial activities exclusion policy are implemented as they enable to define the investable universe for the Sub-Fund.

In addition, Candriam's ESG analysis, comprising an analysis of the business activities of an issuer and of its interactions with its key stakeholders, is integrated into the financial management of the portfolio to enable the fund manager to identify the risks as well as opportunities that arise from the major challenges of sustainable development.

Candriam as a management company has put in place a monitoring framework as described within the sustainability risk policy. Risk monitoring of the investment strategy of the Sub-Fund aims to ensure that investments are aligned with and take into account the environmental, social and governance indicators and sustainability thresholds as explained above.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***

The binding elements used by the investment strategy are an exclusion policy including a normative filter as well as the exclusion of certain controversial activities as described in Candriam's Level 2A Exclusions Policy targets harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Exposure to these activities presents important systemic and reputational risks for the investee companies from an economic as well as environmental and social perspective.

Moreover, considering that climate change is the pivotal sustainability challenge for the near future, Candriam's Level 2A Exclusions Policy takes this into account and accordingly emphasizes environmental issues. The aim is to help tackle climate change by excluding activities that do significant harm to the environment. We believe that supporting environmental sustainability can also have positive repercussions on social issues.

Candriam's Level 2A Exclusions Policy applies to investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives.

As regards the Level 2A Exclusions Policy, Candriam excludes controversial armament, tobacco and thermal coal activities and encourages third parties to do the same. These activities carry substantial systemic risks regarding society and the global economy.

The application of Candriam's Level 2A Exclusions Policy also involves the exclusion of conventional weapons. This is in line with many sustainable investors' approach and various standards that consist in excluding this activity due to the adverse nature of armaments which have often served to infringe on human rights and led to devastating effects on human lives and the overall well-being of society. The challenge of obtaining granular information on end users and end uses of weapons is an additional factor supporting this exclusion.

Portfolios subject to Candriam's Level 2A Exclusions Policy exclude gambling activities, too, as such activities can potentially be intertwined with illegal activities and corruption and could therefore generate reputational risks for Candriam and our clients. This reflects the concerns of many responsibility-oriented investors as well as certain independent ESG frameworks.

Moreover securities are selected only if they reach or comply with :

- the sustainability indicator targets presented above;
- the defined minimum of investments with Environmental & Social characteristics;
- the defined minimum sustainable investments.

When approaching the maturity date, the sub-fund may be invested in cash, money-market, and short dated investments. As such the minimum allocation and minimum investment in Green Bonds presented above might not be fully achieved as the fund approaches its final maturity. However, exposure to companies or countries will still be compliant with Candriam Level 2A Exclusion Policy.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements,

events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Sub-Fund is subject to an exclusion policy which includes a normative filter as well as the exclusion of certain controversial activities. There is no minimum committed rate to reduce the scope of investments prior to the application of the investment strategy.

● **What is the policy to assess good governance practices of the investee companies?**

Corporate governance is a key aspect of Candriam's Stakeholder analysis. It allows to assess :

- 1) how a company interacts with and manages its relevant stakeholders and ;
- 2) how a company's board fulfils its governance and management duties with respect to disclosure and transparency as well as the consideration of sustainability objectives.

To assess a company's governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance as defined by SFDR, Candriam's ESG analysis comprises, among others, 5 key governance pillars:

1. Strategic direction which assesses the independence, expertise and composition of the board and ensures that the board acts in the best interests of all shareholders and other stakeholders and can act as a counterbalance to management;
2. Audit committee and auditor independence evaluation to avoid conflicts of interests;
3. Transparency on executive remuneration, which enables executives and the remuneration committee to be held accountable by shareholders and helps align interests of both top executives and shareholders and focus on long term performance;
4. Share capital to ensure all shareholders have equal voting rights;
5. Financial conduct and transparency.

What is the asset allocation planned for this financial product?

The Sub-Fund aims to invest at least 75% of its total net assets in investments with environmental and social characteristics out of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the Sub-Fund's total net assets can be allocated to other assets as defined below.

Investment with environmental and social characteristics are investments which are subject to Candriam's proprietary ESG analysis and are eligible based on their ESG rating. In addition, such investments will need to comply with Candriam's Level 1 - Company-Wide exclusion policy on both controversial activities and normative screening. Investments with E/S characteristics must display good governance practices.

The definition of Sustainable Investments is based on Candriam proprietary ESG Analysis. An issuer that is compliant with our corporate exclusionary screening is eligible as sustainable investment on basis of its ESG rating reflecting high standards of sustainability.

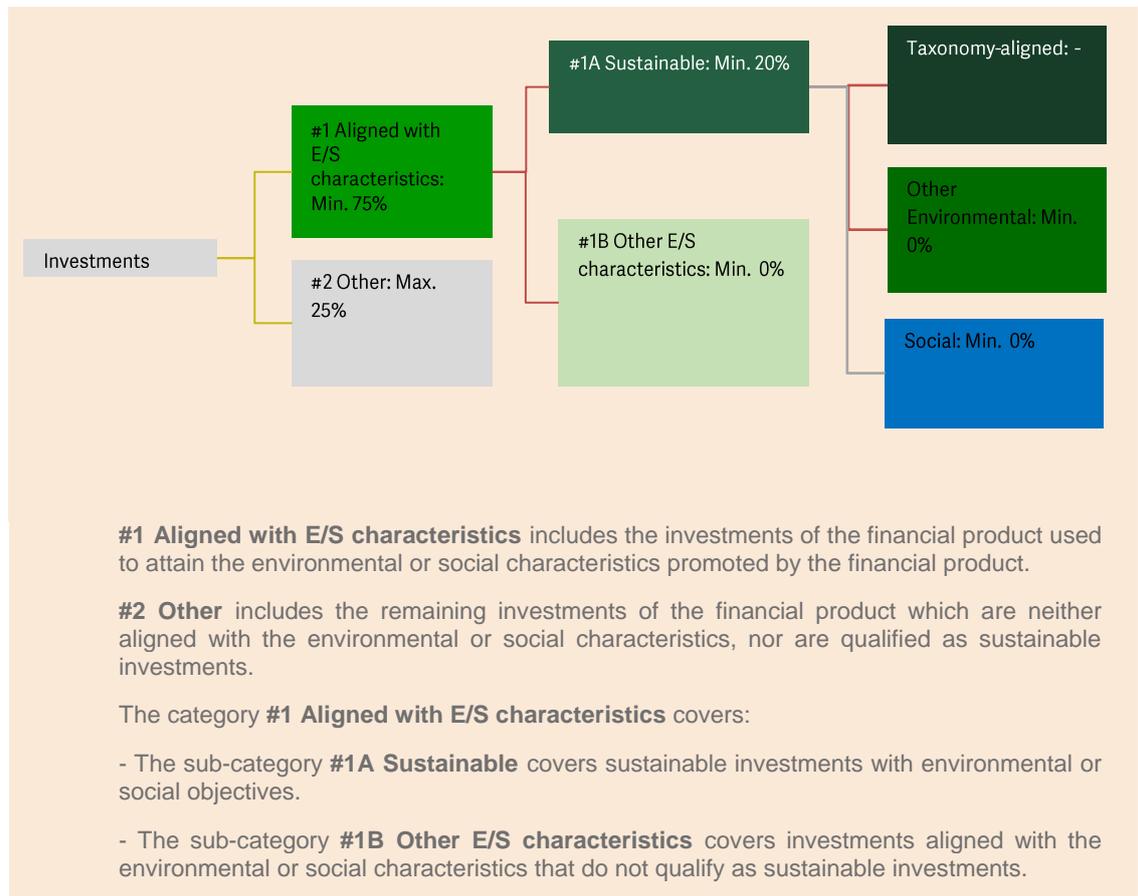
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives usage is not directed to attaining the environmental or social characteristics promoted by the Sub-Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The European Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data required for a rigorous evaluation of their alignment with the Taxonomy.

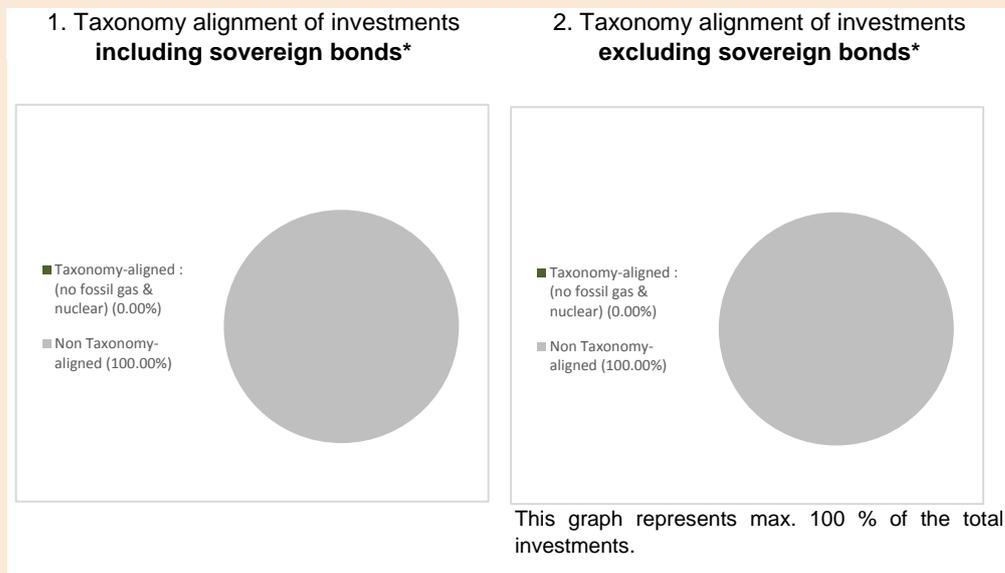
As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

- Yes
- In fossil gas
- In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and Analysis framework includes an assessment of transitional and/or enabling activities and how they contribute to sustainable objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with an environmental objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under "Other investment" can be present in the Sub-Fund for a maximum of 25% of the total net assets.

These investments can be:

- Cash: Cash at sight, reverse repo needed to manage the liquidity of the Sub-Fund following S/R and/or being the result of the decision of market exposure of the Sub-Fund;
- Issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments are planned to be sold;
- Other investments (including single name derivatives) that at least respect the principles of good governance;
- Non single name derivatives can be used according to the terms foreseen in the fact sheet of the Sub-Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is designated as a reference benchmark to assess the alignment with E/S Characteristics.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Product name:

Legal entity identifier

Candriam Fund - Bonds Eastern Europe 2029

529900TJ2B4BGZTEAF08

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : _% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective _%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20 % of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
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Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund promotes Environmental and Social characteristics by :

- Aiming to avoid exposure to oppressive regimes

In addition to the above, Candriam's ESG research methodology is integrated within the investment process.

Finally, the Sub-Fund aims to invest a minimum proportion of its assets in Sustainable Investments.

No non-financial reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

- **What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the attainment of environmental and social characteristics are as follows :

- to assure that there are there is no investment in sovereign or quasi-sovereign issuers of regimes considered to be oppressive,
- Freedom House :The sub-fund aims to have a weighted average Freedom House Country Score that is higher than an absolute threshold. This threshold is defined in function of the sub-fund's investment universe and may be reviewed if the investment universe changes.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The sub-fund is not intended to invest in private issuers or securities issued by companies. As such, the sub-fund does not have a minimum alignment with the European Taxonomy.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments that the financial product partially makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy. Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

— → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

For the sustainable investments that the Sub-fund intends to make partially, the indicators for principal adverse impacts on sustainability factors have been taken into account using Candriam's ESG rating framework, controversial activities exclusions and norms-based exclusions.

For example:

- Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology.
- PAI 16: Investee countries subject to social violations.
- Through analysis of countries as regards the way countries preserve Natural Capital:
- PAI15 – GHG Intensity: greenhouse gas intensity of GDP of countries is accounted for in one of the components of Natural Capital.

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly

breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at Sub-Fund level, as referred to in Annex I of SFDR Delegated Regulation supplementing Regulation (EU) 2019/2088, a number of principal adverse impacts (PAI) on sustainability factors are considered - as described in Candriam at Product Level PAI Statement Level I" - through one or several of the following means:

• Exclusions:

Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology (only to mention for aggregate & govt bond funds)

PAI 16: Sovereign investee countries subject to social violations.

• Monitoring:

Monitoring encompasses the calculation and evaluation of PAIs on sustainability factors. The PAI 16 (sovereign investee countries subject to social violations) is covered via monitoring.

The specific PAI indicators that are taken into consideration are subject to data quality and availability and may evolve with improving data quality and availability. Where it is not possible to use a PAI indicator due to data limitations or other technical issues, the fund manager can use a representative proxy indicator.

For further information regarding the types of principal adverse impact indicators that are taken into account, please consult the document titled “PAI Consideration at Product Level” at the following link on Candriam's SFDR page:

<https://www.candriam.com/en/private/market-insights/sfdr/>

<https://www.candriam.com/en/professional/market-insights/sfdr/>

No



What investment strategy does this financial product follow?

The objective of the sub-fund is to use discretionary management to generate revenues by investing in bonds issued or guaranteed by governments, international and supranational organizations and public entities in Central and Eastern Europe until the maturity of the sub-fund.

The investment strategy is implemented following a well defined investment process and a strict risk framework . Respect of these elements are subject to Candriam risk monitoring.

With regard to the environmental and social sustainability aspects of the investment strategy,

The investment strategy guides investment decisions based on factors such as investment objectives and

Candriam's proprietary ESG analysis, leading to ESG Rating and scoring, as well as the norms based controversy assessment and controversial activities exclusion policy are implemented as they enable to define the investable universe for the Sub-Fund.

In addition, Candriam's ESG analysis, comprising an analysis of the business activities of an issuer and of its interactions with its key stakeholders, is integrated into the financial management of the portfolio to enable the fund manager to identify the risks as well as opportunities that arise from the major challenges of sustainable development.

Candriam as a management company has put in place a monitoring framework as described within the sustainability risk policy. Risk monitoring of the investment strategy of the Sub-Fund aims to ensure that investments are aligned with and take into account the environmental, social and governance indicators and sustainability thresholds as explained above.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***

The binding elements used by the investment strategy are an exclusion policy including a normative filter as well as the exclusion of certain controversial activities as described in Candriam's Level 2A Exclusions Policy targets harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Exposure to these activities presents important systemic and reputational risks for the investee companies from an economic as well as environmental and social perspective.

Moreover, considering that climate change is the pivotal sustainability challenge for the near future, Candriam's Level 2A Exclusions Policy takes this into account and accordingly emphasizes environmental issues. The aim is to help tackle climate change by excluding activities that do significant harm to the environment. We believe that supporting environmental sustainability can also have positive repercussions on social issues.

Candriam's Level 2A Exclusions Policy applies to investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives.

As regards the Level 2A Exclusions Policy, Candriam excludes controversial armament, tobacco and thermal coal activities and encourages third parties to do the same. These activities carry substantial systemic risks regarding society and the global economy.

The application of Candriam's Level 2A Exclusions Policy also involves the exclusion of conventional weapons. This is in line with many sustainable investors' approach and various standards that consist in excluding this activity due to the adverse nature of armaments which have often served to infringe on human rights and led to devastating effects on human lives and the overall well-being of society. The challenge of obtaining granular information on end users and end uses of weapons is an additional factor supporting this exclusion.

Portfolios subject to Candriam's Level 2A Exclusions Policy exclude gambling activities, too, as such activities can potentially be intertwined with illegal activities and corruption and could therefore generate reputational risks for Candriam and our clients. This reflects the concerns of many responsibility-oriented investors as well as certain independent ESG frameworks.

In addition, the portfolio is constructed in order to achieve or to respect:

- the sustainability indicator targets presented above;
- the defined minimum of investments with Environmental & Social characteristics;
- the defined minimum sustainable investments.

When approaching the maturity date,

- the sub-fund is authorized to invest up to 100% of its assets in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by a Member State of the OECD or by public international bodies to which one or more Member States of the EU belong,
- the sub-fund may be mainly invested in cash.

As such the minimum allocation presented above might not be fully achieved as the fund approaches its final maturity. However, exposure to countries will still be compliant with Candriam Level 2A Exclusion Policy.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Sub-Fund is subject to an exclusion policy which includes an exclusion filter for sovereign issuers or regimes considered oppressive. There is no minimum committed rate to reduce the scope of investments prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

The sub-fund does not intend to invest in private issuers or in securities issued by companies.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Sub-Fund aims to invest at least 75% of its total net assets in investments with environmental and social characteristics out of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the Sub-Fund's total net assets can be allocated to other assets as defined below.

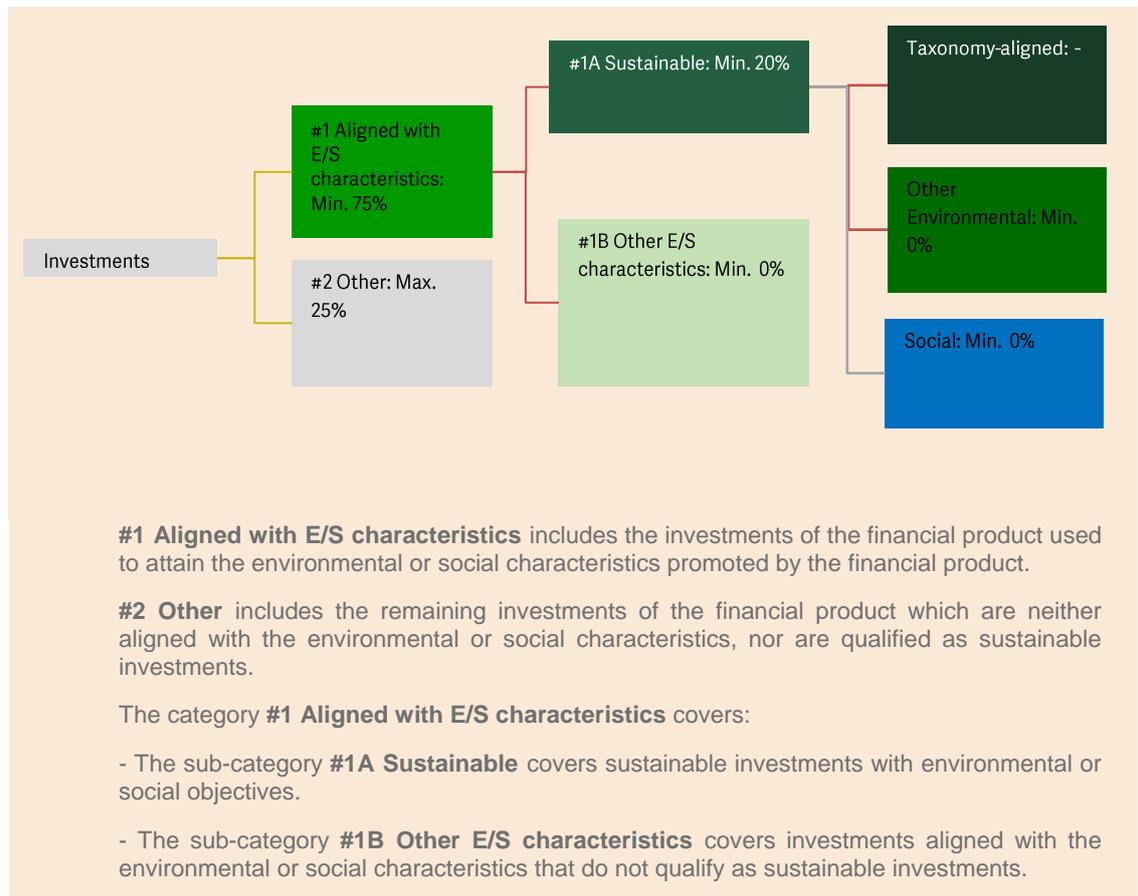
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

Investment with environmental and social characteristics are investments which are subject to Candriam's proprietary ESG analysis and are eligible based on their ESG rating. In addition, such investments will need to comply with Candriam's Level 1 - Company-Wide exclusion policy on both controversial activities and normative screening. Investments with E/S characteristics must display good governance practices.

The definition of Sustainable Investments is based on Candriam proprietary ESG Analysis. An issuer which respects Candriam's exclusion filters is either eligible or not as a sustainable investment on the basis of its ESG rating reflecting high standards of sustainability .

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives usage is not directed to attaining the environmental or social characteristics promoted by the Sub-Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The European Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data required for a rigorous evaluation of their alignment with the Taxonomy.

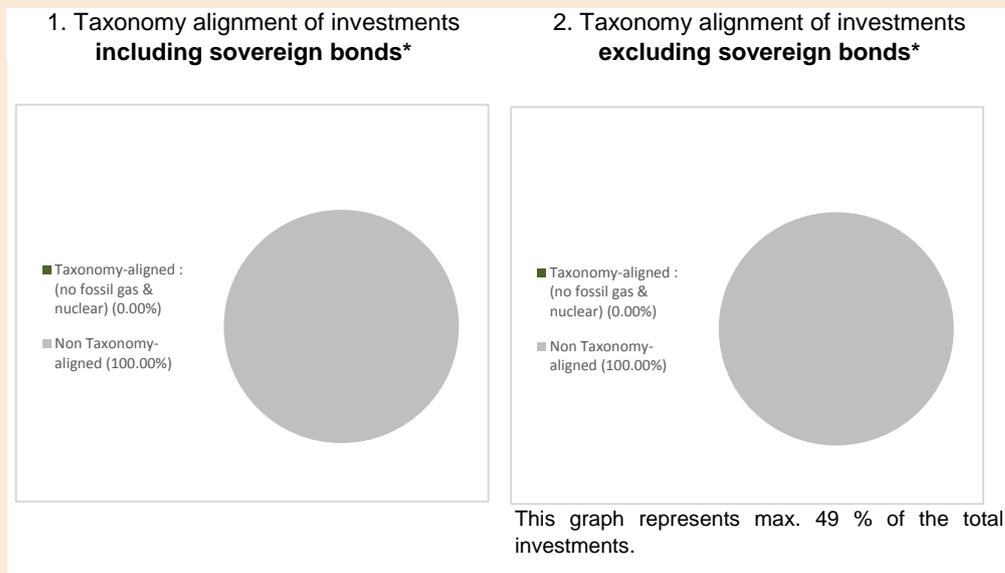
As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

- Yes
- In fossil gas
- In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and Analysis framework includes an assessment of transitional and/or enabling activities and how they contribute to sustainable objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with an environmental objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under "Other investment" can be present in the Sub-Fund for a maximum of 25% of the total net assets.

These investments can be:

- Cash: Cash at sight, reverse repo needed to manage the liquidity of the Sub-Fund following S/R and/or being the result of the decision of market exposure of the Sub-Fund;
- Issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments are planned to be sold;
- Other investments (including single name derivatives) that at least respect the principles of good governance;
- Non single name derivatives can be used according to the terms foreseen in the fact sheet of the Sub-Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is designated as a reference benchmark to assess the alignment with E/S Characteristics.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Product name:

Legal entity identifier

Candriam Fund - Equity EMU High Dividend

5299001WIQJXL7KWDV45

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: _%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective _%</p>	<p><input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10 % of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- The Sub-Fund promotes Environmental and Social characteristics by :
- Aiming to avoid exposure to companies that present both significant and severe structural risks and that are seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises.
 - Aiming to avoid exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium);
 - Aiming to have a carbon footprint lower than the benchmark.

In addition to the above, Candriam's ESG research methodology is integrated within the

investment process. Finally, the Sub-Fund aims to invest a minimum proportion of its assets in Sustainable Investments.

No non-financial reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

● ***What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of environmental and social characteristics are as follows :

- Carbon Footprint : the Sub-fund seeks to achieve a carbon footprint below its benchmark for private issuers;

- to assure that there are no investments in issuers seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

- to assure that there are no investments in issuers that are exposed to controversial weapons.

- to assure that there are no investments in issuers that are significantly exposed to extraction, transportation or distribution of thermal coal;

- to assure that there are no investments in issuers that are significantly exposed to the production and distribution of tobacco,

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Sustainable investments that the Sub-Fund partially intends to make aim to have a positive impact on environmental and social domains in the long-term.

The sustainable investments in the Sub-Fund do not have specific environmental objectives. However, being subject to Candriam's proprietary ESG analysis & screening, these sustainable investments may contribute on the long term to one or more of the following environmental objectives set out in Article 9 of Regulation (EU) 2020/852:

(a) climate change mitigation;

(b) climate change adaptation;

(c) the sustainable use and protection of water and marine resources;

(d) the transition to a circular economy;

(e) pollution prevention and control.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments that the financial product partially makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy. Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

— → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

For these sustainable investments realised partially by the sub-fund, indicators of the principal adverse impacts on sustainability factors were considered using Candriam's ESG rating framework, exclusions from controversial activities and exclusions based on standards.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental,

social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

For example:

1. Through the exclusion of companies involved in controversial activities and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of the following principal adverse impacts (PAIs):

- PAI 3, 4 and 5: Exclusion of companies with significant exposure to conventional and non-conventional fossil fuel activities and/or non-renewable energy production. For PAIs 4 and 5, Candriam applies thresholds when taking account of exposure to these activities.
- PAI 7: Activities adversely impacting biodiversity sensitive areas. For example, Candriam excludes companies involved in palm oil (thresholds based on palm oil not certified by the RSPO).
- PAI 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

2. By analysing the contribution of a company's business activities to the main sustainability challenges of climate change and resource depletion, Candriam takes account of the following principal adverse impacts:

- PAI 1, 2, 3, 4, 5 and 6: By assessing the main sustainability challenges of climate change, Candriam analyses a company's exposure to climate risks as well as the intensity of GHG emissions generated by their business activities. This assessment is used to determine whether the company's business activities contribute positively or negatively to climate change.
- PAI 7, 8 and 9: Assessment of the impact of a company's business activities on the depletion of natural resources.

3. Through entity level engagement: In order to avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through its Enterprise-wide Engagement Programme, which includes dialogue with companies and/or the exercise of voting rights. Candriam prioritises engagement and/or voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary from one issuer to another depending on Candriam's prioritising methodology.

The main themes of Candriam's engagement and/or voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 10 (violations of the United Nations Global Compact Principles and the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at the sub-fund level, as indicated in Annex I of the SFDR delegated Regulation supplementing Regulation (EU) 2019/2088, the Principal Adverse Impacts (PAIs) on sustainability factors are taken into account – as described in the Level 1 PAIs in the document entitled "Principal Adverse Impact at Product Level" - by one or more of the following means:

- Exclusions:

Through the exclusion of companies involved in controversial activities and standards based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

- PAI 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Engagement and voting:

In order to avoid and/or reduce adverse impacts on sustainability factors, the sub-fund also considers adverse impacts through its Entity-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises its engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary depending on the issuers and Candriam's prioritising methodology.

The main themes of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 7 (activities having an adverse impact on biodiversity sensitive zones) PAI 10 (violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

- Monitoring:

Monitoring includes calculating and assessing the main adverse impacts on sustainability factors, including reporting at the sub-fund level. For funds using carbon footprint as a sustainability indicator, PAI 2 is covered by this monitoring approach. PAI 3 (GHG intensity of investee companies) is monitored for funds forming part of Candriam's commitment to the Net Zero Asset Manager initiative. In addition, PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 14 (Exposure to controversial weapons).

The indicators of specific principal adverse impacts taken into account depend on data quality and availability and may change as data quality and availability improves. If it is not possible to use a principal adverse impact indicator due to data limitations or other

technical issues, the fund manager may use a representative replacement indicator. More extensive information on the types of PAI considered can be found through the links provided at the end of this Annex (document entitled “Principal adverse impacts at product level”).

No

What investment strategy does this financial product follow?

The objective of the sub-fund is to invest in high dividend stocks from companies having their registered office and/or carrying out their primary economic activity in a eurozone country, taking into account Candriam’s ESG exclusions while limiting deviation from the performance of the MSCI EMU High Dividend Yield Index (Net Return).

The investment strategy is applied according to a well-defined investment process and a rigorous risk framework. Adherence to these elements is subject to risk monitoring by Candriam.

Regarding the environmental and social aspects of the investment strategy, Candriam’s exclusive ESG analysis (which produces ESG ratings and scores) and a normative controversy evaluation (including the controversial activity exclusion policy) are applied, making it possible to define the investable universe for the sub-fund.

Furthermore, Candriam’s ESG analysis, which includes an analysis of the issuer’s activities and its interaction with its main stakeholders, is an integral part of the financial management of the portfolio, enabling the asset manager to identify the risks as well as opportunities around the serious challenges of sustainable development.

As the management company, Candriam has established a monitoring framework as described in the sustainability risk management policy. Monitoring of the sub-fund’s investment strategy risks seeks to ensure that the investments are aligned with and take account of environmental, social and governance indicators and the sustainability thresholds as explained above.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product**

The binding elements used by the investment strategy are an exclusion policy including a normative filter as well as the exclusion of certain controversial activities as described in Candriam’s Level 2A Exclusions Policy targets harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Exposure to these activities presents important systemic and reputational risks for the investee companies from an economic as well as environmental and social perspective.

Moreover, considering that climate change is the pivotal sustainability challenge for the near future, Candriam’s Level 2A Exclusions Policy takes this into account and accordingly emphasizes environmental issues. The aim is to help tackle climate change by excluding activities that do significant harm to the environment. We believe that supporting environmental sustainability can also have positive repercussions on social issues.

Candriam’s Level 2A Exclusions Policy applies to investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives.

As regards the Level 2A Exclusions Policy, Candriam excludes controversial armament, tobacco and thermal coal activities and encourages third parties to do the same. These activities carry substantial systemic risks regarding society and the global economy.

The application of Candriam’s Level 2A Exclusions Policy also involves the exclusion of conventional weapons. This is in line with many sustainable investors’ approach and various standards that consist in excluding this activity due to the adverse nature of armaments which have often served to infringe on human rights and led to devastating effects on human lives and the overall well-being of society. The challenge of obtaining granular information on end users and end uses of weapons is an additional factor supporting this exclusion.

Portfolios subject to Candriam’s Level 2A Exclusions Policy exclude gambling activities, too, as such activities can potentially be intertwined with illegal activities and corruption and could therefore generate reputational risks for Candriam and our clients. This reflects



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

the concerns of many responsibility-oriented investors as well as certain independent ESG frameworks.

Moreover securities are selected only if they reach or comply with :

- the sustainability indicator targets presented above;
- the defined minimum of investments with Environmental & Social characteristics;
- the defined minimum sustainable investments.

When approaching the maturity date, the sub-fund may be invested in cash, money-market, and short dated investments. As such the minimum allocation and minimum investment presented above might not be fully achieved as the fund approaches its final maturity. However, exposure to companies or countries will still be compliant with Candriam Level 2A Exclusion Policy.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Sub-Fund is subject to an exclusion policy which includes a normative filter as well as the exclusion of certain controversial activities. There is no minimum committed rate to reduce the scope of investments prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

Corporate governance is a key aspect of Candriam's Stakeholder analysis. It allows to assess :

- 1) how a company interacts with and manages its relevant stakeholders and ;
- 2) how a company's board fulfils its governance and management duties with respect to disclosure and transparency as well as the consideration of sustainability objectives.

To assess a company's governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance as defined by SFDR, Candriam's ESG analysis comprises, among others, 5 key governance pillars:

1. Strategic direction which assesses the independence, expertise and composition of the board and ensures that the board acts in the best interests of all shareholders and other stakeholders and can act as a counterbalance to management;
2. Audit committee and auditor independence evaluation to avoid conflicts of interests;
3. Transparency on executive remuneration, which enables executives and the remuneration committee to be held accountable by shareholders and helps align interests of both top executives and shareholders and focus on long term performance;
4. Share capital to ensure all shareholders have equal voting rights;
5. Financial conduct and transparency.

What is the asset allocation planned for this financial product?

The Sub-Fund aims to invest at least 50% of its total net assets in investments with environmental and social characteristics out of which a minimum of 10% of its total net assets will consist of sustainable investments. A maximum of 50% of the total net assets can be allocated to cash, derivatives or instruments that do not promote environmental and social characteristics.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

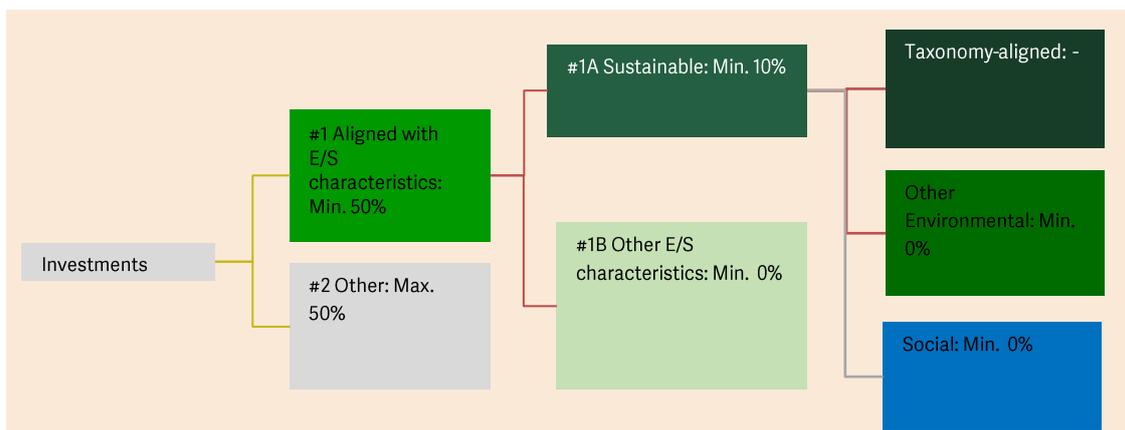
Investments with environmental and social characteristics are investments which are subject to Candriam's proprietary ESG analysis and are eligible based on their ESG rating. In addition, such investments will need to comply with Candriam's Company-Wide exclusion policy on both controversial activities and normative screening. Investments with E/S characteristics must display good governance practices.

The definition of Sustainable Investments is based on Candriam proprietary ESG Analysis. An issuer that is compliant with our corporate exclusionary screening is eligible as sustainable investments on basis of its ESG rating reflecting high standards of sustainability.

In addition, the Sub-Fund invests in UCIs that could be managed by another investment manager. In this context, Candriam ensures that the allocation to E/S characteristics and sustainable investments is met based on the available disclosure for each underlying UCI.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives usage is not directed to attaining the environmental or social characteristics promoted by the Sub-Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The European Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data required for a rigorous evaluation of their alignment with the Taxonomy.

As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

Yes

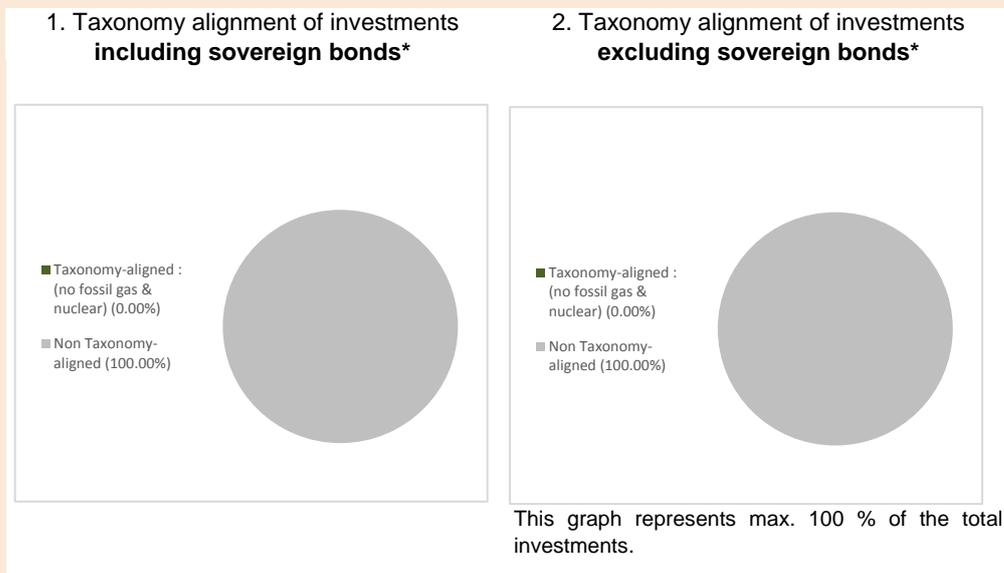
In fossil gas

In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and Analysis framework includes an assessment of transitional and/or enabling activities and how they contribute to sustainable objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with an environmental objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments in the “Others” category may be held in the Sub-fund up to a maximum of 50% of the total net assets.

Such investments may be:

- cash: demand deposits, reverse repurchase transactions that are necessary in order to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or resulting from the Sub-fund’s market exposure decisions,
- other investments (including single name derivatives) which comply at least with good governance principles,
- Non single name derivatives may be used in the manner indicated in the Sub-fund's fact sheet.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is designated as a reference benchmark to assess the alignment with E/S Characteristics.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Product name:

Legal entity identifier

Candriam Fund - ONE Global Best-In-Class Equities

549300ZJ8Y3XOGLIZQ46

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

 No

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: _%</p> <p style="margin-left: 40px;"><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 40px;"><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective _%</p>	<p><input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20 % of sustainable investments</p> <p style="margin-left: 40px;"><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 40px;"><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p style="margin-left: 40px;"><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund promotes Environmental and Social characteristics by :

- Aiming to avoid exposure to companies that present structural risks that are both material and severe and are the most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact (UNGC) and the OECD Guidelines for Business standards for Multinational Enterprises.
- Aiming to avoid exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium).

In addition to the above, Candriam's ESG research methodology is integrated within the investment process. Finally, the Sub-Fund aims to invest a minimum proportion of its assets in

No non-financial reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

● **What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the attainment of environmental and social characteristics are as follows :

- to assure that there are no investments in issuers that are most seriously in violation of the normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact (UNGC) and the OECD Guidelines for Business standards for Multinational Enterprises;
- to assure that there are no investments in issuers that are exposed to controversial weapons;
- to assure that there are no investments in issuers that are significantly exposed to extraction, transportation or distribution of thermal coal;
- to assure that there are no investments in issuers that are significantly exposed to the production and distribution of tobacco.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Sustainable investments that the Sub-Fund partially intends to make aim to have a positive impact on environmental and social domains in the long-term.

The sustainable investments in the Sub-Fund do not have specific environmental objectives. However, being subject to Candriam's proprietary ESG analysis & screening, these sustainable investments may contribute on the long term to one or more of the following environmental objectives set out in Article 9 of Regulation (EU) 2020/852:

- (a) climate change mitigation;
- (b) climate change adaptation;
- (c) the sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy;
- (e) pollution prevention and control.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments that the financial product partially makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy. Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

→ **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The indicators for principal adverse impacts on sustainability factors have been taken into account using Candriam's ESG rating framework, controversial activities exclusions and norms-based exclusions.

For example:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and

with international norms, Candriam considers:

- PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional and conventional fossil fuel activities and/or nonrenewable energy production. For PAI 4 and 5, Candriam applies thresholds when considering exposure to these activities.
- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).
- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through analysis of the contribution of companies' business activities to the Key Sustainability Challenges of climate change and of resource depletion, Candriam takes into account the following Principal Adverse Impacts:

- PAI 1, 2, 3, 4, 5 and 6: Through the assessment of the Key Sustainability Challenge of climate change, Candriam analyses the climate risk exposure of in companies as well as the GHG emission intensity of their business activities. This supports the evaluation of whether companies' business activities contribute positively or negatively to climate change.
- PAI 7, 8 and 9: Assessment of companies' business activities impact on the depletion of natural resources.

3. Through entity-level engagement: To avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through Candriam's company-wide engagement programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary across issuers based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the

remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at the Sub-fund level, as indicated in Annex I of the SFDR delegated Regulation supplementing Regulation (EU) 2019/2088, the Principal Adverse Impacts (PAIs) on sustainability factors are taken into account – as described in the Level 1 PAIs in the document entitled "Principal Adverse Impact at Product Level" – by one or more of the following means:

- Exclusions:

Through the exclusion of companies involved in controversial activities or through standard-based exclusions, Candriam takes the following into account:

Through the exclusion of companies involved in controversial activities and standards based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

- PAI 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Engagement and voting:

In order to avoid and/or reduce adverse impacts on sustainability factors, the Sub-fund also considers adverse impacts through its Entity-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises its engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary depending on the issuers and Candriam's prioritising methodology. The main themes of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 7 (activities having an adverse impact on biodiversity sensitive zones) PAI 10 (violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

- Monitoring:

Monitoring includes calculating and assessing the main adverse impacts on sustainability factors, including reporting at the Sub-fund level. For funds using carbon footprint as a sustainability indicator, PAI 2 is covered by this monitoring approach. PAI 3 (GHG intensity of investee companies) is monitored for funds forming part of Candriam's commitment to the Net Zero Asset Manager initiative. In addition, PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 14 (Exposure to controversial weapons). The indicators of specific principal adverse impacts taken into account depend on data quality and availability and may change as data quality and availability improves. If it is not possible to use a principal adverse impact indicator due to data limitations or other technical issues, the fund manager may use a representative replacement indicator.

More extensive information on the types of PAI considered can be found through the links provided at the end of this Annex (document entitled "Principal adverse impacts at product level").

No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The aim of the Sub-Fund, through discretionary and quantitative management, is to benefit from the equity market performance of companies in developed countries and to aim for a performance close to the MSCI World (Net Return) by selecting companies based on Environmental, Social and Governance (“ESG”) criteria.

The investment strategy is implemented following a well defined investment process and a strict risk framework . Respect of these elements are subject to Candriam risk monitoring.

With regard to the environmental and social sustainability aspects of the investment strategy, Candriam's proprietary ESG analysis, leading to ESG Rating and scoring, as well as the norms based controversy assessment and controversial activities exclusion policy are implemented as they enable to define the investable universe for the Sub-Fund.

In addition, Candriam's ESG analysis, comprising an analysis of the business activities of an issuer and of its interactions with its key stakeholders, is integrated into the financial management of the portfolio to enable the fund manager to identify the risks as well as opportunities that arise from the major challenges of sustainable development.

Candriam as a management company has put in place a monitoring framework as described within the sustainability risk policy. Risk monitoring of the investment strategy of the Sub-Fund aims to ensure that investments are aligned with and take into account the environmental, social and governance indicators and sustainability thresholds as explained above.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product**

The investment strategy contains binding elements such as an exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities as described in Candriam’s Level 1 Company-Wide Exclusions Policy. Candriam’s Level 1 Company-Wide Exclusions Policy is aimed at harmful activities that in Candriam’s opinion have a substantial negative impact and involve significant financial and sustainability risks. Exposure to these activities presents significant systemic and reputational risks for invested companies from economic, environmental and social points of view.

Consequently Candriam excludes activities linked to controversial weapons, tobacco and thermal coal from all the portfolios that it manages directly and encourages third parties to do likewise. Candriam’s Level 1 Company-Wide Exclusions Policy applies to all investments made by Candriam by way of long positions in direct lines on private sector and sovereign issuers and derivative products on individual issuers. The full list of activities excluded by virtue of Candriam’s Level 1 Company-Wide Exclusions Policy and their respective thresholds and exclusion criteria are available through the links provided at the end of this Annex (document entitled “Candriam Level 1 Company-Wide Exclusions Policy”).

In addition, the portfolio is constructed in order to achieve or to respect:

- the objective of the sustainability indicator described above,
- the defined minimum proportion of investments which have environmental and social characteristics,
- the defined minimum proportion of sustainable investments.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Sub-Fund is subject to an exclusion policy which includes a normative filter as well as the exclusion of certain controversial activities. There is no minimum committed rate to reduce the scope of investments prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

Corporate governance is a key aspect of Candriam's Stakeholder analysis. It allows to assess :

- 1) how a company interacts with and manages its relevant stakeholders and ;
- 2) how a company's board fulfils its governance and management duties with respect to disclosure and transparency as well as the consideration of sustainability objectives.

To assess a company's governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance as defined by SFDR, Candriam's ESG analysis comprises, among others, 5 key governance pillars:

1. Strategic direction which assesses the independence, expertise and composition of the board and ensures that the board acts in the best interests of all shareholders and other stakeholders and can act as a counterbalance to management;
2. Audit committee and auditor independence evaluation to avoid conflicts of interests;
3. Transparency on executive remuneration, which enables executives and the remuneration committee to be held accountable by shareholders and helps align interests of both top executives and shareholders and focus on long term performance;
4. Share capital to ensure all shareholders have equal voting rights;
5. Financial conduct and transparency.

What is the asset allocation planned for this financial product?



Asset allocation describes the share of investments in specific assets.

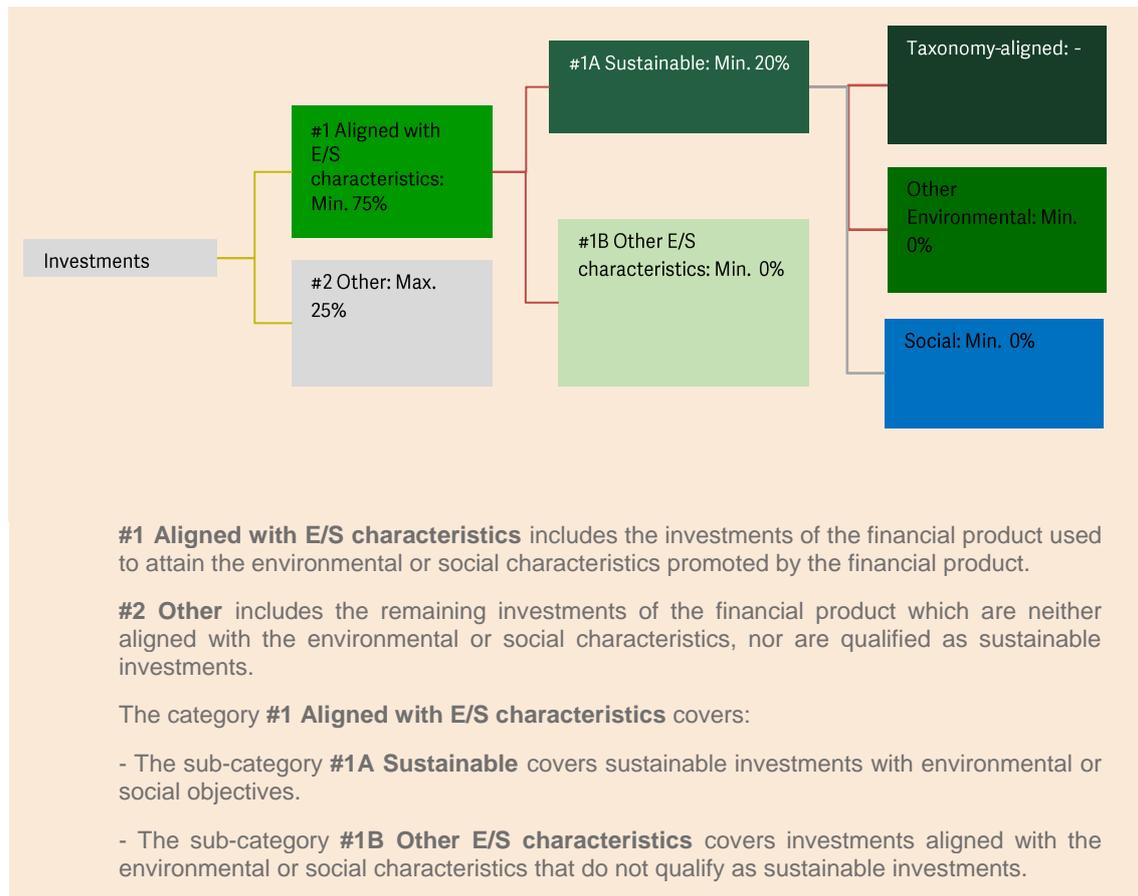
The Sub-Fund aims to invest at least 75% of its total net assets in investments with environmental and social characteristics out of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the Sub-Fund's total net assets can be allocated to other assets as defined below.

Investment with environmental and social characteristics are investments which are subject to Candriam's proprietary ESG analysis and are eligible based on their ESG rating. In addition, such investments will need to comply with Candriam's Company-Wide exclusion policy on both controversial activities and normative screening. Investments with E/S characteristics must display good governance practices.

The definition of Sustainable Investments is based on Candriam proprietary ESG Analysis. An issuer that is compliant with our corporate exclusionary screening is eligible as sustainable investment on basis of its ESG rating reflecting high standards of sustainability.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives usage is not directed to attaining the environmental or social characteristics promoted by the Sub-Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The European Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data required for a rigorous evaluation of their alignment with the Taxonomy.

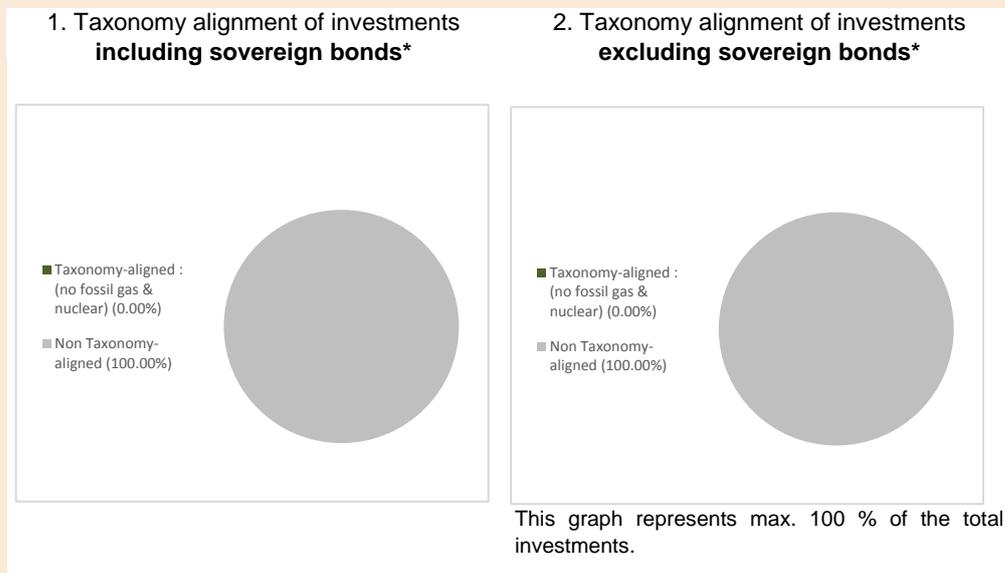
As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

- Yes
- In fossil gas
- In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and Analysis framework includes an assessment of transitional and/or enabling activities and how they contribute to sustainable objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with an environmental objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under "Other investment" can be present in the Sub-Fund for a maximum of 25% of the total net assets.

These investments can be:

- Cash: Cash at sight, reverse repo needed to manage the liquidity of the Sub-Fund following S/R and/or being the result of the decision of market exposure of the Sub-Fund;
- Issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments are planned to be sold;
- Other investments (including single name derivatives) that at least respect the principles of good governance;
- Non single name derivatives can be used according to the terms foreseen in the fact sheet of the Sub-Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is designated as a reference benchmark to assess the alignment with E/S Characteristics.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Product name:

Candriam Fund - Sedes Sapientiae

Legal entity identifier

549300Z2FUQ0V0YY9X62

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : _% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective _%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10 % of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
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What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund promotes Environmental and Social characteristics by :

- Aiming to avoid exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact (UNGC) and the OECD Guidelines for Business standards.
- Aiming to avoid exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium);
- Aiming to support the energy transition through an energy mix that favors renewables and avoids issuers with high exposure to particularly polluting energy sources, such as coal, oil

sands and shale gas/oil.

- Aiming to avoid exposure to countries considered as oppressive regimes.

In addition to the above, Candriam's ESG research methodology is integrated within the investment process. Finally, the Sub-Fund aims to invest a minimum proportion of its assets in Sustainable Investments.

No non-financial reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

● ***What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of environmental and social characteristics are as follows :

- to assure that there are no investments in issuers with a "red" rating that represent the most serious violations of the principles of the UNGC and the OECD Guidelines for Multinational Enterprises;

- to assure that there are no investments in issuers that are exposed to controversial weapons.

- to assure that there are no investments in issuers that are significantly exposed to extraction, transportation or distribution of thermal coal;

- to assure that there are no investments in issuers that are significantly exposed to the production and distribution of tobacco,

- to assure that there is no investment in the debt of sovereign and quasi-sovereign issuers on Candriam's list of oppressive regimes.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Sustainable investments that the Sub-Fund partially intends to make aim to contribute to reducing greenhouse gas emissions through exclusions as well as the integration of climate related indicators in company analysis, and aim to have a positive impact on environment and social domains in the long-term.

The sustainable investments in the Sub-Fund do not have specific environmental objectives. However, being subject to Candriam's proprietary ESG analysis and screening, these sustainable investments may contribute in the long term to one or more of the following environmental objectives set out in Article 9 of Regulation (EU) 2020/852 :

(a) climate change mitigation;

(b) climate change adaptation;

(c) the sustainable use and protection of water and marine resources;

(d) the transition to a circular economy;

(e) pollution prevention and control.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments that the financial product partially makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy. Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

— → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts are taken into account throughout ESG research and analysis process and through a wide range of methods.

The integration of the principal adverse impacts on sustainability factors is based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at Sub-Fund level, as referred to in Annex I of SFDR Delegated Regulation supplementing Regulation (EU) 2019/2088, a number of principal adverse impacts (PAI) on sustainability factors are considered through one or several of the following means:

• Exclusions:

Through the exclusion of companies involved in controversial activities or through norms-based exclusions, Candriam considers:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through exclusions of countries that are considered to systematically violate

citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology:

- PAI 16: Sovereign investee countries subject to social violations.

• Engagement and voting:

To avoid and/or reduce adverse impacts on sustainability factors, the Sub-Fund also considers adverse impacts through Candriam's entity-wide engagement program, which includes dialogue with companies and exercise of voting rights. Candriam prioritises its engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary by issuer based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 7 (activities negatively affecting biodiversity sensitive areas), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

• Monitoring:

Monitoring encompasses the calculation and evaluation of PAIs on sustainability factors. For funds with carbon footprint as a sustainability indicator, PAI 2 is covered via this monitoring approach. PAI 3 (GHG intensity of investee companies) is monitored for funds in scope of Candriam's commitment to the Net Zero Asset Managers Initiative. Further, PAI 10 (violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises), PAI 14 (exposure to controversial weapons) and PAI 16 (sovereign investee countries subject to social violations) are covered via monitoring.

The specific PAI indicators that are taken into consideration are subject to data quality and availability and may evolve with improving data quality and availability. Where it is not possible to use a PAI indicator due to data limitations or other technical issues, the fund manager can use a representative proxy indicator.

For further information regarding the types of principal adverse impact indicators that are taken into account, please consult the document titled "PAI Consideration at Product Level" at the following link on Candriam's SFDR page:

<https://www.candriam.com/en/private/market-insights/sfdr/>

<https://www.candriam.com/en/professional/market-insights/sfdr/>

No

What investment strategy does this financial product follow?

The Sub-Fund 's investment strategy is to invest mainly in the following asset classes via UCITS and/or UCIs and/or via derivative instruments:

- bonds and/or similar securities (such as "investment grade" bonds, high-yield bonds, inflation linked bonds, etc.);
- equities or other similar securities;
- money market instruments;
- cash.

The Sub-Fund may also invest:

- directly in equities, bonds or other securities, money market instruments and cash;
- in UCIs which follow specific strategies (such as commodities, alternative strategies or other opportunities) in accordance with article 41 (1) of the law of 17 December 2010.

The assets held may be issued by issuers in different regions of the world, including the emerging countries.

The quota of assets invested in equities may be either the majority, or the minority and it could



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

be highly reduced, according to the asset manager's expectations of the trend of the financial markets and in order to reduce the risk for the investor.

The analysis of ESG aspects is integrated in the selection and allocation of underlyings.

The investment strategy is implemented following a well defined investment process and a strict risk framework. Respect of these elements is subject to Candriam risk monitoring.

With regard to the environmental and social sustainability aspects of the investment strategy the norms based controversy assessment and controversial activities exclusion policy are implemented as they enable to define the investable universe for the Sub-Fund.

Candriam as a management company has put in place a monitoring framework as described within the sustainability risk policy. Risk monitoring of the investment strategy of the financial product aims to ensure that investments are aligned with and take into account the environmental, social and governance indicators and sustainability thresholds as explained above.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product***

The binding elements used by the investment strategy are an exclusion policy including a normative filter as well as the exclusion of certain controversial activities as described in Candriam's Level 1 Company-Wide Exclusions Policy. Candriam's Level 1 Company-Wide Exclusions Policy targets harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Exposure to these activities presents important systemic and reputational risks for the investee companies from an economic as well as environmental and social perspective.

Consequently, Candriam excludes controversial armament, tobacco, and thermal coal activities from all its directly managed portfolios and encourages third parties to do the same.

Candriam's Level 1 Company-Wide Exclusions Policy applies to all investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives.

For funds not managed by Candriam and funds that do not take particularly into account of ESG criteria some of these exclusions may not be applicable.

Details on the complete list of activities excluded under Candriam's Level 1 Company-Wide Exclusions Policy and their respective exclusion thresholds or criteria can be found via the links mentioned at the end of this Annex (Document titled "Candriam Exclusion Policy").

Moreover securities are selected only if they reach or comply with :

- the sustainability indicator targets presented above;
- the defined minimum of investments with Environmental & Social characteristics;
- the defined minimum sustainable investments.

In addition, the Sub-Fund aims to invest a minimum proportion of 75% of its allocation to UCI into funds promoting Environmental & Social characteristics or funds with a sustainable investment objective.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Sub-Fund is subject to an exclusion policy which includes a normative filter as well as the exclusion of certain controversial activities. There is no minimum committed rate to reduce the scope of investments prior to the application of the investment strategy.

- **What is the policy to assess good governance practices of the investee companies?**

Corporate governance is a key aspect of stakeholder analysis. It allows to assess :

- 1) how a company interacts with and manages its relevant stakeholders and ;
- 2) how a company's board fulfils its governance and management duties with respect to disclosure and transparency as well as the consideration of sustainability objectives.

To assess a company's governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance as defined by SFDR. In this context, the investment strategy takes into account the dimension related to the governance practices of companies in the portfolio. The integration of such considerations is essential to assess the future prospects of a company.

What is the asset allocation planned for this financial product?

The Sub-Fund aims to invest at least 51% of its total net assets in investments with environmental and social characteristics out of which a minimum of 10% of its total net assets will consist of sustainable investments. A maximum of 49% of the total net assets can be allocated to cash, derivatives or instruments that do not promote environmental and social characteristics.

Investments with environmental and social characteristics are investments which are subject to Candriam's proprietary ESG analysis and are eligible based on their ESG rating. In addition, such investments will need to comply with Candriam's Company-Wide exclusion policy on both controversial activities and normative screening. Investments with E/S characteristics must display good governance practices.

The definition of Sustainable Investments is based on Candriam proprietary ESG Analysis. An issuer that is compliant with our corporate exclusionary screening is eligible as sustainable investments on basis of its ESG rating reflecting high standards of sustainability.

In addition, the Sub-Fund invests in UCIs that could be managed by another investment manager. In this context, Candriam ensures that the allocation to E/S characteristics and sustainable investments is met based on the available disclosure for each underlying UCI.

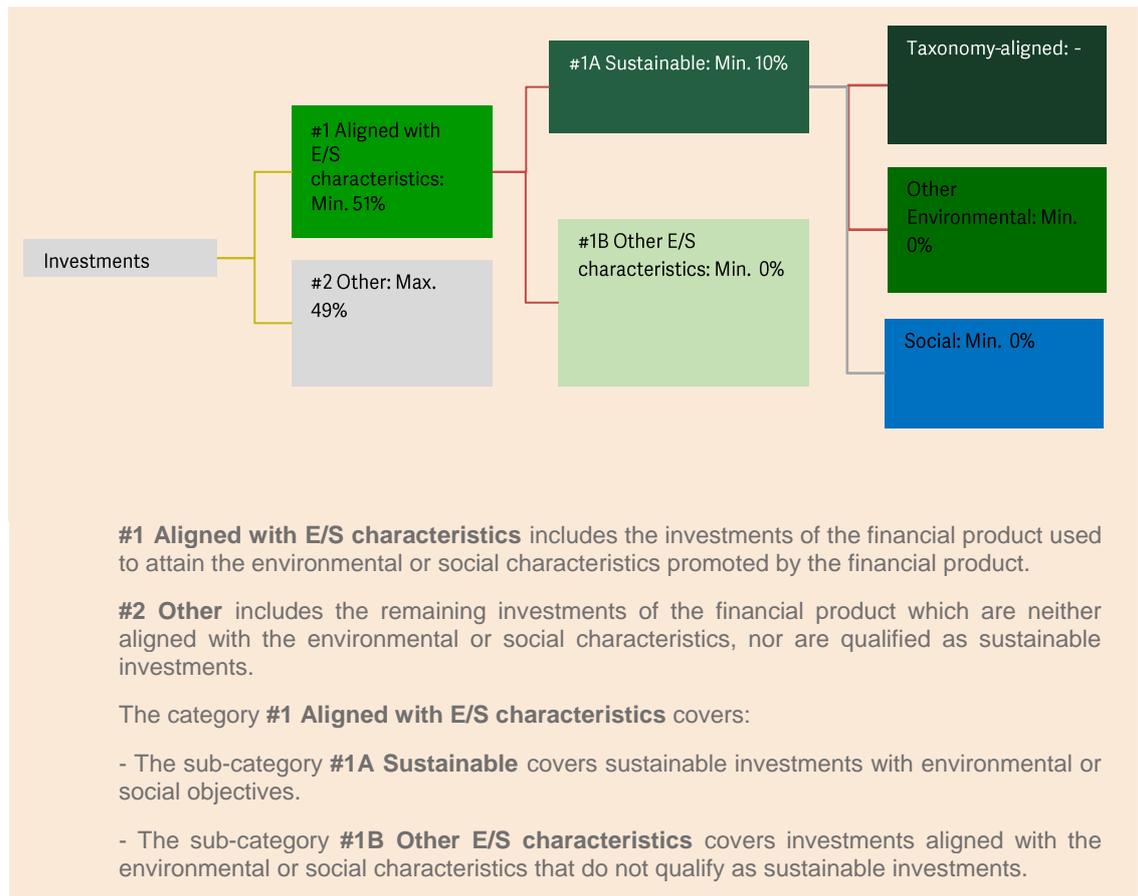
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives usage is not directed to attaining the environmental or social characteristics promoted by the Sub-Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The European Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data required for a rigorous evaluation of their alignment with the Taxonomy.

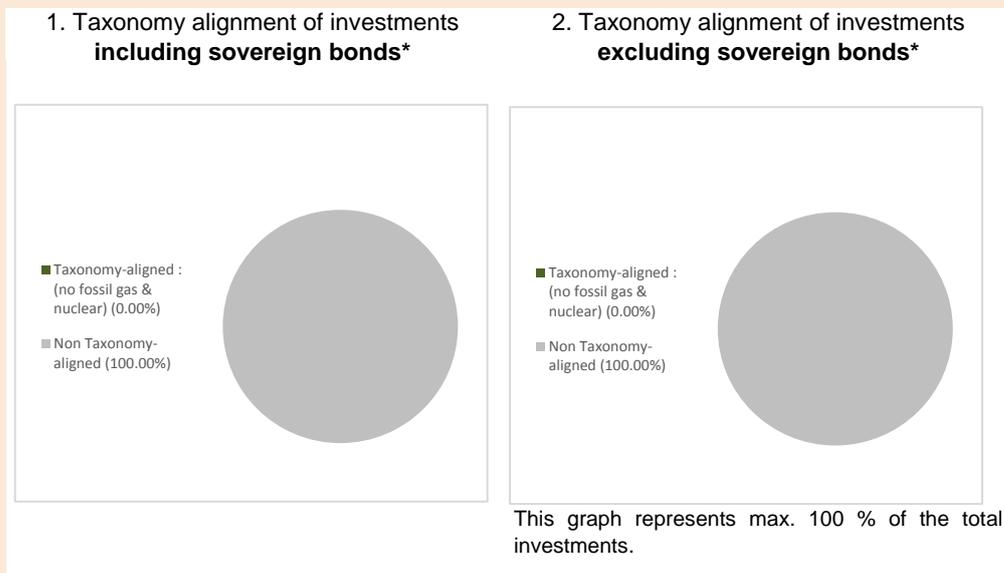
As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

- Yes
- In fossil gas
- In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with an environmental objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under "Other investment" can be present in the Sub-Fund for a maximum of 49% of the total net assets.

These investments can be:

- Cash: Cash at sight, reverse repo needed to manage the liquidity of the fund following S/R and/or being the result of the market exposure decision of the funds;
- Issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments are planned to be sold;
- Other investments (including single name derivatives) that at least respect the principles of good governance;
- Non single name derivatives can be used according to the terms foreseen in the fact sheet of the Sub-Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is designated as a reference benchmark to assess the alignment with E/S Characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Product name:

Legal entity identifier

Candriam Fund - Sustainable Short Term Equivalent

549300WECXAMS06L9Q73

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: 0%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective** 0%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What is the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained

The Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis, and aims to have long-term positive impact on environment and social domains.

In respect of sustainable investments with environmental objectives, the Sub-Fund, through its sustainable investments that are defined by Candriam's proprietary ESG analysis, aims to contribute on the long term to one or more of the following environmental objectives set out in Article 9 of Regulation (EU) 2020/852:

- (a) climate change mitigation;
- (b) climate change adaptation;
- (c) the sustainable use and protection of water and marine resources;

(d) the transition to a circular economy;

(e) pollution prevention and control.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the Sub-Fund.

The Sub-Fund's reference benchmark does not qualify as an EU Climate Transition Benchmark or an EU Paris-Aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011.

However, the Sub-Fund aims to have a carbon footprint below a determined absolute threshold. This threshold has been set at around 30% lower than the investment universe.

Moreover, Candriam being part of the Net Zero Asset Management initiative, the Sub-Fund aims to reduce greenhouse gas emissions in line with the objectives of the Paris Agreement.

● **What Sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The attainment of the sustainable objectives is measured through the following sustainability indicators:

- carbon footprint : the Sub-fund aims to have a carbon footprint below a determined absolute threshold. This threshold has been set at around 30% lower than the investment universe.

- ESG score : the Sub-fund aims to have a weighted average ESG score, including corporate and sovereign issuers, which results from Candriam's proprietary ESG analysis, that is higher than 55 (on a scale from 0 to 100).

Moreover, the following indicators are monitored:

- to assure that there are no investments in issuers that are in violation with the OECD Guidelines for Multinational Enterprises or the UNGC;

- to assure that there are no investments in issuers that are on the Candriam's SRI exclusion list as a result of the application of the Candriam's Exclusion Policy;

- to assure that there are no sovereign investments in countries that are on Candriam's Oppressive regime list;

- to assure that there are no sovereign investments in countries considered "Not free" by Freedom House.

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments that the financial product makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy.

Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

— → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The indicators for principal adverse impacts on sustainability factors have been taken into account using Candriam's ESG rating framework, controversial activities exclusions and norms-based exclusions.

For example:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

• PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

and conventional fossil fuel activities and/or nonrenewable energy production. For PAI 4 and 5, Candriam applies thresholds when considering exposure to these activities.

- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).

- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology.

- PAI 16: Investee countries subject to social violations.

3. Through analysis of the contribution of companies' business activities to the Key Sustainability Challenges of climate change and of resource depletion, Candriam takes into account the following Principal Adverse Impacts:

- PAI 1, 2, 3, 4, 5 and 6: Through the assessment of the Key Sustainability Challenge of climate change, Candriam analyses the climate risk exposure of in companies as well as the GHG emission intensity of their business activities. This supports the evaluation of whether companies' business activities contribute positively or negatively to climate change.

- PAI 7, 8 and 9: Assessment of companies' business activities impact on the depletion of natural resources.

4. Through analysis of countries as regards the way countries preserve Natural Capital.

- PAI15 : GHG Intensity: greenhouse gas intensity of GDP of countries is accounted for in one of the components of Natural Capital.

5. Through entity-level engagement: To avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through Candriam's company-wide engagement programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary across issuers based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at Sub-Fund level, as referred to in Annex I of SFDR Delegated Regulation supplementing Regulation (EU) 2019/2088, the principal adverse impacts (PAI) on sustainability factors are considered - as described in the Candriam at Product Level PAI Statement Level II - through one or several of the following means:

- Exclusions:

Through the exclusion of companies involved in controversial activities or through norms-based exclusions, Candriam considers:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional and conventional fossil fuel activities and/or nonrenewable energy production. For PAI 4 and 5, Candriam applies thresholds when considering exposure to these activities.

- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).

- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through exclusions of countries that are considered to systematically violate citizens' civil and political rights by Candriam Sovereign Analysis and Screening methodology:

- PAI 16: Investee countries subject to social violations.

- Engagement and voting:

To avoid and/or reduce adverse impacts on sustainability factors, the Sub-Fund also considers adverse impacts through Candriam's entity-wide engagement programme, which includes dialogue with companies and exercise of voting rights. Candriam prioritises its engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary by issuer based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 7 (Activities negatively affecting biodiversity sensitive areas), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

- Monitoring:

Monitoring encompasses the calculation and evaluation of principal adverse impacts on sustainability factors, including the reporting at Sub-Fund level. Some of the principal adverse impact indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Sub-Fund. All principal adverse impacts that consider GHG emissions, carbon footprints and intensity (PAI 1 through 4) are monitored, as well as PAI 10 (Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises), PAI 13 (board gender diversity), PAI 14 (exposure to controversial weapons) and PAI 15 and 16 on sovereigns' GHG intensity and social violations.

The specific principal adverse impact indicators that are taken into consideration are

subject to data quality and availability and may evolve with improving data quality and availability. Where it is not possible to use a principal adverse impact indicator due to data limitations or other technical issues, the fund manager can use a representative proxy indicator.

Further information regarding the types of principal adverse impact indicators that are taken into account can be found via the links mentioned at the end of this Annex (Document titled “PAI Consideration at Product Level”).

No

What investment strategy does this financial product follow?



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund's investment strategy is to invest mainly in money market instruments (including bonds, notes, commercial papers, rights and other equivalent securities) that are denominated or hedged in EUR, which are issued or guaranteed by governments, international & supranational organisations, public authorities and private or semi-private issuers, which may be at fixed or variable rates, indexed and/or subordinated (max 10%), from financial & non-financials companies, which are rated BBB-/ and deposits, selected by the portfolio management team based on their capacity to generate performance in line with the investment universe and with a maturity not exceeding 5 years.

The remainder of the assets can be invested in eligible securities and/or money market instruments other than described above (f.ex. high yield bonds for max 10%,...), in UCITS and/or other open-ended UCI, in deposits and/or cash.

The investment strategy is implemented following a well defined investment process and a strict risk framework. Respect of these elements are subject to Candriam risk monitoring.

With regard to the environmental and social sustainability aspects of the investment strategy, Candriam's proprietary ESG analysis, leading to ESG Rating and scoring, as well as the norms based controversy assessment and controversial activities exclusion policy are implemented as they enable to define the investable universe for the Sub-Fund.

In addition, Candriam's ESG analysis, comprising an analysis of the business activities of an issuer and of its interactions with its key stakeholders, is integrated into the financial management of the portfolio to enable the fund manager to identify the risks as well as opportunities that arise from the major challenges of sustainable development.

Candriam as a management company has put in place a monitoring framework as described within the sustainability risk policy. Risk monitoring of the investment strategy of the Sub-Fund aims to ensure that investments are aligned with and take into account the environmental, social and governance indicators and sustainability thresholds as explained above.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective**

The binding elements of the investments strategy used to select the investments to attain the sustainable investment objectives are based on Candriam's ESG analysis and the resulting ESG Ratings and Scoring framework.

This analysis leads to ESG ratings and scorings that determine the eligibility of issuers and serve as a binding element in the selection of issuers for the sustainable investments.

In addition, a negative screening of issuers is applied and comprises a normative assessment of controversies and an exclusion of issuers involved in controversial activities as described in Candriam's Level 3 SRI Exclusions Policy which addresses environmental and social issues through a broad set of excluded activities. These activities bear risks for the environment, our health, human rights, and other environmental and social objectives.

Candriam's Level 3 SRI Exclusions Policy applies to investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives.

This policy covers harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Exposure to these activities presents important systemic and reputational risks for the investee companies from an economic as well as environmental and social perspective.

As regards the Level 3 SRI Exclusions Policy, Candriam excludes controversial armament, tobacco and thermal coal activities and encourages third parties to do the same. Moreover, Level 3 SRI Exclusions Policy takes into account that climate change is the pivotal sustainability challenge for the near future, and accordingly emphasizes environmental issues. The aim is to help tackle climate change by excluding activities that do significant harm to the environment. We believe that supporting environmental sustainability in this fashion can also have positive repercussions on social issues as well. The exclusion of such activities is part of a broader framework of greenhouse gas reductions necessary if the average global temperature is not to exceed two degrees Celsius above pre-industrial levels. Candriam has taken steps to mitigate climate-related risk exposure by reducing its exposure to the most greenhouse gas-intensive corporate activities. This includes, but is not limited to, oil & gas, and mining activities. In accordance with this approach, Candriam is a signatory of the Net Zero Asset Managers Initiative.

Candriam's Level 3 SRI Exclusions Policy also targets a number of activities that, with the gradual rise of ESG investing, are no longer considered pertinent by many sustainable and responsible investors due to their potential repercussions on human, societal and animal welfare. These include for example adult content, conventional weapons, alcohol, gambling, GMO, nuclear power, palm oil, and animal testing.

Details on the complete list of activities excluded under Candriam's Level 3 SRI Exclusions Policy and their respective exclusion thresholds or criteria can be found via the links mentioned at the end of this Annex (Document titled "Candriam Exclusion Policy").

Finally, the Sub-Fund's investment strategy has other sustainability binding elements. It aims to have:

- a minimum share of sustainable investments;
- a carbon footprint target lower than the determined absolute threshold, which is set at around 30% lower than the investment universe;
- a weighted average ESG score, including corporate and sovereign issuers, which results from Candriam's proprietary ESG analysis, that is higher than 55 (on a scale from 0 to 100).

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the policy to assess good governance practices of the investee companies?***

Corporate governance is a key aspect of Candriam's Stakeholder analysis. It allows to assess :

- 1) how a company interacts with and manages its relevant stakeholders and ;
- 2) how a company's board fulfils its governance and management duties with respect to disclosure and transparency as well as the consideration of sustainability objectives.

To assess a company's governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance as defined by SFDR, Candriam's ESG analysis comprises, among others, 5 key governance pillars:

1. Strategic direction which assesses the independence, expertise and composition of the board and ensures that the board acts in the best interests of all shareholders and other stakeholders and can act as a counterbalance to management;
2. Audit committee & auditor independence evaluation to avoid conflicts of interests;
3. Transparency on executive remuneration, which enables executives and the remuneration committee to be held accountable by shareholders and helps align interests of both top executives and shareholders and focus on long term performance;
4. Share capital to ensure all shareholders have equal voting rights;



What is the asset allocation and the minimum share of sustainable investments?

At least 80% of the Sub-Fund's total net assets are considered as sustainable within the meaning of the SFDR regulation.

Note that the percentage of sustainable investments could evolve upwards or downwards over time depending on the regulatory technical standards regarding the treatment of sovereign debt.

The definition of Sustainable Investments is based on Candriam's proprietary ESG Analysis .

Candriam's proprietary ESG research and analysis, including its ESG Rating framework enables to set clear requirements and minimum thresholds to identify the companies that qualify as 'sustainable investments'. Candriam ensures that those companies:

- engage in economic activities that contribute to an environmental objective or to a social objective;
- do not cause significant harm to any environmental and/or social sustainable investment objective and in particular comply with minimum safeguards and;
- respect good governance principles.

Candriam's ESG research and analysis allows us to identify and assess company ability to contribute to environmental and/or social sustainability objectives. Therefore, in order to define whether a company is sustainable and meets the requirements and philosophy outlined in SFDR, Candriam:

- applies corporate exclusionary screenings based on a norms-based controversy and a controversial activities analysis. These include minimum safeguards with respect to international norms and conventions and allow for the exclusion of activities that Candriam deems harmful to environmental and/or social sustainability objectives;
- applies and integrates ESG research and analysis as a key component of its sustainability assessment of issuers. This enables Candriam to identify and assess sustainability related risks and opportunities, as well as issuers' contributions to sustainability objectives.

As a result of Candriam ESG research and Analysis, each issuer is assigned:

- a Business Activity Score that gauges how an issuer's business activities contribute to key sustainable challenges; and
- a Stakeholder Score that measures how an issuer interacts with and manages its key stakeholder.

Together, these Scores determine an overall ESG Score and ESG Rating for each issuer.

A company that is compliant with Candriam's corporate exclusionary screenings is considered as sustainable investments on basis of its ESG rating. For more details regarding this methodology and definition please refer to Candriam website.

Candriam's proprietary ESG research and analysis, including its ESG Rating framework enables to set clear requirements and minimum thresholds to identify issuers that qualify as 'sustainable investments'.

A sovereign issuer is considered as a sustainable investment if the country of the issuer:

- is not considered oppressive according to Candriam Oppressive Regime Analysis;
- is not on the Financial Action Task Force Call for Action list;
- is not identified as not free by Freedom House; and
- ranks best across Candriam's four categories of sustainable development criteria: Natural Capital, Human Capital, Social Capital and Economic Capital.

Details regarding this methodology and definition can be found via the links mentioned at the end of the Annex.

A supranational issuer is considered as sustainable investment if its mission makes a positive

Asset allocation describes the share of investments in specific assets.

contribution to the economic and social development of regions and countries and it complies with the principles of sustainable development and not have committed any major systematic breaches of the principles of the UNGC, according to Candriam's norms-based analysis.

Please note that these definitions of Sovereign and Supranational issuers to be considered as sustainable investments could evolve in function of further regulatory clarifications.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the sustainable investment objective?**

Derivatives are not used to attain sustainable objectives.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The EU Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data required for a rigorous evaluation of their alignment with the Taxonomy.

As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

Yes

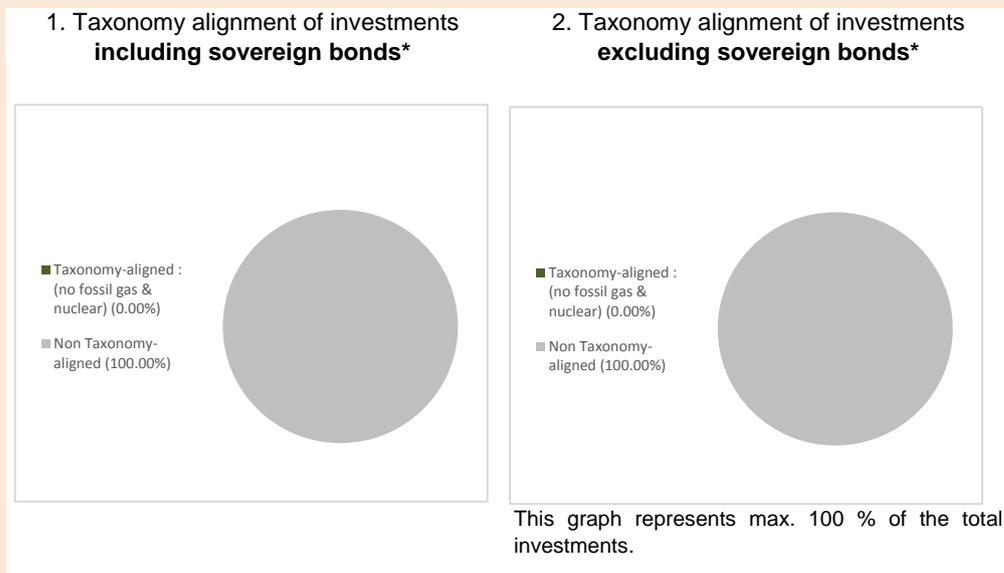
In fossil gas

In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and Analysis framework includes an assessment of transitional and/or enabling activities and how they contribute to sustainable objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with an environmental objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with a social objective?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Not sustainable investments can be present in the Sub-Fund for a maximum of 20% of the total net assets. These not sustainable investments can be:

- Cash: Cash at sight, reverse repo needed to manage the liquidity of the fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund;
- Issuers that were considered as sustainable investments at the moment of the investment and that are not fully aligned anymore with the Candriam sustainable investment criteria. These investments are planned to be sold;
- Non single name derivatives can be used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a limited proportion of its assets.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.

The selected benchmark does not explicitly take into account sustainability objectives.

There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the Sub-Fund's Prospectus.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

Product name:

Legal entity identifier

Candriam Fund - Sustainable Euro Corporate Bonds Fossil Free

549300NYPPEF7YO3014

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Does this financial product have a sustainable investment objective?

X Yes

No

It will make a minimum of **sustainable investments with an environmental objective: 10%**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective 0%**

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What is the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained

The Sub-Fund's aims to contribute to reducing greenhouse gas emissions through specific targets and exclusions as well as the integration of climate related indicators in securities analysis, and aims to have a positive impact on environment and social domains in the long-term .

In respect of sustainable investments with environmental objectives, the Sub-Fund, through its sustainable investments that are defined by Candriam's proprietary ESG analysis, aims to contribute on the long term to one or more of the following environmental objectives set out in Article 9 of Regulation (EU) 2020/852:

- (a) climate change mitigation;
- (b) climate change adaptation;

- (c) the sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy;
- (e) pollution prevention and control.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the Sub-Fund.

The Sub-Fund's reference benchmark does not qualify as an EU Climate Transition Benchmark or an EU Paris-Aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011.

However, the Sub-Fund aims to have a carbon footprint that is at least 30% lower than the carbon footprint of the Sub-Fund's reference benchmark.

Moreover, Candriam being part of the Net Zero Asset Management initiative, the Sub-Fund aims to reduce greenhouse gas emissions.

● **What Sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The attainment of the sustainable objectives is measured through the following sustainability indicators:

- Carbon footprint : the Sub-fund aims to have a carbon footprint that is at least 30% lower than the carbon footprint of the Sub-Fund's reference benchmark.
- Green bonds : the Sub-Fund aims to invest at least 10% of its total net assets into Green Bonds. The Sub-Fund aims to increase the proportion of Green Bonds to 20% by the end of 2025.
- ESG score : the Sub-fund aims to have a weighted average ESG score that is higher than the weighted average ESG score of the Sub-Fund's reference benchmark. The ESG Score is computed employing Candriam's proprietary ESG analysis methodology.

Moreover, the following indicators are monitored:

- to assure that there are no investments in issuers that are in violation with the OECD Guidelines for Multinational Enterprises or the United Nations Global Compact (UNGC).
- to assure that there are no investments in issuers that are on the Candriam's SRI exclusion list as a result of the application of the Candriam's Exclusion Policy.

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments that the financial product makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy.

Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

→ → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The indicators for principal adverse impacts on sustainability factors have been taken into account using Candriam's ESG rating framework, controversial activities exclusions and norms-based exclusions.

For example:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional and conventional fossil fuel activities and/or nonrenewable energy production. For PAI

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

4 and 5, Candriam applies thresholds when considering exposure to these activities.

- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).

- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through analysis of the contribution of companies' business activities to the Key Sustainability Challenges of climate change and of resource depletion, Candriam takes into account the following Principal Adverse Impacts:

- PAI 1, 2, 3, 4, 5 and 6: Through the assessment of the Key Sustainability Challenge of climate change, Candriam analyses the climate risk exposure of in companies as well as the GHG emission intensity of their business activities. This supports the evaluation of whether companies' business activities contribute positively or negatively to climate change.

- PAI 7, 8 and 9: Assessment of companies' business activities impact on the depletion of natural resources.

3. Through entity-level engagement: To avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through Candriam's company-wide engagement programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary across issuers based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.



Does this financial product consider principal adverse impacts on sustainability factors?

- X** Yes, at Sub-Fund level, as referred to in Annex I of SFDR Delegated Regulation supplementing Regulation (EU) 2019/2088, the principal adverse impacts (PAI) on sustainability factors are considered - as described in the Candriam at Product Level PAI Statement Level II - through one or several of the following means:

- Exclusions:

Through the exclusion of companies involved in controversial activities or through norms-based exclusions, Candriam considers:

Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional and conventional fossil fuel activities and/or nonrenewable energy production. For PAI 4 and 5, Candriam applies thresholds when considering exposure to these activities.
- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).
- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).
- Engagement and voting:

To avoid and/or reduce adverse impacts on sustainability factors, the Sub-Fund also considers adverse impacts through Candriam's entity-wide engagement programme, which includes dialogue with companies and exercise of voting rights. Candriam prioritises its engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary by issuer based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 7 (Activities negatively affecting biodiversity sensitive areas), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

- Monitoring:

Monitoring encompasses the calculation and evaluation of principal adverse impacts on sustainability factors, including the reporting at Sub-Fund level. Some of the principal adverse impact indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Sub-Fund. All principal adverse impacts that consider GHG emissions, carbon footprints and intensity (PAI 1 through 4) are monitored, as well as PAI 10 (Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises), PAI 13 (board gender diversity), PAI 14 (exposure to controversial weapons).

The specific principal adverse impact indicators that are taken into consideration are subject to data quality and availability and may evolve with improving data quality and availability. Where it is not possible to use a principal adverse impact indicator due to data limitations or other technical issues, the fund manager can use a representative proxy indicator.

Further information regarding the types of principal adverse impact indicators that are taken into account can be found via the links mentioned at the end of this Annex (Document titled "PAI Consideration at Product Level").

No

What investment strategy does this financial product follow?

The aim of the Sub-Fund is to benefit from the performance of the euro-denominated corporate bonds markets, with an investment in bonds of good quality, issued by the private sector and selected on a discretionary basis. Moreover the selection is based on an in-house analysis of



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Environmental, Social and Governance (“ESG”) criteria.

The investment strategy is implemented following a well defined investment process and a strict risk framework . Respect of these elements is subject to Candriam risk monitoring.

With regard to the environmental and social sustainability aspects of the investment strategy, Candriam's proprietary ESG analysis, leading to ESG Rating and scoring, as well as the norms based controversy assessment and controversial activities exclusion policy are implemented as they enable to define the investable universe for the Sub-Fund.

In addition, Candriam's ESG analysis, comprising an analysis of the business activities of an issuer and of its interactions with its key stakeholders, is integrated into the financial management of the portfolio to enable the fund manager to identify the risks as well as opportunities that arise from the major challenges of sustainable development.

Candriam as a management company has put in place a monitoring framework as described within the sustainability risk policy. Risk monitoring of the investment strategy of the Sub-Fund aims to ensure that investments are aligned with and take into account the environmental, social and governance indicators and sustainability thresholds as explained above.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective***

The binding elements of the investment strategy used to select the investments to attain the sustainable investment objectives are based on Candriam's ESG analysis and the resulting ESG Ratings and Scoring framework.

This analysis leads to ESG ratings and scorings that determine the eligibility of issuers and serve as a binding element in the selection of issuers for the sustainable investments.

In addition, a negative screening of issuers is applied and comprises a normative assessment of controversies and an exclusion of issuers involved in controversial activities as described in Candriam's Level 3 SRI Exclusions Policy which addresses environmental and social issues through a broad set of excluded activities. These activities bear risks for the environment, our health, human rights, and other environmental and social objectives.

Candriam's Level 3 SRI Exclusions Policy applies to investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives.

This policy covers harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Exposure to these activities presents important systemic and reputational risks for the investee companies from an economic as well as environmental and social perspective.

As regards the Level 3 SRI Exclusions Policy, Candriam excludes controversial armament, tobacco and thermal coal activities and encourages third parties to do the same. Moreover, Level 3 SRI Exclusions Policy takes into account that climate change is the pivotal sustainability challenge for the near future, and accordingly emphasizes environmental issues. The aim is to help tackle climate change by excluding activities that do significant harm to the environment. We believe that supporting environmental sustainability in this fashion can also have positive repercussions on social issues as well. The exclusion of such activities is part of a broader framework of greenhouse gas reductions necessary if the average global temperature is not to exceed two degrees Celsius above pre-industrial levels. Candriam has taken steps to mitigate climate-related risk exposure by reducing its exposure to the most greenhouse gas-intensive corporate activities. This includes, but is not limited to, oil & gas, and mining activities. In accordance with this approach, Candriam is a signatory of the Net Zero Asset Managers Initiative.

Candriam's Level 3 SRI Exclusions Policy also targets a number of activities that, with the gradual rise of ESG investing, are no longer considered pertinent by many sustainable and responsible investors due to their potential repercussions on human, societal and animal welfare. These include for example adult content, conventional weapons, alcohol, gambling, GMO, nuclear power, palm oil, and animal testing.

Details on the complete list of activities excluded under Candriam's Level 3 SRI Exclusions Policy and their respective exclusion thresholds or criteria can be found via the links mentioned at the end of this Annex (Document titled “Candriam Exclusion

Policy”).

Particular for this Sub-Fund, the investment strategy excludes companies with exposure to fossil fuels, such as companies:

- with fossil fuel reserves, involved in the distribution and/or marketing of fossil fuel ;
- prospecting for coal, oil, and gas or involved in the production, treatment, refining or transporting of the same ;
- investing in utilities that use fossil fuels to produce electricity.

Finally, the Sub-Fund's investment strategy has other sustainability binding elements. It aims to have:

- a minimum share of sustainable investments;
- a carbon footprint that is at least 30% lower than the carbon footprint of the Sub-Fund's reference benchmark;
- an investment of at least 10% of its total net assets into Green Bonds and the aim to increase this proportion of Green Bonds to 20% by the end of 2025. (In case of huge subscriptions, this percentage may be temporarily slightly below 10% as the investment manager will invest in the best interest of the clients);
- a weighted average ESG score that is higher than the weighted average ESG score of the Sub-Fund's reference benchmark. The ESG Score is computed employing Candriam's proprietary ESG analysis methodology.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

Corporate governance is a key aspect of Candriam's Stakeholder analysis. It allows to assess :

- 1) how a company interacts with and manages its relevant stakeholders; and
- 2) how a company's board fulfils its governance and management duties with respect to disclosure and transparency as well as the consideration of sustainability objectives.

To assess a company's governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance as defined by SFDR, Candriam's ESG analysis comprises, among others, 5 key governance pillars:

1. Strategic direction which assesses the independence, expertise and composition of the board and ensures that the board acts in the best interests of all shareholders and other stakeholders and can act as a counterbalance to management;
2. Audit committee & auditor independence evaluation to avoid conflicts of interests;
3. Transparency on executive remuneration, which enables executives and the remuneration committee to be held accountable by shareholders and helps align interests of both top executives and shareholders and focus on long term performance;
4. Share capital to ensure all shareholders have equal voting rights;
5. Financial conduct and transparency.

What is the asset allocation and the minimum share of sustainable investments?

At least 80% of the Sub-Fund's total net assets are considered as sustainable within the



Asset allocation describes the share of investments in specific assets.

meaning of the SFDR regulation.

The definition of Sustainable Investments is based on Candriam's proprietary ESG Analysis.

Candriam's proprietary ESG research and analysis, including its ESG Rating framework enables to set clear requirements and minimum thresholds to identify the companies that qualify as 'sustainable investments'. Candriam ensures that those companies:

- engage in economic activities that contribute to an environmental objective or to a social objective;
- do not cause significant harm to any environmental and/or social sustainable investment objective and in particular comply with minimum safeguards; and
- respect good governance principles.

Candriam's ESG research and analysis allows us to identify and assess company ability to contribute to environmental and/or social sustainability objectives. Therefore, in order to define whether a company is sustainable and meets the requirements and philosophy outlined in SFDR, Candriam:

- applies corporate exclusionary screenings based on a norms-based controversy and a controversial activities analysis. These include minimum safeguards with respect to international norms and conventions and allow for the exclusion of activities that Candriam deems harmful to environmental and/or social sustainability objectives;
- applies and integrates ESG research and analysis as a key component of its sustainability assessment of issuers. This enables Candriam to identify and assess sustainability related risks and opportunities, as well as issuers' contributions to sustainability objectives.

As a result of Candriam ESG research and Analysis, each issuer is assigned:

- a Business Activity Score that gauges how an issuer's business activities contribute to key sustainable challenges; and
- a Stakeholder Score that measures how an issuers interacts with and manages its key stakeholder.

Together, these Scores determine an overall ESG Score and ESG Rating for each issuer.

A company that is compliant with Candriam's corporate exclusionary screenings is considered as sustainable investments on basis of its ESG rating. Details regarding this methodology and definition can be found via the links mentioned at the end of the Annex.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the sustainable investment objective?**

Derivatives are not used to attain sustainable objectives.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The EU Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data

required for a rigorous evaluation of their alignment with the Taxonomy.

As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

Yes

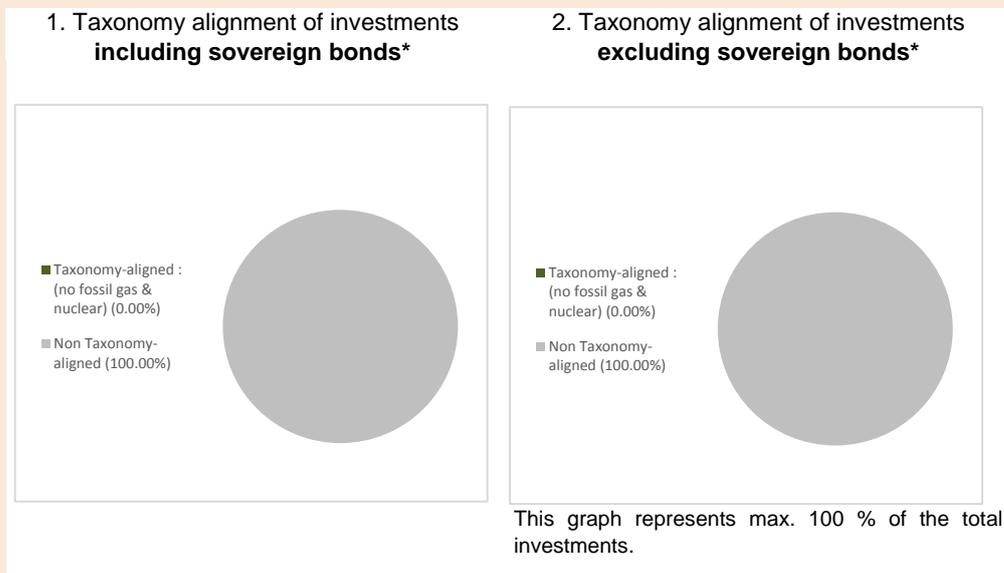
In fossil gas

In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and Analysis framework includes an assessment of transitional and/or enabling activities and how they contribute to sustainable objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 10% of the Sub-Fund's total net assets.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with a social objective?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Not sustainable investments can be present in the Sub-Fund for a maximum of 20% of the total net assets. These not sustainable investments can be:

- Cash: Cash at sight, reverse repo needed to manage the liquidity of the fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund;
- Issuers that were considered as sustainable investments at the moment of the investment and that are not fully aligned anymore with the Candriam sustainable investment criteria. These investments are planned to be sold;
- Non single name derivatives can be used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a limited proportion of its assets.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.

The selected benchmark does not explicitly take into account sustainability objectives.

There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the Sub-Fund's Prospectus.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

Product name:

Legal entity identifier

Candriam Fund - Sustainable European Equities Fossil Free

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Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: 0%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective** 0%

It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What is the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained

The Sub-Fund's aims to contribute to reducing greenhouse gas emissions through specific targets and exclusions as well as the integration of climate related indicators in securities analysis. In addition, the Sub-Fund aims to have long-term a positive impact on environment, more broadly than climate change, and also on social domains.

In respect of sustainable investments with environmental objectives, the Sub-Fund, through its sustainable investments that are defined by Candriam's proprietary ESG analysis, aims to contribute on the long term to one or more of the following environmental objectives set out in Article 9 of Regulation (EU) 2020/852:

- (a) climate change mitigation;
- (b) climate change adaptation;

- (c) the sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy;
- (e) pollution prevention and control.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the Sub-Fund.

The Sub-Fund's reference benchmark does not qualify as an EU Climate Transition Benchmark or an EU Paris-Aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011.

However, the Sub-Fund aims to have a carbon footprint that is at least 30% lower than the carbon footprint of the Sub-Fund's reference benchmark.

Moreover, Candriam being part of the Net Zero Asset Management initiative, the Sub-Fund aims to reduce greenhouse gas emissions.

● **What Sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The attainment of the sustainable objectives is measured through the following sustainability indicators:

- Carbon footprint: the Sub-fund aims to have a carbon footprint that is at least 30% lower than the carbon footprint of the Sub-Fund's reference benchmark.
- ESG score: the Sub-fund aims to have a weighted average ESG score that is higher than the weighted average ESG score of the Sub-Fund's reference benchmark. The ESG Score is computed employing Candriam's proprietary ESG analysis methodology.

Moreover, the following indicators are monitored:

- to assure that there are no investments in companies that are in violation with the OECD Guidelines for Multinational Enterprises or the UN Global Compact (UNGIC);
- to assure that there are no investments in companies that are on the Candriam's SRI exclusion list as a result of the application of Candriam's Exclusion Policy;
- number of holdings for which Candriam voted.

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments that the financial product makes do not cause significant harm to any environmental or social sustainable investment objective, as Candriam considers the principal adverse impacts of companies and pursues an alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through Candriam's ESG rating framework, norms-based and controversial activities exclusion policy.

Companies that contribute negatively to any environmental and/or social sustainable investment objective and therefore cause significant harm to these objectives and display adverse impacts will, as a consequence, tend to score poorly in Candriam's ESG rating framework. As a result, they are very likely to be excluded from the eligible investment universe.

→ → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The indicators for principal adverse impacts on sustainability factors have been taken into account using Candriam's ESG rating framework, controversial activities exclusions and norms-based exclusions.

For example:

1. Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional and conventional fossil fuel activities and/or nonrenewable energy production. For PAI 4 and 5, Candriam applies thresholds when considering exposure to these activities.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).
- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).

2. Through analysis of the contribution of companies' business activities to the Key Sustainability Challenges of climate change and of resource depletion, Candriam takes into account the following Principal Adverse Impacts:

- PAI 1, 2, 3, 4, 5 and 6: Through the assessment of the Key Sustainability Challenge of climate change, Candriam analyses the climate risk exposure of in companies as well as the GHG emission intensity of their business activities. This supports the evaluation of whether companies' business activities contribute positively or negatively to climate change.
- PAI 7, 8 and 9: Assessment of companies' business activities impact on the depletion of natural resources.

3. Through entity-level engagement: To avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through Candriam's company-wide engagement programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary across issuers based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The portfolio's investments are subject to a norms-based analysis that considers compliance with international social, human, environmental and anticorruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into Candriam's norms-based analysis and ESG Analysis framework.

This analysis aims to exclude companies that have significantly and/or repeatedly breached any of these principles.

Further information regarding Candriam's consideration of the Do Not Significantly Harm principle can be found via the links mentioned at the end of this Annex.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at Sub-Fund level, as referred to in Annex I of SFDR Delegated Regulation supplementing Regulation (EU) 2019/2088, the principal adverse impacts (PAI) on sustainability factors are considered - as described in the Candriam at Product Level PAI Statement Level II - through one or several of the following means:

- Exclusions:

Through the exclusion of companies involved in controversial activities or through norms-based exclusions, Candriam considers:

Through the exclusion of companies involved in controversial activities and through norms-based exclusions, which are based on the analysis of companies' compliance with international norms, Candriam considers:

- PAI 3, 4 and 5: Exclusion of companies with a material exposure to unconventional and conventional fossil fuel activities and/or nonrenewable energy production. For PAI 4 and 5, Candriam applies thresholds when considering exposure to these activities.
- PAI 7: Activities negatively affecting biodiversity-sensitive areas. Candriam excludes for example companies involved in palm oil (thresholds based on non-RSPO-certified palm oil).
- PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).
- Engagement and voting:

To avoid and/or reduce adverse impacts on sustainability factors, the Sub-Fund also considers adverse impacts through Candriam's entity-wide engagement programme, which includes dialogue with companies and exercise of voting rights. Candriam prioritises its engagement and voting activities according to an evaluation of the most material and relevant ESG challenges facing industries and issuers, by considering both the financial and societal and environmental impacts. Therefore, the level of engagement may vary by issuer based on Candriam's prioritisation methodology.

The focus topics of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities Candriam considers PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (fossil fuel exposure), PAI 6 (energy consumption intensity per high impact climate sector), PAI 7 (Activities negatively affecting biodiversity sensitive areas), PAI 10 (violations of the UN Global Compact principles and of the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and 13 (gender).

- Monitoring:

Monitoring encompasses the calculation and evaluation of principal adverse impacts on sustainability factors, including the reporting at Sub-Fund level. Some of the principal adverse impact indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Sub-Fund. All principal adverse impacts that consider GHG emissions, carbon footprints and intensity (PAI 1 through 4) are monitored, as well as PAI 10 (Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises), PAI 13 (board gender diversity), PAI 14 (exposure to controversial weapons).

The specific principal adverse impact indicators that are taken into consideration are subject to data quality and availability and may evolve with improving data quality and availability. Where it is not possible to use a principal adverse impact indicator due to data limitations or other technical issues, the fund manager can use a representative proxy indicator.

Further information regarding the types of principal adverse impact indicators that are taken into account can be found via the links mentioned at the end of this Annex (Document titled "PAI Consideration at Product Level").

No



What investment strategy does this financial product follow?

This Sub-Fund invests in a portfolio consisting of minimum 80% of equities issued by companies having their registered office or carrying out their primary economic activity in Europe. The stocks are selected by the portfolio management team on a discretionary basis

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

and based on the stocks characteristics and growth prospects, as well as on a proprietary analysis of ESG considerations, both indicative of risks and long-term opportunities.

The investment strategy is implemented following a well defined investment process and a strict risk framework. Respect of these elements is subject to Candriam risk monitoring.

With regard to the environmental and social sustainability aspects of the investment strategy, Candriam's proprietary ESG analysis, leading to ESG Rating and scoring, as well as the norms based controversy assessment and controversial activities exclusion policy are implemented as they enable to define the investable universe for the Sub-Fund.

In addition, Candriam's ESG analysis, comprising an analysis of the business activities of an issuer and of its interactions with its key stakeholders, is integrated into the financial management of the portfolio to enable the fund manager to identify the risks as well as opportunities that arise from the major challenges of sustainable development.

Candriam as a management company has put in place a monitoring framework as described within the sustainability risk policy. Risk monitoring of the investment strategy of the Sub-Fund aims to ensure that investments are aligned with and take into account the environmental, social and governance indicators and sustainability thresholds as explained above.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective***

The binding elements of the investment strategy used to select the investments to attain the sustainable investment objectives are based on Candriam's ESG analysis and the resulting ESG Ratings and Scoring framework .

This analysis leads to ESG ratings and scorings that determine the eligibility of issuers and serve as a binding element in the selection of issuers for the sustainable investments.

In addition, a negative screening of issuers is applied and comprises a normative assessment of controversies and an exclusion of issuers involved in controversial activities as described in Candriam's Level 3 SRI Exclusions Policy which addresses environmental and social issues through a broad set of excluded activities. These activities bear risks for the environment, our health, human rights, and other environmental and social objectives.

Candriam's Level 3 SRI Exclusions Policy applies to investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives.

This policy covers harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Exposure to these activities presents important systemic and reputational risks for the investee companies from an economic as well as environmental and social perspective.

As regards the Level 3 SRI Exclusions Policy, Candriam excludes controversial armament, tobacco and thermal coal activities and encourages third parties to do the same. Moreover, Level 3 SRI Exclusions Policy takes into account that climate change is the pivotal sustainability challenge for the near future, and accordingly emphasizes environmental issues. The aim is to help tackle climate change by excluding activities that do significant harm to the environment. We believe that supporting environmental sustainability in this fashion can also have positive repercussions on social issues as well. The exclusion of such activities is part of a broader framework of greenhouse gas reductions necessary if the average global temperature is not to exceed two degrees Celsius above pre-industrial levels. Candriam has taken steps to mitigate climate-related risk exposure by reducing its exposure to the most greenhouse gas-intensive corporate activities. This includes, but is not limited to, oil & gas, and mining activities. In accordance with this approach, Candriam is a signatory of the Net Zero Asset Managers Initiative.

Candriam's Level 3 SRI Exclusions Policy also targets a number of activities that, with the gradual rise of ESG investing, are no longer considered pertinent by many sustainable and responsible investors due to their potential repercussions on human, societal and animal welfare. These include for example adult content, conventional weapons, alcohol, gambling, GMO, nuclear power, palm oil, and animal testing.

Details on the complete list of activities excluded under Candriam's Level 3 SRI Exclusions Policy and their respective exclusion thresholds or criteria can be found via

the links mentioned at the end of this Annex (Document titled “Candriam Exclusion Policy”).

Particular for this Sub-Fund, the investment strategy excludes companies with exposure to fossil fuels, such as companies:

- with fossil fuel reserves, involved in the distribution and/or marketing of fossil fuel ;
- prospecting for coal, oil, and gas or involved in the production, treatment, refining or transporting of the same ;
- investing in utilities that use fossil fuels to produce electricity.

Finally, the Sub-Fund's investment strategy has other sustainability binding elements. It aims to have:

- a minimum share of sustainable investments;
- a carbon footprint that is at least 30% lower than the carbon footprint of the Sub-Fund's reference benchmark;
- a weighted average ESG score that is higher than the weighted average ESG score of the Sub-Fund's reference benchmark. The ESG Score is computed employing Candriam's proprietary ESG analysis methodology.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

Corporate governance is a key aspect of Candriam's Stakeholder analysis. It allows to assess :

- 1) how a company interacts with and manages its relevant stakeholders; and
- 2) how a company's board fulfils its governance and management duties with respect to disclosure and transparency as well as the consideration of sustainability objectives.

To assess a company's governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance as defined by SFDR, Candriam's ESG analysis comprises, among others, 5 key governance pillars:

1. Strategic direction which assesses the independence, expertise and composition of the board and ensures that the board acts in the best interests of all shareholders and other stakeholders and can act as a counterbalance to management;
2. Audit committee & auditor independence evaluation to avoid conflicts of interests;
3. Transparency on executive remuneration, which enables executives and the remuneration committee to be held accountable by shareholders and helps align interests of both top executives and shareholders and focus on long term performance;
4. Share capital to ensure all shareholders have equal voting rights;
5. Financial conduct and transparency.

What is the asset allocation and the minimum share of sustainable investments?

At least 80% of the Sub-Fund's total net assets are considered as sustainable within the meaning of the SFDR regulation.

The definition of Sustainable Investments is based on Candriam's proprietary ESG Analysis .

Candriam's proprietary ESG research and analysis, including its ESG Rating framework enables to set clear requirements and minimum thresholds to identify the companies that



Asset allocation describes the share of investments in specific assets.

qualify as 'sustainable investments'. Candriam ensures that those companies:

- engage in economic activities that contribute to an environmental objective or to a social objective;
- do not cause significant harm to any environmental and/or social sustainable investment objective and in particular comply with minimum safeguards; and
- respect good governance principles.

Candriam's ESG research and analysis allows us to identify and assess company ability to contribute to environmental and/or social sustainability objectives. Therefore, in order to define whether a company is sustainable and meets the requirements and philosophy outlined in SFDR, Candriam:

- applies corporate exclusionary screenings based on a norms-based controversy and a controversial activities analysis. These include minimum safeguards with respect to international norms and conventions and allow for the exclusion of activities that Candriam deems harmful to environmental and/or social sustainability objectives;
- applies and integrates ESG research and analysis as a key component of its sustainability assessment of issuers. This enables Candriam to identify and assess sustainability related risks and opportunities, as well as issuers' contributions to sustainability objectives.

As a result of Candriam ESG research and Analysis, each issuer is assigned:

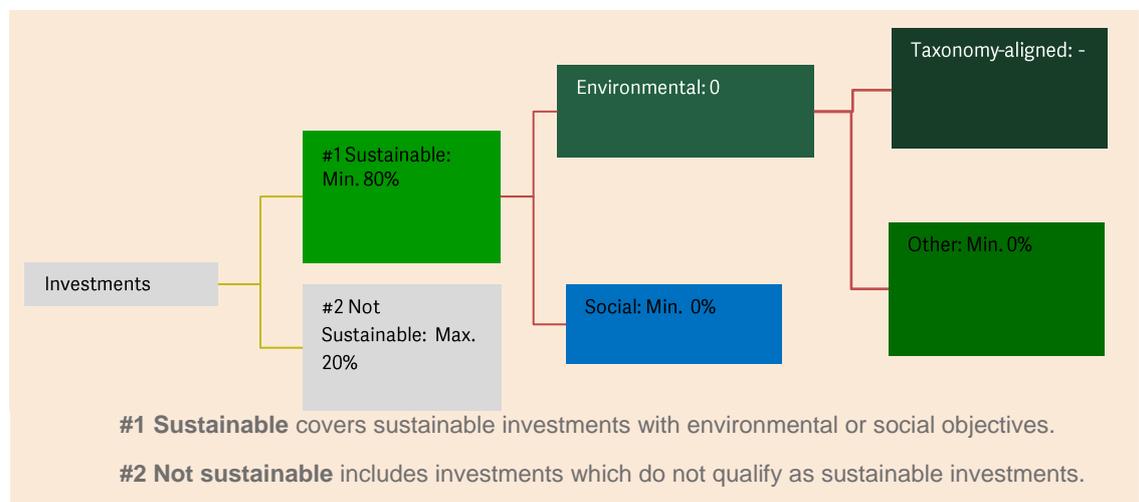
- a Business Activity Score that gauges how an issuer's business activities contribute to key sustainable challenges; and
- a Stakeholder Score that measures how an issuer interacts with and manages its key stakeholder.

Together, these Scores determine an overall ESG Score and ESG Rating for each issuer.

A company that is compliant with Candriam's corporate exclusionary screenings is considered as sustainable investments on basis of its ESG rating. Details regarding this methodology and definition can be found via the links mentioned at the end of the Annex.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the sustainable investment objective?**

Derivatives are not used to attain sustainable objectives.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The EU Taxonomy Regulation comprises six distinct but intertwined environmental objectives. Those environmental objectives form the core of Candriam's ESG research and analysis of issuers.

However, at present, only a small number of companies globally provide the data required for a rigorous evaluation of their alignment with the Taxonomy.

As a consequence, the Sub-Fund does not commit to any minimum of Taxonomy alignment and therefore, the minimum percentage of alignment has to be considered zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

Yes

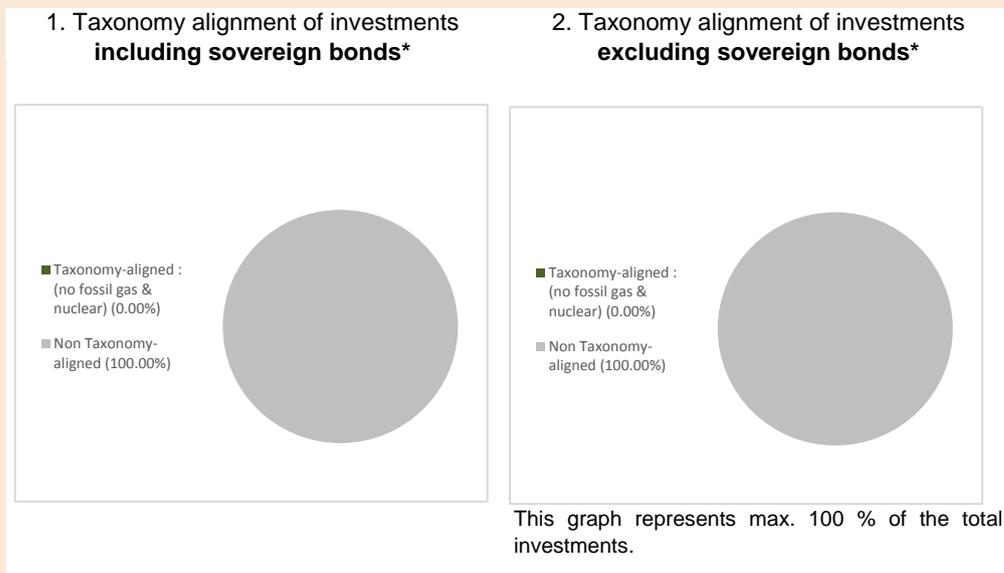
In fossil gas

In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

No minimum share of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and Analysis framework includes an assessment of transitional and/or enabling activities and how they contribute to sustainable objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with an environmental objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with a social objective?

There is no prioritization of environmental or social objectives and therefore the strategy does not target or commit to any specific minimum share of sustainable investments with a social objective.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Not sustainable investments can be present in the Sub-Fund for a maximum of 20% of the total net assets. These not sustainable investments can be:

- Cash: Cash at sight, reverse repo needed to manage the liquidity of the fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund;
- Issuers that were considered as sustainable investments at the moment of the investment and that are not fully aligned anymore with the Candriam sustainable investment criteria. These investments are planned to be sold;
- Non single name derivatives can be used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a limited proportion of its assets.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.

The selected benchmark does not explicitly take into account sustainability objectives.

There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the Sub-Fund's Prospectus.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



Where can I find more product specific information online?

More product-specific information can be found on:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.