

Product name:

Legal entity identifier

Candriam Money Market - USD Sustainable

549300XB8357GSWRMM36

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

| | |
|---|---|
| <input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 0% | <input 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 _% 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 checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input 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 0% | <input type="checkbox"/> with a social objective |
| | <input type="checkbox"/> 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 a reduction in greenhouse gas emissions by means of specific objectives and by using climate-related indicators in the analysis of issuers and securities, and aims to have a positive impact on environmental and social aspects in the long term.

Concerning sustainable investments with environmental objectives, the sub-fund, through its sustainable investments defined by Candriam's proprietary ESG analysis, seeks over the long-term to contribute to one or more of the following environmental objectives as 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.

A benchmark has not been designated in order to achieve the sub-fund's sustainable investment objective.

The sub-fund's benchmark cannot be considered to be an EU "climate transition" benchmark nor a "Paris-aligned" benchmark as defined in title III chapter 3a of Regulation (EU) 2016/1011.

However, the sub-fund's objective is a carbon footprint that is below a set absolute threshold.

Furthermore, to the extent that Candriam is a member of the Net Zero Asset Management Initiative, the sub-fund seeks to reduce greenhouse gas emissions.

● **What Sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

Achievement of the sustainability objectives is measured by means of the following sustainability indicators:

- Carbon footprint: the sub-fund's objective is a carbon footprint that is below a set absolute threshold,
- ESG score: the sub-fund seeks to achieve a weighted average ESG score (including sovereign and corporate issuers) higher than 50 (on a scale from 0 to 100), based on Candriam's proprietary ESG analysis.

The following indicators are also tracked in order to:

- ensure that there are no investments in issuers in breach of the OECD Guidelines for Multinational Enterprises and the UN Global Compact,
- ensure that there are no investments in issuers contained in Candriam's SRI exclusion list following application of Candriam's exclusion policy,
- ensure that there are no sovereign investments contained in Candriam's list of oppressive regimes,
- ensure 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 which the financial product makes do no significant harm to any sustainable environmental or social investment objectives, to the extent that Candriam takes account of the principal adverse impacts and aims for alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, through the framework of its ESG ratings and its exclusions policy on controversial activities and normative policy.

Companies that contribute negatively to environmental and/or social sustainable investment objectives and that consequently do significant harm to these objectives through their adverse impacts will consequently tend to be allocated a poor score under Candriam's ESG rating system. It is therefore highly likely that they be excluded from the eligible investment universe.

— → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

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.

For example:

1. Through the exclusion of companies involved in controversial activities and through 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):

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 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: Breaches of UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

2. Through exclusions of countries found guilty of systematic breaches of citizens' civil and political rights through Candriam's method of analysing and filtering sovereign issuers.

- PAI 16: Investment countries experiencing breaches of social norms.

3. 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.

4. Through analyses of how countries preserve natural capital.

- PAI 15: GHG intensity: the greenhouse gas intensity of a country's GDP is taken into account in one of the components of natural capital.

5. 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 the exercise of voting rights. Candriam prioritises 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 from one issuer to another depending on 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 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 investments in the portfolio undergo a normative analysis examining respect for international social, human, environmental and anti-corruption norms as defined in the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The conventions of the International Labour Organisation and the International Bill of Human Rights are among the many international references embedded in the normative analysis and Candriam's ESG analysis framework.

The analysis seeks to exclude companies which have significantly and/or repeatedly breached one of these principles.

Additional information on how Candriam takes account of the "do no significant harm" principle can be found at the links mentioned at the end of this Appendix.



Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, at 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 Candriam’s Level II Product Statement of principal adverse impacts – 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:

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: Breaches of UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

2. Through exclusions of countries found guilty of systematic breaches of citizens’ civil and political rights through Candriam’s method of analysing and filtering sovereign issuers:

- PAI 16: Investment countries experiencing breaches of social norms.

- 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 (breaches of the United Nations Global Compact Principles and the 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. Certain principal adverse impact indicators may have explicit objectives and be used to measure achievement of the sub-fund’s sustainable investment objective. All principal adverse impacts that take into account GHG emissions, carbon footprint and intensity (PAI 1 to 4)) are tracked as well as PAI 10 (Breaches of the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises), PAI 13 (mixed governance bodies), PAI 14 (exposure to controversial weapons) and PAIs 15 and 16 on social breaches and GHG intensity of sovereign issuers.

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 information on the types of PAI indicators used can be found at the links provided at the end of this Appendix (document entitled “Principal adverse impacts taken into account 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 has the separate or combined objectives of offering yields comparable to those of the money market or preserving the value of the investment. The objective of the sub-fund is to benefit from the performance of the market in money market instruments denominated primarily in USD, with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually, issued principally by good-quality issuers, on the basis of discretionary management.

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 proprietary 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 an 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 the sustainable investment objective?**

The binding elements of the investment strategy used to select investments with the aim of achieving the sustainable investment objectives are based on Candriam’s ESG analysis and the resulting framework of ESG ratings and scores.

The analysis produces ESG ratings and scores which determine the eligibility of issuers and which act as binding elements in the selection of issuers for sustainable investments.

Negative filtering of issuers is also applied, consisting of a normative controversy evaluation and an exclusion of issuers involved in controversial activities as described in Candriam’s exclusion policy. Candriam’s Level 3 SRI Exclusions Policy uses a wide range of excluded activities to address environmental and social questions. These activities involve risks for the environment, our health, human rights and other environmental and social objectives.

Candriam’s Level 3 SRI 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 policy is aimed at harmful activities that in Candriam’s opinion have a substantial adverse impact and involve serious 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.

Candriam’s Level 3 SRI Exclusions Policy excludes controversial activities linked to weapons, tobacco and thermal coal, and encourages third parties to do likewise. In addition, the Level 3 SRI Exclusions Policy takes account of the fact that climate change is the biggest sustainability challenge of the near future, and it therefore emphasises the environmental questions. The objective is to contribute to the fight against climate change by excluding activities that significantly harm the environment. We believe that

supporting environmental sustainability in this way can also have positive repercussions for the social questions. The exclusion of these activities is part of a broader greenhouse gas reduction framework which is necessary to prevent the temperature of the planet rising two degrees Celsius above pre-industrial levels. Candriam has taken steps to lower its exposure to climate risks by reducing its exposure to corporate activities that generate the most greenhouse gases. In particular, these are oil, gas and mining activities. In line with this approach, Candriam is a signatory to the Net Zero Asset Managers initiative.

Candriam's Level 3 SRI Exclusions Policy also targets a number of activities which, with the gradual rise of ESG investment, are no longer considered suitable by numerous sustainable and responsible investors due to their potential repercussions on the well-being of humans, society and animals. Examples include adult content, conventional weapons, alcohol, gambling, GMOs, nuclear energy, palm oil and animal experimentation.

The full list of activities excluded by virtue of Candriam's Level 3 SRI 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 3 SRI Exclusions Policy").

Finally, the sub-fund's investment strategy has other sustainability-related binding elements. It seeks to have:

- a minimum proportion of sustainable investments,
- carbon footprint: the sub-fund's objective is a carbon footprint that is below a set absolute threshold,
- ESG score: the sub-fund seeks to achieve a weighted average ESG score (including sovereign and corporate issuers) higher than 50 (on a scale from 0 to 100), based on Candriam's proprietary ESG analysis.

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?**

The company's governance is a core aspect of the stakeholder analysis performed by Candriam. It can be used to evaluate:

- 1) how a company interacts with and manages its stakeholders, and
- 2) how a company's board of directors discharges its governance and management functions regarding disclosure and transparency and regarding consideration of sustainability objectives.

In order to evaluate a company's governance practices specifically regarding the stability of the management structures, labour relations, staff remuneration and tax compliance as defined by the SFDR, Candriam's ESG analysis includes five key pillars of governance:

1. The strategic orientation, which evaluates the independence, expertise and composition of the board of directors and ensures that the board acts in the interests of all shareholders and other stakeholders and that it is able to act as an effective counterweight to management,
2. An audit committee and an evaluation of the independence of the auditors in order to avoid conflicts of interest,
3. Transparency around the remuneration of senior managers, enabling managers and the remuneration committee to be held to account by the shareholders, to align the interests of senior management with those of the shareholders, and to focus on long-term performance,
4. The share capital to ensure that all the 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 net total assets of the sub-fund are considered to be sustainable as defined



Asset allocation describes the share of investments in specific assets.

by the SDFR.

Note that the percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

Sustainable investments are defined on the basis of Candriam's proprietary ESG analysis.

With Candriam's proprietary ESG research and analysis, including its ESG rating framework, it is possible to define clear requirements and minimum thresholds in order to identify companies considered to be "sustainable investments". Candriam ensures that these companies:

- are involved in economic activities which contribute to an environmental objective or to a social objective,
- do no significant harm to any of the environmental and/or social sustainable investment objectives and in particular respect minimum guarantees,
- respect the principles of good governance.

With Candriam's ESG research and analysis, it is possible to determine and evaluate the company's capacity to contribute to the environmental and/or social sustainable objectives. As such, in order to determine whether a company is a sustainable company that respects the requirements and the philosophy set out in the SDFR, Candriam:

- applies company exclusion filters based on a normative analysis and on an analysis of controversial activities. These measures contain minimum guarantees regarding international norms and conventions and make it possible to exclude activities considered by Candriam to be harmful to the environmental and/or social sustainability objectives,
- applies and embeds the ESG research and analysis as a core component of its evaluation of the sustainability of issuers. This allows Candriam to identify and evaluate sustainability risks and opportunities and the contributions of issuers to sustainability objectives.

Following Candriam's ESG research and analysis, each issuer is given:

- a commercial activity score that evaluates how an issuer's commercial activities contribute to the main sustainability challenges, and
- a stakeholder score that evaluates how an issuer interacts with and manages its main stakeholders.

Together, these scores make up a global ESG score and an ESG rating for each issuer.

An issuer which respects Candriam's exclusion filters is considered to be a sustainable investment on the basis of its ESG rating. For more details about this methodology and this definition, please see the Candriam website.

With Candriam's proprietary ESG research and analysis, including its ESG rating framework, it is possible to define clear requirements and minimum thresholds in order to identify issuers considered to be "sustainable investments".

A sovereign issuer is considered to be a sustainable investment if its country:

- is not considered to be oppressive according to Candriam's analysis of oppressive regimes,
- is not identified as "not free" by Freedom House, and
- ranks top of Candriam's four sustainable development capitals: natural capital, human capital, social capital and economic capital.

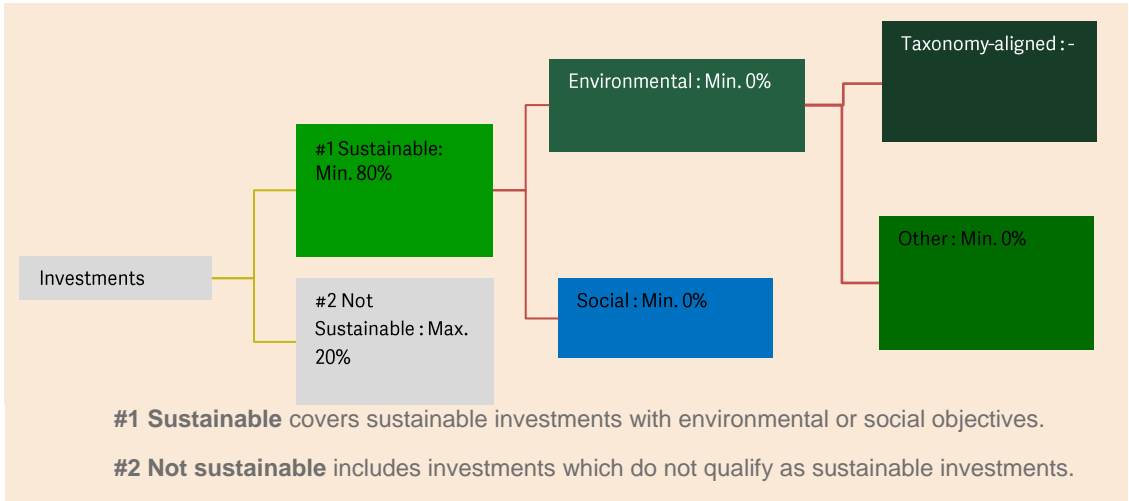
Details regarding this methodology and definition can be found via the links at the end of this Appendix.

A supranational issuer is considered to be a sustainable investment if its mission makes a positive contribution to the economic and social development of the regions and countries, if it respects the principles of sustainable development, and if it is not in serious, systematic breach of the principles of the UN Global Compact, according to an analysis based on Candriam's norms.

Please note that these definitions of the sovereign and supranational issuers that can be considered to be sustainable investments may change in light of additional 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?**

Derivative products are not used in order to achieve sustainability objectives.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The EU Taxonomy Regulation establishes six distinct but interconnected environmental objectives. These environmental objectives are placed at the heart of Candriam’s ESG research and analysis of issuers.

At the present time, however, only a small number of companies worldwide publish the necessary information for a rigorous evaluation of their alignment with the Taxonomy.

As a result, the sub-fund does not commit to a minimum Taxonomy alignment percentage, meaning that this percentage must be considered to be 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 proportion of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and analysis framework includes an evaluation of transitional and/or enabling activities and how they contribute to the sustainability objectives.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no hierarchy of environmental or social objectives and as a result, the strategy neither seeks nor commits to a specific minimum proportion 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 hierarchy of environmental or social objectives and as a result, the strategy neither seeks nor commits to a specific minimum proportion 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?

Non-sustainable investments may not be held in the sub-fund above 20% of the total net assets. Such non-sustainable 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 decision;
- issuers who were considered to be sustainable investments at the time of investment and which are no longer fully aligned with Candriam’s sustainable investment criteria. The intention is to sell these investments,
- non single name derivatives may be used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions.

Such investments do not affect achievement of the sub-fund’s sustainable investment objectives because they make up a limited part of its assets.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***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 its investment approach implies a reference to a benchmark.

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

There is no EU “climate transition” benchmark or “Paris-aligned” benchmark or any other sustainability benchmark that takes full account of the sustainability objectives and the investment strategy 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?***
- ***How does the designated index differ from a relevant broad market index?***
- ***Where can the methodology used for the calculation of the designated index be found?***



Where can I find more product specific information online?

For more detailed information about the product, go to:

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

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