

Product name:

Candriam Money Market - Euro AAA

Legal entity identifier

549300FS6R2GS087GK33

Environmental and/or social characteristics

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☒ ☐ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**. _%

☒ 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

☐ 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 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 as follows:

- by seeking to avoid exposure to companies that present both significant and severe structural risks and that are the most 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's Guidelines for Multinational Enterprises,
- by seeking to avoid exposure to companies that are significantly exposed to controversial activities such as the mining, transport or distribution of thermal coal, the production or retail of tobacco, and the production or sale of controversial weapons (anti-personnel mines, fragmentation bombs, chemical, biological, white phosphorus and or depleted uranium weapons).
- by seeking to achieve a carbon footprint that is below an absolute threshold.

In addition to the above, Candriam's ESG research methodology is an integral part of the investment process. Finally, the sub-fund seeks to invest a minimum proportion of its assets in sustainable investments

No benchmark has been designated in order to achieve 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 in order to measure the achievement of environmental and social characteristics are the following:

- carbon footprint: the sub-fund seeks to achieve a carbon footprint that is below an absolute threshold. This threshold is defined as a function of the investment universe and may be reviewed if the investment universe changes,
- steps to ensure that there are no investments in issuers most seriously in breach of the UN Global Compact and the OECD Guidelines for Multinational Enterprises,
- steps to ensure that there are no investments in issuers exposed to controversial weapons,
- steps to ensure that there are no investments in issuers significantly exposed to the mining, transport or distribution of thermal coal,
- steps to ensure that there are no investments in issuers 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?***

The sustainable investments which the sub-fund intends to make for part of the portfolio aim to contribute to a reduction in greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and they aim to have a positive environmental and social impact in the long term.

Concerning sustainable investments with environmental objectives, the sub-fund, through its sustainable investments defined by Candriam's proprietary ESG analysis, may over the long-term 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.

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 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 sub-fund partly invests in sustainable investments. As such, Candriam performs ESG research and analysis on the sovereign and corporate issuers to ensure that these investments do no significant harm to any of the environmental and/or social sustainable investment objectives.

Based on its proprietary ESG ratings and scores, Candriam's ESG methodology defines clear requirements and minimum thresholds in order to identify issuers which can be considered to be "sustainable investment" and which, in particular, do no significant harm to any of the environmental and/or social sustainable investment objectives.

In particular, the "do no significant harm" principle is evaluated for companies as follows:

- by considering the "principal adverse impacts",
- by aligning with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure that minimum social and environmental guarantees are respected.

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

Consideration of the principal adverse impacts is an essential part of Candriam's approach to sustainable investment. The principal adverse impacts are considered throughout the ESG research and analysis process and by means of several methods:

For the analysis of corporate issuers, these methods include:

1. ESG ratings of companies: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from two distinct but related perspectives:
 - the commercial activities of the issuers of the company and their positive or adverse impact on the main sustainability challenges such as climate change and resource depletion,
 - the company's interactions with the main stakeholders.
2. Negative filtering of companies, consisting of a normative exclusion and an exclusion of companies involved in controversial activities.
3. Engagement activities with the companies based on dialogue, helping to avoid or mitigate the adverse impacts. The ESG analysis framework and its results feed into Candriam's engagement policy and vice versa.

For the analysis of sovereign issuers, these methods include:

1. ESG ratings of countries: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from the perspective of four capitals of sustainable development:
 - natural capital, evaluating how a country conserves and uses its natural resources in a sustainable way,
 - human capital, measuring economic and creative productivity by evaluating levels of education and expertise, innovation, health, including sustainability issues,
 - social capital, evaluating civil society and state institutions in each country, focusing on transparency and democracy, the effectiveness of government, corruption, inequality and population security,
 - economic capital, evaluating a country's economic fundamentals in order to determine each government's capacity to finance and support sustainable development policies in the long term.
2. Negative filtering of countries comprising the following elements in particular:
 - Candriam's list of highly oppressive regimes — States guilty of serious human

rights violations.

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, or of each indicator for each country in order to ensure that a country's rating properly reflects the short, medium and long term problems, challenges and/or opportunities that matter for the future development of the country. This materiality depends on a number of elements including the type of information, the quality and scope of the data, 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?*

The investments in the portfolio undergo a normative controversy 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 International Labour Organisation and the International Bill of Human Rights are among the many international references embedded in the normative analysis and in Candriam's ESG model.

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

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, the principal adverse impacts (PAIs) on sustainability factors are considered at the level of the sub-fund by one or more means (see Candriam's PAI declaration):

- Monitoring: calculation and evaluation of the indicators of the principal adverse impacts, including (if applicable) regular reporting at sub-fund level. Certain of these indicators may have explicit objectives and be used to measure achievement of the sub-fund's sustainable investment objective.

- Engagement: in order to avoid and/or mitigate the adverse impact on sustainability objectives, the sub-fund also considers adverse impacts in its interactions with the companies, through dialogue. Candriam prioritises its engagement 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 and social impacts and of the impacts on the stakeholders. The degree of engagement with each company may consequently vary within the same product and is subject to Candriam's prioritising methodology.

- Exclusion: Candriam's negative filtering on companies or on countries seeks to avoid investments in harmful activities or practices and may result in exclusions related to the adverse impact of companies or issuers.

The specific principal negative impacts considered are subject to the availability of data and may change as the quality and availability of data improves.

For more information about the types of PAI considered, click on the following link to Candriam's SDFR site (SDFR is the Sustainable Finance Disclosure Regulation):

<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 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 EUR, 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 sub-fund seeks to maintain an AAA rating issued by a rating agency and financed by the sub-fund.

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 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**

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



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 exclusion policy, which is available on the Candriam website here: <https://www.candriam.com/siteassets/medias/publications/sri-publications---candriam-policies/exclusion-policy.pdf>.

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.

● ***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 comprising a normative filter as well as the exclusion of certain controversial activities. There is no committed minimum rate to reduce the investment universe 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?***

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 planned for this financial product?

The sub-fund seeks to invest at least 60% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 20% will consist of sustainable investments. A maximum of 40% of the total net assets of the sub-fund may be allocated to other assets.

The investments which have environmental and social characteristics are investments which undergo Candriam's proprietary ESG analysis. In addition, these investments must respect Candriam's exclusion policy concerning controversial activities and the normative filter. The investments which have E/S characteristics must demonstrate good governance practices.

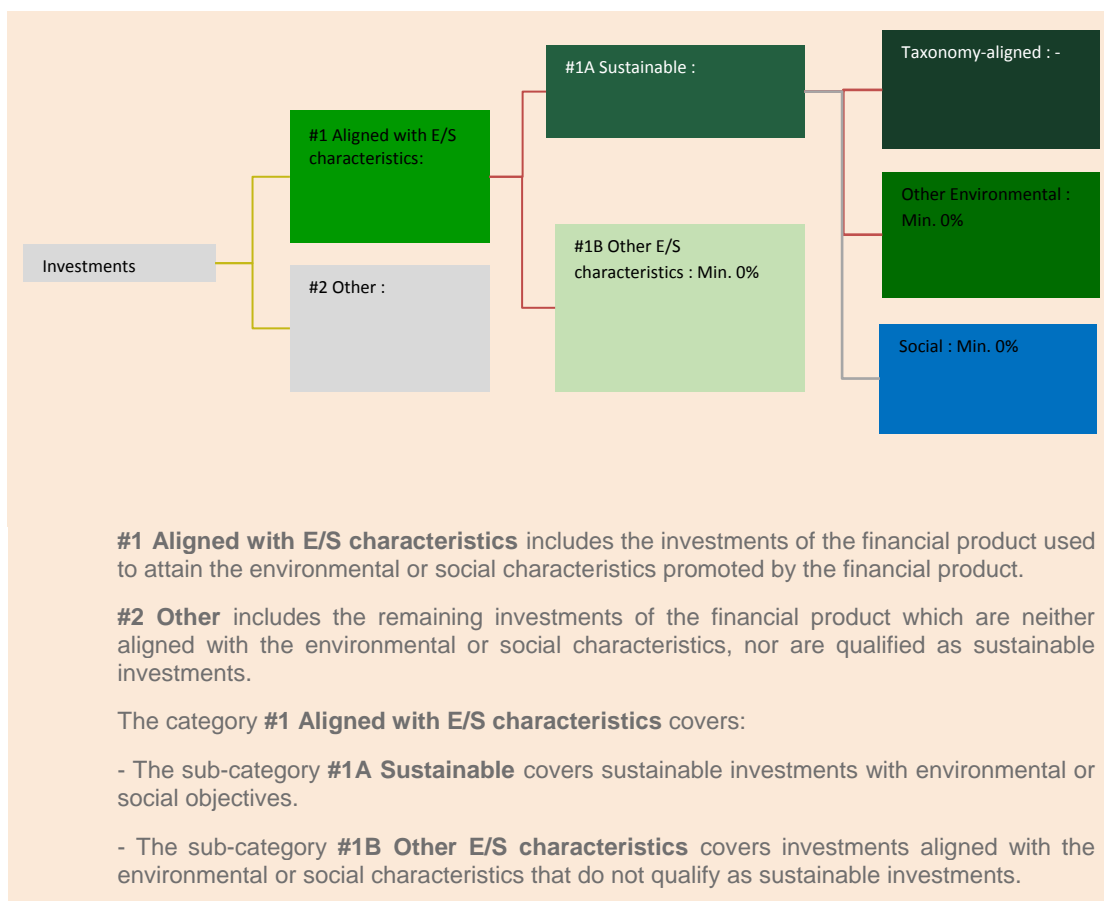
Sustainable investments are defined on the basis of Candriam's proprietary ESG analysis. An issuer which respects Candriam's exclusion filters is eligible as a sustainable investment on the basis of its ESG rating.

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?**

The use of derivative products is not intended to achieve 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 EU Taxonomy Regulation establishes six distinct but interconnected environmental objectives. These environmental objectives are placed at the heart of Candriam's EDG 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.

To determine the Taxonomy alignment percentage of the investments, Candriam uses its in-house ESG team which applies its own ESG research and analysis framework. It uses data published by the companies about their activities which are aligned with the Taxonomy and/or information published by third-party data providers or other sources which according to Candriam's ESG team analyse Taxonomy alignment information about the companies in a reliable way and distribute it. The calculation is not examined or audited by an external party.

The methodology used to calculate the alignment of investments with the UE Taxonomy is based on a company's turnover/income.

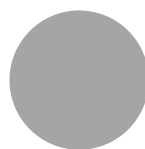
The sub-fund may hold sustainable investments with environmental objectives which are not aligned with ecologically sustainable economic activities as covered and defined by the EU Taxonomy. The environmental objectives of the sustainable investments as defined in the Prospectus or Candriam's Transparency Code pursue not only climate objectives as defined in the EU Taxonomy Regulation, but also other environmental objectives such as alignment with a circular economy objective,

a specific temperature objective, or sustainable objectives which partially include environmental indicators such as a global ESG score which is better than a benchmark or the achievement of an absolute minimum ESG score.

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.*

1. Taxonomy alignment of investments **including sovereign bonds***

Taxonomy-aligned ■ (0%)
Other investments ■ (100%)



2. Taxonomy alignment of investments **excluding sovereign bonds***

Taxonomy-aligned ■ (0%)
Other investments ■ (100%)



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

● **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.

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.



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 an environmental objective that are not aligned with the EU Taxonomy?

The sub-fund does not commit to a minimum of sustainable investments whose environmental objective is not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

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 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 40% of the total net assets.

Such investments may be:

- cash and cash equivalents: 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 which had E/S characteristics at the time of investment and which are no longer fully aligned with Candriam's E/S investment criteria. The intention is to sell these investments,
- other investments including single name derivatives which may be purchased for diversification purposes and which cannot undergo ESG filtering or for which ESG data is not available,
- non single name derivatives may be used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions.



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?

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?***
- ***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/market-insights/sfdr/>

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

