



Audited annual report  
**Candriam Sustainable**

31 December 2023

01.01.2023 - 31.12.2023  
*SICAV under Luxembourg Law*  
*R.C.S. Luxembourg B-202950*



# Candriam Sustainable

SICAV under Luxembourg Law

Audited annual report for the year  
from January 1, 2023 to December 31, 2023



## Table of contents

Administration of the SICAV	4
Details about the SICAV	5
Report of the Board of Directors	6
Audit report	21
Statement of net assets as at December 31, 2023	24
Statement of changes in net assets for the year ended December 31, 2023	32
Statistics	40
Investment portfolio as at December 31, 2023	47
Candriam Sustainable Balanced Asset Allocation	47
Candriam Sustainable Bond Emerging Markets	49
Candriam Sustainable Bond Euro	55
Candriam Sustainable Bond Euro Corporate	66
Candriam Sustainable Bond Euro Short Term	73
Candriam Sustainable Bond Global	81
Candriam Sustainable Bond Global Convertible	89
Candriam Sustainable Bond Global High Yield	93
Candriam Sustainable Bond Impact	97
Candriam Sustainable Defensive Asset Allocation	101
Candriam Sustainable Equity Children	104
Candriam Sustainable Equity Circular Economy	107
Candriam Sustainable Equity Climate Action	110
Candriam Sustainable Equity Emerging Markets	113
Candriam Sustainable Equity EMU	116
Candriam Sustainable Equity Europe	119
Candriam Sustainable Equity Europe Small & Mid Caps	123
Candriam Sustainable Equity Future Mobility	126
Candriam Sustainable Equity Japan	129
Candriam Sustainable Equity Quant Europe	132
Candriam Sustainable Equity US	137
Candriam Sustainable Equity World	141
Candriam Sustainable Money Market Euro	147
Notes to the financial statements - Schedule of derivative instruments	151
Other notes to the financial statements	159
Additional unaudited information	178
Sustainable Finance Disclosure Regulation (SFDR)	181



## Administration of the SICAV

### Board of Directors

#### Chairman

Isabelle CABIE  
Global Head of Corporate Sustainability  
Candriam

#### Directors

Annemarie ARENS  
Independent Director

Thierry BLONDEAU  
Independent Director

Tanguy DE VILLENFAGNE  
Advisor to the Group Strategic Committee  
Candriam

Nadège DUFOSSE  
Head of Asset Allocation  
Candriam

Renato GUERRIERO  
Deputy Chief Executive Officer (Global Development & Distribution)  
Candriam

Koen VAN DE MAELE  
Global Head of Investment Solutions  
Candriam

### Registered Office

5, Allée Scheffer  
L-2520 Luxembourg

### Depositary and Principal Paying Agent

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

### Management Company

Candriam  
SERENITY - Bloc B  
19-21, Route d'Arlon  
L-8009 Strassen

The functions of **Administrative Agent**, **Domiciliary Agent** and **Transfer Agent** (including the **Register Holding** business) are delegated to:

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

Implementation of the **Portfolio Management** activities is performed by Candriam and/or by one or more of its branches:

Candriam - Belgian Branch  
58, Avenue des Arts  
B-1000 Brussels

Candriam Succursale française  
40, rue Washington  
F-75408 Paris Cedex 08

Candriam – UK Establishment  
Aldersgate Street 200, London EC1A 4 HD

### “Réviseur d’entreprises agréé”

PricewaterhouseCoopers, Société coopérative  
2, Rue Gerhard Mercator  
L-2182 Luxembourg



## Details about the SICAV

Candriam Sustainable (hereinafter the "SICAV") is an open-ended investment company under Luxembourg law. It was established in Luxembourg on June 30, 2015 for an unlimited period, in accordance with the legislation of the Grand Duchy of Luxembourg. The SICAV is subject to the provisions of the law of August 10, 1915 on trading companies as amended (hereinafter the "Law of August 10, 1915") provided that it is not exempted therefrom by the Law. Its minimum capital is EUR 1,250,000.

The SICAV is enrolled on the official list of Undertakings for Collective Investment (hereinafter "UCI") in accordance with the Luxembourg law of December 17, 2010 concerning undertakings for collective investment, as amended, and its implementing provisions (hereinafter the "Law"). The SICAV meets the conditions laid down by Part I of the Law and by the European Directive 2009/65/EC.

The SICAV publishes a detailed annual report on its activities, the assets under management. The report includes a consolidated statement of net assets and a consolidated statement of changes in net assets expressed in EUR, investment portfolio of each sub-fund and the audit report. This report is available at the registered office of the SICAV and at the registered office of the banks designated to provide financial services in the countries in which the SICAV is sold.

In addition, after the end of each half-year it publishes a report comprising in particular the statement of net assets, the statement of changes in net assets for the period, the changes in the number of shares outstanding for the period, the composition of the portfolio, the number of shares outstanding and the net asset value per share.

The Annual General Meeting of the Shareholders of the SICAV is held each year at the registered office of the SICAV or at any other place in Luxembourg as specified in the convening notice. It shall take place within 6 months after the financial year-end.

Notices of all general meetings of shareholders are sent to all registered shareholders, to the address shown in the register of shareholders, at least 8 days before the general meeting. These notices 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 are also 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 financial year begins on January 1 and ends on December 31 of each year.

The net asset value per share of each sub-fund, the subscription, redemption's price and conversion's price of each share class of each sub-fund may be obtained from the registered office of the SICAV and from the banks designated to provide financial services in the countries in which the SICAV is sold.

A detailed statement of the movements in the portfolio is available free of charge upon request at the registered office of the SICAV.

The prospectus, Key Information Documents for packaged retail and insurance-based investment products (PRIIPs KID), the SICAV's Articles of Incorporation and financial reports are kept for public inspection, free of charge, at the SICAV's registered office.



## Report of the Board of Directors

### Economic and financial background

At **United States**, in January and February 2023, with the exception of residential real estate, the vast majority of economic indicators remain fairly positive, despite past rate hikes by the Federal Reserve (Fed). On February 1, the latter raised its key rate by 25 basis points to 4.75%. Over these two months, more than 700,000 new jobs were created. The ISM service sector index stood at 55.1 in February. This briefly pushed the ten-year rate above 4% in early March.

However, the closure by the authorities of the 16th largest US bank (Silicon Valley Bank) on March 10, following excessive deposit outflows, and, a few days later, of Signature Bank, have raised fears of contagion to other medium-sized banks. The FDIC, in consultation with the Federal Reserve and the US Treasury, can invoke a " Systemic Risk Exception ", which enables it to insure all the deposits of these two banks (insured deposits (< \$250,000) and uninsured deposits). To avoid a liquidity and contagion problem, the Fed is opening a new borrowing facility (BTFFP - Bank Term Funding Program), the special feature of which is that the government bonds used as collateral are valued at par and not at market price. With the authorities in charge, the risk of contagion diminishes and stress on financial markets is reduced. In addition, thanks to reduced tensions in supply chains and lower energy and industrial metal prices, total inflation in the first few months of 2023 is falling steadily (5% in March 2023). Core inflation, on the other hand, is stagnating, hovering around 5.5 . Indeed, while goods inflation is slowing, the "real estate" component of inflation (over 30% of CPI) and that of non-real estate services are not. On the other hand, wage growth is still significant, and is an important input in the price of services. These are the reasons why, despite the developments in March, the Federal Reserve raised its key rate by a further 25 basis points to 5% on March 22. At the end of March, the ten-year rate was 35 basis points lower at 3.48% than at the end of 2022. The stock market grew by 7%.

In the second quarter, as in the rest of the world, the manufacturing sector experienced sluggish growth, while the service sector grew steadily. Over 600,000 new jobs were created during the quarter, while wage growth and underlying inflation slowed only slowly. In June, the unemployment rate was 3.6%. GDP growth in the 2th quarter was 0.5% quarter-on-quarter, after 0.6% in the first quarter. This led the Fed, on May 3, to raise its key rate by 25 basis points to 5.25%. However, at the FOMC meeting on June 14, the Federal Reserve announced a pause in its tightening cycle. This underpins the performance of the stock market, which rose - particularly in June - by 8.3% over the quarter, driven by the excitement surrounding companies linked to artificial intelligence. The ten-year rate rose by 33 basis points to 3.81%. In the third quarter, despite a tightening of 525 basis points - the final 25 basis point increase was decided on July 26 - and the downgrading of the US debt rating by Fitch in early August, the US economy continued to create over 650,000 jobs over the quarter.

In September, the unemployment rate stood at 3.8%, the ISM service sector index remained above 50 and, in general, other economic indicators remained positive. Despite these good indicators, at its meeting on September 20, the Federal Reserve maintained its key rate unchanged at 5.5%, believing it to be sufficiently restrictive. These developments are leading the market to anticipate that the US will not fall into recession, but that the Fed will keep rates high for longer, despite core inflation falling to 4.1% (in September). During the quarter, caught between the absence of any prospect of recession in the United States and OPEC+ production cuts, the price of oil continued to climb. Both Brent and WTI exceeded \$90 a barrel at the end of September (compared with around \$70 at the beginning of July). All this pushed the ten-year rate up to 4.57% at the end of September, 77 basis points higher than at the end of June. Over the same period, in response to the sharp rise in interest rates, the stock market fell by 3.6%.

At the beginning of October, both the labor market and activity in the services sector remained buoyant. At the end of October, third-quarter GDP growth was announced at 1.2% quarter-on-quarter (the fifth consecutive quarter with growth in excess of 2% quarter-on-quarter on an annualized basis). Against this backdrop, and with the bond risk premium rising sharply, the ten-year yield is almost 5%. However, at the beginning of November, job creation of barely 100,000, mortgage rates above 8% and slightly weaker ISM figures led the markets to think that activity might be slowing more sharply than expected, and that the Federal Reserve might cut its key rate faster than anticipated. This pushes the ten-year rate down. This movement was amplified in mid-December at the Federal Reserve's latest meeting, when its governor gave a more " dovish " message and federal funds rate projections for 2024 were lower than in September. All in all, after this bond rally, the ten-year yield closes the year at 3.87%, three basis points higher than at the end of 2022. The S&P500 ended 2023 up 24.2% on the year at 4770, helped by an 11.2% rise in the fourth quarter.



## Report of the Board of Directors

### Economic and financial background (continued)

In the euro zone, in the first quarter 2023, while total inflation (6.9% in March) has been falling steadily since its peak in October 2022, core inflation has been rising steadily (5.7% in March) in a context where the labor market remains tight. The unemployment rate is 6.5% and wage growth is strong. In addition, as gas prices continue to fall, the outlook for growth has been revised upwards, as have expectations of terminal rates from the European Central Bank (ECB). On February 2, the latter raised its key rate by 50 basis points to 3%. Despite developments in the US banking system, the ECB raised its key rate by a further 50 basis points to 3.5% at its meeting on March 16.

Indeed, as Christine Lagarde points out, the European banking sector is resilient, well capitalized and has no liquidity problems. The other reason is the ECB's latest macroeconomic forecasts, which show that inflation is likely to remain too high for too long. Over the weekend of March 18 and 19, the Swiss National Bank and the Swiss Financial Market Supervisory Authority are organizing the takeover of Credit Suisse by UBS. All in all, at the end of March, compared with the end of 2022, the German ten-year rate fell by 27 basis points to 2.3%. The stock market grew by 11.9%. In the second quarter, although both the manufacturing and services PMIs deteriorated, the services PMI remained above 50. Compared with the start of the year, consumer confidence is improving, but is becoming more heterogeneous between eurozone countries. As for the job market, it remains buoyant. With salaries growing by around five percent, the growth in the wage bill means that purchasing power is likely to improve as inflation falls. While total inflation continues to slow (5.5% in June), core inflation is showing more downward rigidity (5.5% in June). For this reason, the ECB raised its key rate twice, on May 4 and June 15 respectively, each time by 25 basis points. At the end of June, the ECB's key rate was 4%, the German ten-year yield was 2.39% and the stock market was up 1.0% over the quarter.

In the third quarter, despite differing domestic dynamics between the Eurozone and the United States, European rates moved in tandem with US rates throughout the quarter, but with less amplitude. Although inflation is falling, it remains high (4.3% in September) and core inflation is decelerating even more slowly (4.5%). This is why the ECB raised rates twice more during the quarter (first on July 27 to 4.25%, then on September 14 to 4.5%). In this environment of higher interest rates, business is slowing down. While the PMI index for the eurozone manufacturing sector has been below 50 for the past fourteen months, in August the PMI for the services sector also fell below this threshold. It's becoming clear that growth in the eurozone will be sluggish at best, especially as production cuts by OPEC+ countries weigh on the price of Brent crude. Indeed, third-quarter GDP growth showed a quarter-on-quarter contraction of 0.1%. Overall, between the third quarter of 2023 and the third quarter of 2022, GDP in the eurozone rose by just 0.1%. Although partially offset by government aid, the main reason for this lack of growth is the energy shock, which has weighed heavily on household purchasing power and business activity. The only really positive element in the eurozone economy is the labor market, which remains buoyant. Unemployment remains low at 6.5% (in September) and wage growth is still fairly high. This helps household consumption to hold up and provides support for growth. Overall, the German ten-year yield rose by 42 basis points over the quarter to 2.81%. The stock market lost 4.6% over the same period.

The fourth quarter was marked by PMI surveys for both the manufacturing and services sectors, which deteriorated further (the composite index averaged 47 over the quarter). However, with inflation falling and wages continuing to rise, this should enable households to regain purchasing power. At the end of October, German ten-year yields followed the trend in US yields, reaching almost 3%. As in the United States, weak growth is prompting expectations of a faster cut in ECB key rates, especially as November's inflation and core inflation figures are down to 2.4% and 3.5% respectively. At the last ECB meeting, however, the President of the ECB indicated that this was not the time to cut key rates. In fact, the labor market remains buoyant and wage growth is still relatively high, which is having an impact on service prices in particular. All in all, after the bond rally, the ten-year yield closes the year at 2%, 56 basis points lower than at the end of 2022. The stock market ended 2023 up 16% for the year, helped by a 7.5% rise in the fourth quarter.

### Candriam Sustainable Bond

#### Market Environment

Bond markets were highly volatile over 2023, alternating between risk-off period in the first quarter (on the back of the turbulence in the banking sector) and the strong exuberance of the fourth quarter (as central banks opened the door to potential rate cuts). Overall, all fixed income asset classes delivered positive performance with spread asset classes (Investment grade, High Yield and Emerging Debt) leading the way. The macroeconomic data prints appeared to show resilience in the United States, while they were less positive in the EU. Over the first half, markets witnessed tremors in the banking sector as SVB and Credit Suisse filed for bankruptcy. In spite of the magnitude of the event, immediate central bank action prevented the risk from propagating to the rest of the financial sector. Growth in the emerging region was modest as Chinese growth disappointed over the year. Geopolitical risk remained omnipresent, not just with the Russia-Ukraine war but also the conflict in the middle east. In spite of this, inflation levels continued to move lower (particularly core inflation), as supply chain disruption normalized. Central banks continued to maintain a hawkish stance throughout the year, but with inflation moving lower, they indicated that rate cuts in 2024 were a possibility. Credit markets remained under pressure throughout the year as fundamentals were mixed and volatility was omnipresent, though ultimately both investment grade and high yield markets posted strong positive returns. Emerging debt also rose sharply over the last two months of the year. The year was marked also by increasing dispersion as CCC rated EM Debt delivered much higher returns than the rest of the markets.



## Report of the Board of Directors

### Candriam Sustainable Bond (continued)

#### Government Bonds

After a bruising 2022 that saw near-unprecedented losses in many sovereign bonds markets, the year 2023 began by offering investors some hope that the worst was behind them. On both sides of the Atlantic, the year began with inflation rates that – while down from their mid-2022 peaks – were still far above levels that central banks could be comfortable with. Ultimately, the US Federal Reserve (FED) was compelled to undertake four hikes (from 4.5% to 5.5%) whilst the European Central Bank (ECB) – battling even higher headline inflation rates – hiked six times for a cumulative 2% bringing the main refinancing rate from 2.0% to 4.0%. Like its continental European and US counterparts, the Bank of England (BOE) also hiked rates – 5 times – bringing the base rate from 3.5% to 5.25%. Unsurprisingly, Japan was the outlier among G4 markets. Higher CPI numbers may well have been welcomed by the Bank of Japan (BOJ), giving the country an opportunity to escape its deflationary spiral by spurring wage growth. A Policy Balance Rate stubbornly stuck at a negative -0.10% since 2015 implied that real JPY rates moved into deeply negative territory. That said, the BOJ did not remain inactive and began to gently soften its Yield Curve Control (YCC) policy.

The trajectory of government bond yields was, predictably, very much still tributary to inflation and other economic prints and resulting central bank announcements and rhetoric. With a US 10Y starting the year at 3.74%, successive FED rate hikes did not seem to miss their intended effect as headline inflation rapidly fell towards around 3.5% mid-year. After trading mostly in the range of 3.5% to 4.0% in the first half of the year, the 10Y benchmark rate broke through and consistently remained above this level until the last weeks of December. Notably, rates reached their peak after the Fed announced its very likely final hike of the cycle. The Fed's "hawkish hold", the "high for longer" discourse and continued surprisingly strong economic prints caused yields to surge. In October, even the psychologically important 5% level was nearly breached before markets appeared to take fright and reversed course. November and December then saw an impressive and rapid rates rally. The 10Y rate ended the year at 3.88% - marginally above its level at the beginning of the year, but ultimately still a positive return thanks to the already decent carry levels.

Euro rates followed much the same path, although in the absence of the same economic strength as the US, markets reacted more directly to the final hike in September, with both the 2Y and 10Y rates falling soon thereafter. Christine Lagarde, president of the ECB, explicitly mentioned the weakening growth outlook for the Eurozone, which markets did not hesitate to interpret as a dovish signal. Inflation also decelerated further over the course of the year with a November estimate surprising to the downside, supporting rate cut anticipations for 2024. The Germany 10Y rate began the year at 2.44% and peaked at 2.97% in October, before rapidly rallying and falling to end the year at 2.02%. Among Eurozone issuers, non-core countries belied fears of higher rates putting excessive strain on budgets. Although rather volatile, the BTP-Bund spread was at its peak level at the beginning of the year, at around 208 basis points, ending the year at 166 bps.

In the UK, the BOE's decision to hike by 25 basis points less than the ECB arguably put it in the dovish camp, given that UK inflation has been consistently higher than in the Eurozone. Nonetheless, the relative prudence of policymakers is explained at least in part by consistent economic weakness and more direct feed-through of policy rates to households via shorter-term mortgages. In the end, the benchmark 10Y gilt followed much the same path as its US and Euro counterparts. Starting at 3.65%, it peaked soon after the final BOE hike in August, at 4.74%. Thereafter, we witnessed at first a gradual and then rather rapid decline from October, closing out the year at 3.53%.

Uniquely among the world's major economies, the BOJ left its policy rate unchanged – at -0.10%, also giving Japan the distinction of being the only economy still with a negative rate. Nonetheless, the BOJ did undertake a major shift during July's policy meeting, deciding to soften its yield curve control (YCC) policy. Although it maintained the official 0% target yield for 10Y Japanese Government Bonds, the major change in the programme is that the range in which the bank now allows these instruments to trade was relaxed via several policy tweaks. This did not miss its intended effect. While the 10Y benchmark rate traded in the very narrow band of 0.22% to 0.5% during the first 7 months of the year, it peaked at 0.95% in November before mirroring US and European rates and rallying to end the year at 0.61%.

#### Inflation-Linked Bonds

After inflation rates in the USA and Eurozone reached multi-decade highs in 2022, by the beginning of 2023; the downward trend was already established – especially in the US. Headline CPI at the end of 2022 stood at 9.2% in the Eurozone and 6.5% in the US. In a reflection of the stronger economic prints in the US, as of year-end, the Eurozone CPI ended the year lower than in the US, at 2.9% vs. 3.4%. In both economies core price (excluding food and energy) increases proved to be more inert. While having peaked at a lower level, core figures ended the year at higher levels than headline levels – suggesting that a considerable level of price increases have embedded themselves in the economy through, among other factors, wage increases.

Central bankers will likely have taken comfort in their own credibility, seeing market expectations of inflation move towards their own targets during the course of the year. US 10Y breakevens began the year at 2.41%, with their Eurozone counterparts (Germany, France Domestic and Italy) all close to 2.3%. Driven by strong headline economic numbers and high levels of uncertainty, markets witnessed an initial spike to 3.08% and around 2.6% respectively in February/March, before rapidly coming back down to the levels of the beginning of the year. After relatively flat trading for most of Q2 and Q3, breakevens followed the trend of nominal rates from October to the end of year. The US10Y breakeven ended the year at 2.17%, with Eurozone levels coming in between 1.82% (Italy) and 2.06% (France domestic). This move was both a reflection and a confirmation of the dovish pivot of central banks towards year-end.

This was further underlined by the convergence of 5Y and 10Y breakevens in the Eurozone. With 5Y breakevens having started the year at considerably higher levels, reflective of some scepticism at the ECB's ability to reign in inflation in the shorter to medium term, the spread between the two reversed by the end of the year with the 5Y lower than the more uncertain 10Y tenor.



## Report of the Board of Directors

### Candriam Sustainable Bond (continued)

#### Corporate Investment Grade

While overall, 2023 saw strong positive performance for the Euro Investment Grade asset class, the year did see significant volatility, particularly over the first half when central banks were hiking rates. Furthermore, specific issues arose in the banking sector as SVB and Credit Suisse led to significant amount of volatility in the markets, though the turbulence was short lived. Over the second half of the year however, central banks appeared to mark a pause (particularly the FED) and acknowledged that inflation levels had peaked. In this context, investment grade markets offered positive (and yet volatile) performance, and following the October volatility (driven in part by the geopolitical context in the middle east), moved significant upwards. Indeed, the final two months resulted in very strong positive performance for the asset class, triggered by the surprising dovishness of the FED, that held rates constant, but did not push back against market expectations that the rate hikes were over. In the Eurozone, markets expect over 160 bps in rate cuts from the ECB over 2024 and the first cut as early as April 2024, Fundamentals of investment grade issuers remained resilient, though we did see cracks appearing and dispersion materializing across segments. Issuance remained strong, with the first half of the year seeing the financials coming to markets in a substantial manner. Overall, the Euro investment grade Corporate index, posted a performance of +8.2%, with yields fell sharply to 3.5% (from 4.2%) over the year. Spreads were extremely volatile reaching 195bps in March (from 167 bps in the beginning of the year) but then dropping towards tight levels of roughly 135 bps at year end.

Volatility remained a staple during this first quarter of 2023, as January benefited from the exuberance of Q4 2022 and February and March saw the return of the bouts of risk-off periods. Towards the end of March 2023, Investment grade markets once again saw a rally on the back of less hawkish narrative from central banks. Overall spreads were stable (at 168bps) but volatility was significant as the low point (in early Feb when spreads were at 140 bps) contrasted sharply with the peak (20th march, at 195 bps). Yields saw a similar situation, climbing from lows of 3.6% to 4.4%, before settling at 4.2% at the end of the quarter. The January rally was driven by a combination of lower inflation in the US, the unexpected reopening in China and falling energy prices in Europe. In March, credit spreads widened substantially on the back of the financial crisis engineered by the collapse of SVB and Credit Suisse, and rates rallied in March as investors flocked towards low risk-assets. Both ECB and FED stated that they stand ready to provide liquidity through discount windows to ensure financial stability, despite the fact that both of them maintained their intention to fight inflation. The Q4 earnings was satisfactory on the back of low expectations, with analysts already projecting deeper profit declines for the next results. Most companies managed to exceed expectations, though the magnitude of surprise was quite small. On the other hand, some large misses and disappointing guidance came from big corporations like Intel, Microsoft, 3M, and Kimberly-Clark. The primary market was exceptionally active over the first two months of the quarter as companies started frontloading to lock in rates, particularly within the financial sector as supply was dominated by financials taking advantage of the tightening, with the total issued volume more than 50% higher than in January 2022. The increase in supply has been well-absorbed by the market, with investor demand exceeding supply and shorter tenors of multi-tranche issuances being the most oversubscribed.

Volatility continued across Investment grade markets as they posted a slightly positive second quarter (+0.45%) in spite of increasing rates and a generally weak macro-economic picture in the private sector. Noteworthy was the month of June, when spreads compressed sharply after debt ceiling deal got sealed in the US. Indeed, the month saw some respite as the Fed kicked off with a hawkish "skip" signaling that it might need to hike again at the next meeting, while indicating the need to wait for previous hikes to take effect. In Europe, the ECB kept hiking at a similar pace of 25 bps to bring rates to 3.5%. In this context, risky assets performed well, supported by lower rate volatility and lower inflation globally, with the UK being the exception. June proved to be extremely busy one for developed market central banks. In Sintra, the heads of the ECB, Fed and BoE shared a common hawkish tone, while BoJ Governor Kazuo Ueda maintained amore dovish one. Federal Reserve Chair Jerome Powell said the Fed will not take the option of two consecutive hikes off the table, and that he did not see inflation levels in the US getting back to 2% in 2023 or 2024. Elsewhere, the ECB President Christine Lagarde added that the central bank still has ground to cover and is very likely to hike in July while BoE Governor Andrew Bailey, having already hiked by 0.5% in June, said UK inflation is still acting stubbornly. Despite the uncertain macro backdrop, and the SVB/CSG turmoil in March, market perception has gradually improved on Banks, as reflected by May being the second busiest month of the year after January and the re-opening of the AT1 market in June. Banks' results were scrutinized by the market, with significant volatility surrounding the updated communications on their deposits. Consumer companies had a strong quarter, as price rises for food & beverages did not come at a significant cost to volume. On the other hand, large misses and disappointing guidance from big corporations (Maersk, UPS and Estee Lauder) suggested earnings estimates for the upcoming quarters might need to come down further. On the supply front, Banks had already fulfilled around two-thirds of their 2023 funding needs. For Non-Financials, primary activity was stronger YoY in H123, both for the IG and HY segment, including in Q2 despite a soft start to the quarter, especially the EUR senior segment. Meanwhile, the hybrid market was busy again in May and June, thanks to the Utilities and TMT sectors, after three weak months. Overall spreads did compress somewhat (from 168 bps to 161 bps) but volatility was significant as the low point (mid-April when spreads were at 154 bps) contrasted sharply with the peak (mid-May, at 172 bps). Yields, however, generally moved upwards (in-line with the rate hikes) ending the month at 4.4%. saw a similar situation, as they moved to lows of 6.6% (in end May) to 6.9% at the end of the quarter.



## Report of the Board of Directors

### Candriam Sustainable Bond (continued)

#### Corporate Investment Grade (continued)

Euro Investment grade markets were yet again on shaky grounds, barely scraping together a positive quarter in Q3 (+0.3%) in spite of increasing rates and a generally weak macro-economic picture. The early portion of the quarter was dominated by a relatively resilient macro picture, particularly in the US, with a soft-landing scenario gaining prominence. Inflation prints moved significantly lower, though still far from the central bank long-term targets and hence, monetary policy remained restrictive with rate hikes being implemented across US and EU in July. The latter portion of the quarter saw a rate increase (US 10 year reaching 4.5%) on the back of rising commodity prices and strong labour markets in the US. While spreads and rates remained relatively stable over the first two months of the quarter, September saw high levels of volatility. Spreads initially compressed strongly to 144 bps (from 154 bps), on the back of lower inflation data and a generally more positive mood. However, the looming government shut down in the US and hawkish statements from FED policy makers led spreads to rise back to above 150 bps. In terms of fundamentals, reports suggest certain companies had a tougher time passing on higher prices to consumers (e.g., Unilever, LVMH, Reckitt Benckiser, Heineken, ...). Pricing pressure is expected to moderate over the remainder of the year, though dispersion is likely to increase as markets assess which companies truly have pricing power and can maintain their margins. The primary market was quiet due to the lock up period imposed by the earnings season, as well as the summer season. Though a few deals made it to the market around the end of August. Secondary markets remained tight with low liquidity for money market- and short term offers for the most part. September was exceptionally active as banks and nations took advantage of the stable window and tight spreads. Around 57 billion euro printed in IG credit, and new issue premiums averaged 15 bps on books that were over 2 times oversubscribed.

A strong exuberance took hold of financial markets over the fourth quarter of 2023 (particularly in November and December), anticipating a dovish pivot of the central banks on the back of weaker inflation prints and NFP numbers. October saw Treasury yield curves continue to bear steepen in the US and in Europe, driven primarily by the better-than-expected economic prints from the US and its exceptionally resilient labor market. The unrelenting rise in long-term rates has been noted by the FED, with officials commenting that tightening financial conditions and the sharp increase in long-term real yields were doing some of the hard work for the Fed. Similarly, across the Atlantic, as the lagged impact of tighter financial conditions increasingly ripple through the economy and markets, the ECB also kept rates unchanged and gave a dovish impression as Lagarde repeatedly and explicitly mentioned the clearly weakening economic growth. In November, however, the picture changed quite suddenly as markets started pricing rate cuts in 2024 rather aggressively. A string of economic data highlighted that the transmission of restrictive monetary policy remains forceful across both sides of the Atlantic. In the US, despite the stronger than expected growth over Q3 at 5.2%, the economy showed signs of slowing down. Banks continued to tighten commercial credit, and indications were that households were pulling back on discretionary spending, and the labor market were gradually cooling. In the EU, headline inflation slowed more than policymakers expected at 2.4%, though core inflation remains well above the ECB's target at 3.6%. The German economy contracted over Q3, driven by a drop in household spending. However, the ECB hinted at expectations of a temporary rebound in inflation figures due to base effects as high energy prices from the autumn of 2022 drop out of the data. They also added that the Euro Area will probably avoid a recession as improving purchasing power among consumers drives a rebound. Euro investment grade markets posted a strong positive quarter (+5.5%) as spreads declined (from 151 bps to 136bps), primarily over the months of November and December. Yields saw a much stronger compression, as they moved from elevated levels of 4.5%, towards 3.6%, which still represents and over 10 year high. The earnings season saw large dispersion, and a material portion of the companies (both IG and HY) missed on top-line expectations. Although the majority could beat on the operating margin, guidance has generally become materially cautious and companies conceded increasing concern about their ability to defend margins. Markets witnessed some cautious guidance and notable warnings from Walmart, Burberry, Nordstrom, BASF. Critically, markets saw that cyclical are reducing CAPEX and recently industrials and manufacturing sector issuers are reducing OPEX through layoffs.

#### Corporate High Yield

While overall, 2023 saw strong positive performance for the High Yield asset class, the year did see significant volatility, particularly over the first half when central banks were hiking rates. Furthermore, specific issues arose in the banking sector as SVB and Credit Suisse led to significant amount of volatility in the markets, though the turbulence was short lived. Over the second half of the year however, central banks appeared to mark a pause ( particularly the FED) and acknowledged that inflation levels had peaked. In this context, high yield markets offered some stable performance, and following the October volatility (driven in part by the geopolitical context in the middle east), moved significant upwards. Indeed, the final two months resulted in very strong positive performance for the asset class, triggered by the surprising dovishness of the FED, that held rates constant, but did not push back against market expectations that the rate hikes were over. In the Eurozone, markets expect over 160 bps in rate cuts from the ECB over 2024 and the first cut as early as April 2024, Fundamentals of high yield issuers remained somewhat resilient, though we did see cracks appearing and dispersion materializing across segments. Indeed, we noticed that in a market of positive returns, the real estate sector suffered substantially. Technicals were fairly positive as weak supply and muted primary markets (a source of support) were reinforced by a significant number of rising stars in the Euro High Yield segment, while the USD High Yield segment saw more mixed fundamentals. Overall, the ICE BofA-Merrill Lynch Global High Yield BB/B 3% constrained index, excluding financials posted a performance of +9.7%, with yields fell sharply to 7% (from 8.2%) over the year. Spreads were extremely volatile reaching 472bps in March but then dropping towards extremely tight levels of roughly 316 bps at year end.



## Report of the Board of Directors

### Candriam Sustainable Bond (continued)

#### Corporate High Yield (continued)

Volatility remained a staple during this first quarter of 2023, as January benefited from the exuberance of Q4 2022 and February and March saw the return of the bouts of risk-off periods. Towards the end of March 2023, high yield markets once again saw a rally on the back of less hawkish narrative from central banks. Overall spreads did compress somewhat (from 442bps to 412bps) but volatility was significant as the low point (in March 7th when spreads were at 347 bps) contrasted sharply with the peak (20th march, at 485 bps). Yields saw a similar situation, climbing from lows of 6.1% to 7.1%, before settling at 6.7% at the end of the quarter. The January rally was driven by a combination of lower inflation in the US, the unexpected reopening in China and falling energy prices in Europe. In March, credit spreads widened substantially on the back of the financial crisis engineered by the collapse of SVB and Credit Suisse, and rates rallied in March as investors flocked towards low risk-assets. Both ECB and FED stated that they stand ready to provide liquidity through discount windows to ensure financial stability, despite the fact that both of them maintained their intention to fight inflation." . On the fundamental front, Q4 2022 numbers were better than feared. However, we see cracks appearing on lower rating spectrum and the outlook is highly uncertain. Regarding valuations, yields remained relatively attractive though spreads are still not adequately pricing risks present. In terms of technicals, they remain strong in Europe where outflows are limited and supply very negative while they turned in the US where outflows were substantial, and supply is slowly picking up. Netflix was finally upgraded to Investment Grade by Moody's after 2 years with a positive outlook. On the negative side the real estate sector remained under pressure as investors are questioning valuations and liquidity profiles.

After a volatile start of the year, Euro High Yield markets posted a positive second quarter (+1.6%) in spite of increasing rates and a generally weak macro-economic picture in the private sector. While spreads and rates remained relatively stable over the first two month of the quarter, June saw spreads compress strongly after debt ceiling deal got sealed in the US. Indeed, the month saw some respite as the Fed kicked off with a hawkish "skip" signalling that it might need to hike again at the next meeting, while indicating the need to wait for previous hikes to take effect. In Europe, the ECB kept hiking at a similar pace of 25 bps to bring rates to 3.5%. In this context, risky assets performed well, supported by lower rate volatility and lower inflation globally, with the UK being the exception. Overall spreads did compress somewhat (from 411 bps to 392 bps) but volatility was significant as the low point (mid-June when spreads were at 367 bps) contrasted sharply with the peak (beginning April, at 429 bps). Yields saw a similar situation, as they moved to lows of 6.6% (in end May) to 6.9% at the end of the quarter.

Fundamentals held up well in most Q1 numbers in line with expectations, although the level of dispersion continued to increase. For example, French telco operator SFR posted weak numbers with leverage reaching 6.2x and provided very weak guidance for the next few quarters. As a result, the bonds were trading in distressed territory as the probability of a debt restructuring has increased significantly. In the US, default rates started to increase, with 10 issuers defaulting on \$7.2bn of bonds in May, implying an annualized default rate of 7.3%, up from an actual 12-month trailing default rate of 2.3%. An increasing number of cracks began to appear in High yield markets, with multiple profit warnings in the chemical sector as most companies faced endless destocking by their customers. On the positive side, Entertainment continued to perform very well, with most cruise operators reporting strong numbers and outlook. Technicals remained strong, with small inflows and very limited supply, with Euro High Yield markets volume contracting because of multiple rising stars.

Euro High Yield markets once again posted a positive quarter in Q3 (+1.4%) in spite of increasing rates and a generally weak macro-economic picture. The early portion of the quarter was dominated by a relatively resilient macro picture, particularly in the US, with a soft-landing scenario gaining prominence. Inflation prints moved significantly lower, though still far from the central bank long-term targets and hence, monetary policy remained restrictive with rate hikes being implemented across US and EU in July. The latter portion of the quarter saw a rate rally (US 10 year reaching 4.5%) on the back of rising commodity prices and strong labour markets in the US. While spreads and rates remained relatively stable over the first two month of the quarter, September saw high levels of volatility. Spreads initially compressed, on the back of lower inflation data and a generally more positive mood. However, the looming government shut down in the US and hawkish statements from FED policy makers led spreads to rise back. It is important to note that over the quarter, EUR HY spreads consistently traded at higher levels (above 50 bps) vs their US counterparts. On the micro front, and in the absence of central bank support, we saw a strong divergence between sectors supported by reopening and pent-up demand like automotive and travel and other more rate-sensitive sectors like real estate, construction, and chemicals. In the US, default rates continued to trudge upwards, a forecast that sees a rate that is above 4% (long term historical average).

A strong exuberance took hold of financial markets over the fourth quarter of 2023 (particularly in November and December), anticipating a dovish pivot of the central banks on the back of weaker inflation prints and NFP numbers. Euro High Yield markets posted a strong positive quarter (+5.74%) with a rally of some of the weaker names in the universe. October saw Treasury yield curves continue to bear steepen in the US and in Europe, driven primarily by the better-than-expected economic prints from the US and its exceptionally resilient labour market. The unrelenting rise in long-term rates has been noted by the FED, with officials commenting that tightening financial conditions and the sharp increase in long-term real yields were doing some of the hard work for the Fed. Similarly, across the Atlantic, as the lagged impact of tighter financial conditions increasingly ripple through the economy and markets, the ECB also kept rates unchanged and gave a dovish impression as Lagarde repeatedly and explicitly mentioned the clearly weakening economic growth. In November, however, the picture changed quite suddenly as markets started pricing rate cuts in 2024 rather aggressively. A string of economic data highlighted that the transmission of restrictive monetary policy remains forceful across both sides of the Atlantic. In the US, despite the stronger than expected growth over Q3 at 5.2%, the economy showed signs of slowing down. Banks continued to tighten commercial credit, and indications were that households were pulling back on discretionary spending, and the labour market were gradually cooling. In the EU, headline inflation slowed more than policymakers expected at 2.4%, though core inflation remains well above the ECB's target at 3.6%. The German economy contracted over Q3, driven by a drop in household spending. However, the ECB hinted at expectations of a temporary rebound in inflation figures due to base effects as high energy prices from the autumn of 2022 drop out of the data. They also added that the Euro Area will probably avoid a recession as improving purchasing power among consumers drives a rebound.



## Report of the Board of Directors

### Candriam Sustainable Bond (continued)

#### Corporate High Yield (continued)

In terms of fundamentals, dispersion remained elevated between cyclicals and non-cyclicals and companies with pricing power or not as inflation costs continue to bite into margins. On the micro front, the earnings season saw large disparity, and a material portion of companies missed on top-line expectations. Although the majority could beat on the operating margin, guidance has generally become materially cautious and companies conceded increasing concern about their ability to defend margins. From a technicals perspective, the quarter once again saw relatively weak supply, while a few more issuers were upgraded to investment grade (Ellis, Lufthansa, Ford). In fact, Ford was the largest rising star ever and provided a strong support for High Yield markets into year end.

#### Convertible Bonds

January saw a sharp rally in equity markets, particularly cyclicals, as fears of recession eased thanks to lower gas prices and the end of health restrictions in China. In March, fears about the financial sector (SVB, Credit Suisse) triggered a correction in the equity markets, but it was short-lived, thanks to interventions by regulators to limit contagion. Robust economic growth sustained markets until August. But the strength of macroeconomic data, by shifting expectations of the end of the rate hike cycle, weighed on the main indices until the end of October. At the beginning of November, the US central bank's welcome speech reassured investors that the rate hike cycle would come to an end, triggering a strong rebound in equity markets, an easing of interest rates and a tightening of credit spreads.

In terms of sectors, technology stocks rose strongly this year, driven by the emergence of generative artificial intelligence.

Our asset class mainly benefited from the rebound in equity markets, and to a lesser extent from lower interest rates and tighter credit spreads. By contrast, the sharp fall in implied volatility penalized global convertibles.

As 2023 draws to a close, equity market levels and investor sentiment are once again incorporating an ideal scenario, combining lower key interest rates in the USA and Europe, decelerating inflation and resilient economic growth. Such a scenario is possible, but failure to achieve it could be severely punished. This is why we believe that convertible bonds, with their inherently convex profile, are a particularly suitable way to approach the equity markets, especially as our asset class benefits from two major advantages: a sustained and diversified primary market, and a particularly attractive valuation, with a historically low level of implied volatility in Europe.

#### Emerging Markets

Global bond markets had a rollercoaster year, but ended in firmly positive territory. EM debt also saw substantial volatility, ending the year clearly outperforming with a strong +11.09% for 2023, for the JPM EMBI Global Diversified Index. The key drivers of performance for the market over the year were the Fed and attendant effects on US rates, and rallies among several distressed issuers. As a result, with rates ultimately ending the year nearly at the same point, carry and spread compression did the heavy lifting for the asset class.

In Q1, EMD HC (+1.9%) primarily advanced due to "safe haven" flows into US Treasuries while EM spreads rose which resulted in positive Treasury and negative Spread returns. EM Spreads ended the quarter 32bps wider while 10YR US Treasury rates moved lower.

Investment themes shifted month per month during the quarter. January was driven by China's re-opening trade that supported commodity and risky asset markets generally and drove asset class inflows. In February, strong US data and persistent inflation re-launched concerns over extended Fed monetary tightening. March was characterized by financial distress of US regional banks and Credit Suisse which triggered further reduction of constructive EM HY positions and asset class outflows. However, authorities acted quickly and decisively in mid-March which eventually arrested the spill-over to risky markets.

In Ecuador, a constitutional referendum proposed by the reform-focused President Lasso failed leading to motions on his impeachment and ushering in another in another political crisis in the country. Competitive presidential elections in Nigeria resulted in the establishment candidate win (Tinubu).

Q2 delivered similar performance to Q1 (+2.2%), albeit with a reversal between rates and spreads as drivers. EM spreads declined 52bps while US 10Y Treasuries rose by 37bps. Investment themes remained volatile month per month during the quarter. Stabilizing market sentiment after the regional banking crisis in March characterized April. In May, US Treasury yields backed up as labour market data remains surprisingly resilient despite the cumulative 500bps increase of the Fed Funds rate. In June, core rates extended their rise, but the moves were more than compensated by the EM distressed credits performance around optimism about the finalization of EM debt restructurings and ramped up IMF support.

The divergent performance of the EM country universe persisted with HY (4.1%) outperforming IG (0.5%). CCC-rated credits delivered 16.9% in June and 21.2% over the quarter with Pakistan, Ukraine, and Argentina posted the highest, and Kuwait, Poland and India the lowest returns.

Ecuadoran valuations advanced in April on the announcement of a debt-for-nature debt swap aimed at enhancing the country's conservation efforts in the Galapagos islands. Gabon was the second EM country after Ecuador in 2023 to announce intent to complete a \$500mn debt-for-nature debt swap and replace Eurobonds with concessional funding from the US-based non-profit organization The Nature Conservancy (TNC) in exchange for commitment for marine conservation.

In Turkey, the opposition lost to long-serving President Erdogan and his AK party which triggered a correction in Turkish assets and the Turkish Lira as some market participants expected a leadership change. Turkish credit spreads stabilized after the appointment of a pragmatic Finance Minister and Central Bank Governor expected to reverse the unsustainable easy monetary and fiscal policy biases.



## Report of the Board of Directors

### Candriam Sustainable Bond (continued)

#### Emerging Markets (continued)

After the IMF approved a \$3bn, 3Y EFF for Ghana in May clearing uncertainties around an anticipated debt restructuring deal, Zambia reached its deal with public sector creditors in June. Other distressed countries which had pending debt restructurings like Sri Lanka or awaiting IMF deal board approvals like Pakistan and Tunisia also rallied on the news.

Argentine bonds rebounded in June on the surprise choice for presidential candidate of the incumbent Peronist party of experienced political operative and Economy Minister since July 2022, Sergio Massa. While Massa had not managed to stabilize inflation or the exchange rate since his ministerial appointment, he was perceived as a less ideological politician relative to the Kirchners.

Q3 would prove to be the only quarter in which the asset class overall delivered negative performance at -2.2%. While as in Q2 spread performance was positive, this was not able to compensate the massive rout in US Treasury yields. The Fed hiked the Fed Funds rate by 25bps in July and held steady in September but signalled one more hike until year end, and fewer cuts next year or a more hawkish bias and extreme data dependence. The consistently hawkish Fed stance, the leveraged short US Treasury market position next to concerns over the impact of elevated fiscal deficits and quantitative tightening on the supply and demand conditions for longer dated US Treasuries, created the conditions for a deep end of cycle rates correction in September.

While hard currency sovereigns were broadly weaker as a result of the rise in yields, there were outliers. Gabon was weakest due to its military coup shortly after elections which were viewed as fraudulent. The coup in Gabon also dragged other African sovereigns lower while in Latin America, Ecuador was higher after the first round of the elections provided a second round with a right leaning competitor to Luisa González, reducing the risk of a return of a government effectively led by Rafael Correa. Other outliers included El Salvador which continued to grind higher due to strong fiscal discipline and a sharp reduction in crime, Venezuela which rallied on rumours of potential sanctions easing in exchange for allowing opposition candidates to run in upcoming elections and Lebanon where the central bank deputy governor took over as acting head of the central bank. Argentina did experience price declines in August after Libertarian newcomer Javier Milei led in primary voting.

Countries with imminent restructurings like Ghana and Zambia managed to hold onto their recent gains as base line recovery scenarios guided towards upside.

In Q4, EMD had a bumper quarter (+9.2%). This was thanks to the combined effect of positive rates and spread returns. The Fed held the Fed Funds rate in September, November and December acknowledging balanced risks to growth and inflation considering the third quarter tightening of financial conditions. Chairman Powell's comments in November and December indicated a progressively more dovish stance and FOMC on hold unless US labour markets exhibited resilience and inflation pressures persisted. Beyond this good performance, it was a quarter rich in headlines for EMD.

In Argentina, the first round of presidential elections did not produce a winner on October 22nd. A contested second round took place on November 19th and was surprisingly won by Javier Milei, independent libertarian populist with limited support in Congress. President-elect Milei was inaugurated on December 10th and has promised front-loaded macro-economic adjustment and a clear departure from the past four years of Peronist policies. Argentine bonds rallied close to 38% since the end of October. We expect that implementation risks are high as the country has never managed to deliver the requisite fiscal austerity to re-orient itself from its boom and bust growth cycle, fiscal mismanagement, sky-high inflation and default history.

Reversing several years of hawkish foreign policy towards Venezuela, the US administration reached a deal with country which exchanged the easing of US sanctions on Venezuelan oil production and exports for 6 months and the removal of all restrictions on the secondary trading of the sovereign and the state-owned company PDVSA's bonds with the Maduro regime's assurances that the 2024 general elections will allow opposition party representation. Venezuelan and PDVSA bonds doubled in value, from depressed levels, on the day of the announcement. A few weeks after, JP Morgan added Venezuelan and PDVSA debt on index watch review for possible re-inclusion in the sovereign debt benchmark. In November, the current Venezuelan administration extended further concessions to opposition leaders, signalling commitment to the agreement.

In October, after reaching a debt restructuring agreement on \$6.3bn of debt with official creditors in June, Zambia also reached an agreement in principle on restructuring of \$3bn of international bonds with a key private creditor group. We do expect that Zambia has already done most of the work with both sets of creditors and that a deal will emerge in the first half of 2024.

Sri Lanka was able to come to a restructuring agreement with China, its biggest bilateral creditor and with other official creditors as represented by the official creditor committee that is led by Japan, India, and the Paris Club. These are significant steps in working towards resolving Sri Lanka's default. Meanwhile private creditors too made progress in restructuring Eurobonds by submitting a first proposal to the Sri Lankan government in October, and although this proposal was not accepted by the government, it is still an important first step in resolving the default.

#### Candriam Sustainable Balanced Asset Allocation - Candriam Sustainable Defensive Asset Allocation

In 2023, we began the year with a contrarian risk-taking stance, capitalizing on the equity market rally from October 2022 to February 2023. Our overweight allocation to equities, particularly in Europe and emerging markets, benefited from positive economic surprises and lower energy prices in Europe. In February, we secured profits, shifting the strategy to neutral stocks vs. bonds while maintaining regional nuances.

On the bond side, our strategy focused on adding yield through strong conviction in quality credit, mainly European, and diversification through emerging debt and high yield bonds. Gradually increasing the portfolio's rate sensitivity contributed to a significant increase in the bond portfolio's yield to maturity. Profit-taking on duration began toward the end of the period, specifically in the US.



## Report of the Board of Directors

### **Candriam Sustainable Balanced Asset Allocation - Candriam Sustainable Defensive Asset Allocation (continued)**

Monetary tightening led to stress in financial markets, especially in the banking sector in March and April. The portfolio remained equity-neutral, emphasizing defensive sectors like healthcare and non-cyclical consumption.

By the end of May, we reduced our Eurozone equity allocation due to the region's outperformance, anticipating economic vulnerability and geopolitical tensions. Equity markets remained resilient until July but turned cautious following Jerome Powell's speech at Jackson Hole in August, signaling a desire for continued Federal Reserve restraint. Global stocks hit a low point at the end of October.

Relief came as several extreme risks subsided swiftly. Despite the Hamas vs Israel conflicts, oil prices fell, and bond yields and the US dollar remained stable. Positive reactions to less restrictive communications from American and European central banks marked the end of 2023 with positive performances in most asset classes.

As equities became relatively less attractive, we focused on specific themes and maintained a higher rate sensitivity than the benchmark index. Emphasis remained on yield-generating credit, such as investment-grade and emerging market debt. A preference for health and non-cyclical consumption persisted, considering the global economic slowdown and the near ending of the monetary tightening. Eurozone equity exposure remained underweight, while allocations to Japan, emerging markets, and the United States were neutral. Attentive to overlooked segments like clean energy, we started including it in the strategy. The portfolio had a Japanese Yen allocation for most of the period, the currency started appreciating toward the end of the period.

The year 2024 should bring better visibility as the inflation/interest rate shock fades on economic data, monetary policies in developed countries, particularly in Japan, American and European fiscal policies.

The uncertainty now relates more to the date and conditions of the first rate cuts.

Asset allocation will continue to target yield, through long duration assets, quality credit, emerging debt and will remain selective on equities.

### **Candriam Sustainable Equity**

**Candriam Sustainable Equity Circular Economy - Candriam Sustainable Equity Climate Action - Candriam Sustainable Equity Emerging Markets - Candriam Sustainable Equity EMU - Candriam Sustainable Equity Europe - Candriam Sustainable Equity Europe Children - Candriam Sustainable Equity Europe Small & Mid Caps - Candriam Sustainable Equity Future Mobility**

#### **Global**

Global equity markets started the year on a positive note. After an incredibly difficult 2022, investors started to price a more benign inflation environment in January, supporting interest-rate sensitive sectors, such as consumer discretionary and information technology. The market uptrend was temporarily interrupted by the collapse of Silicon Valley Bank and the struggle of Crédit Suisse, but investors basically embraced better-than-expected economic growth figures, easing inflation pressures and the first prospect of less monetary tightening. Information technology jumped over the quarter, together with communication services and consumer discretionary, whereas the defensive consumer staples and health care sectors underperformed.

The strong uptrend of the first quarter continued into the second one. Growth sectors strongly outperformed value on the back of weakening, but reasonable economic growth data, more visibility on central banks' monetary tightening and plateauing long-term rates. Information technology was the best performing sector over the quarter, mostly driven by positive sentiment around the development of artificial intelligence solutions. Also consumer discretionary continued to outperform the broader market quite significantly. Financials in the meantime started to recover from the regional banking crisis in the US and Crédit Suisse uncertainty, though still underperforming the broader equity market. The most remarkable performance over the quarter nevertheless came from the so-called Magnificent 7 that jumped another 30% bringing their half year close to close to 85%.

After two consecutive quarters of strong gains, global equity markets had to give away some ground in the third quarter of the year. This time growth stocks underperformed, whereas value was quite resilient. The main reason behind the equity market correction was the strong bond market sell-off due to rising interest rates. In addition, investors were spooked by the strong jump in energy prices on the back of Russia's and Saudi-Arabia's oil output cut extension. Without surprise, energy strongly outperformed over the quarter, even gaining more than 10%. Interest-rate sensitive sectors, such as information technology and utilities, were the main underperformers, whereas the defensive health care sector outperformed. Smaller companies continued to underperform large caps.

The last quarter of the year started on a false note. After reaching a high for the year in the third quarter, investors became worried about rising oil prices, a weak Chinese economy and especially a surprisingly strong US labour market. Investors feared the strong labour market might have put an end to cooling down inflation pressures, while the Federal Reserve stated to raise interest rates as long as needed to bring inflation down towards the targeted level. A strong US dollar and a spike in long-term interest rates penalized equity markets strongly in October. Fortunately, there was light at the end of the tunnel. A series of softer inflation prints in the US (and Europe) was enough to remove the fears and make investors shift to expect pre-emptive cuts from the central banks. That view was then confirmed the December Federal Open Market Committee meeting where the latest projections suggested at least three rate cuts over 2024. Investors finally got their year-end present after all with equity markets delivering a more than 10% gain in the final quarter.

To sum up 2023, it was an impressive year for equity markets. The MSCI World All Countries Net Return USD Index ended the year with a 22% gain. Developed markets outperformed emerging markets by more than 10%, as the latter were mainly penalized by the significant Chinese equity market drop. Information technology was the strongest outperformer over the year, driven by the artificial intelligence revolution and Magnificent 7, followed by communication services and consumer discretionary. The defensive utilities, consumer staples and health care sectors underperformed.

Note: The information in this report is provided for information purposes and is no way indicative of future performance.



## Report of the Board of Directors

### Candriam Sustainable Equity (continued)

**Candriam Sustainable Equity Circular Economy - Candriam Sustainable Equity Climate Action - Candriam Sustainable Equity Emerging Markets - Candriam Sustainable Equity EMU - Candriam Sustainable Equity Europe - Candriam Sustainable Equity Europe Children - Candriam Sustainable Equity Europe Small & Mid Caps - Candriam Sustainable Equity Future Mobility (continued)**

#### Europe

European equities ended the first quarter of 2023 significantly higher, despite continued inflation pressures, a rapid increase in long-term interest rates and the turmoil in the banking sector. Investors welcomed better-than-expected economic figures on the back of weak energy prices and a strong resilience of services activity. The European Central Bank meanwhile updated its macroeconomic expectations with higher growth and lower inflation. In this context, European stocks delivered a more than 10% gain over the quarter. Information technology, consumer discretionary and communication services outperformed the broader European market over the quarter. Energy and real estate were the sole sectors posting a negative quarterly performance.

The European equity market continued their uptrend in the second quarter. Investors' focus remained on inflation and economic figures. The latter appeared resilient at first sight, but the outlook for the manufacturing sector became quite bleak. Core inflation remained above 5%, urging the central bank for another rate hike. The European market gained around 2.3%, driven by the continuing strength of information technology and the rebound of the financial sector. Communication services and real estate were particularly weak over the quarter.

The third quarter was kind of reality check for investors, with European equities losing around 2%. Following the strong rally in the first half of the year, the deterioration of the region's growth data with continued inflationary pressures, scared investors off. PMI's dropped below 50 and the CPI remained well above the ECB's target on the back of rising oil and gas prices. It didn't come as a surprise in that context that energy was the best performing sector, even gaining almost 14% over the quarter. Also real estate performed well, while consumer discretionary and information technology were subject to profit taking after their impressive gain in the first six months of the year. The defensive health care sector also outperformed over the period.

After the reality check in the third quarter and a weak October-month on the back of surging yields and increased geopolitical uncertainty, investors received their year-end present. European equities gained more than 6.5% in the last three months of the year, recouping all the losses made during the summer correction. Markets welcomed slowing inflation figures, combined with a slowing, but resilient global economy that increased the likelihood of more accommodative central banks in the developing world. The German 10-year yield dropped almost 90 bps in that context, supporting interest-rate sensitive sectors such as real estate, information technology, utilities and consumer discretionary. Energy lagged significantly, dropping around 4%, while health care's performance was flat over the last quarter.

#### US

US equities started the year on a positive note: activity indicators (PMI's) surprised positively, labour market data remained resilient and the consumer price index report showed easing inflation pressures. The sole risk that temporarily appeared was related to the US' regional banking sector. The collapse of Silicon Valley Bank was the second largest banking failure in US history and led to a sell-off in the banking sector. Despite that, the Federal Reserve raised its key interest rate by 25 bps in March. In that context, US equities gained over 7% over the quarter, driven by the strong performance of among others information technology, communication services and consumer discretionary. Together with financials and energy, the defensive health care sector was one of the main underperforming sectors.

The second quarter was even stronger than the first quarter, almost entirely driven by the largest growth stocks, and especially technology-related stocks that received a boost by the artificial intelligence revolution. The so-called Magnificent 7 added another 30% to their performance bringing their half year close to close to 85%. Besides that, US inflation fell sharply to around 4% thanks to base effects from oil prices that came down significantly. US markets ended the second quarter with an 8.6% gain and three sectors outperforming the broader market, namely information technology, consumer discretionary and communication services. Energy and utilities were the sole sectors with a negative quarterly performance.

After two consecutive positive quarters, markets experienced a reality check. Investors were worried about weaker-than-expected economic data, fears for "higher for longer" rates to tame sticky inflation and the large US fiscal deficit. That resulted in a sell-off of bond markets and triggered profit taking on more expensive growth stocks. In that context, utilities, real estate, consumer staples and information technology were severely penalized. Energy strongly outperformed over the quarter on the back of rising energy prices following Russia's and Saudi-Arabia's oil output cut extension.

The final quarter of the year, although starting on a false note, was the strongest quarter of the year with an almost 12% gain for the S&P 500. Fears for "higher for longer" rates eased following a series of softer inflation prints. Market started pricing interest rate cuts in 2024, which was confirmed by the central bank. The last meeting of the year suggested three rate cuts for 2024 and strongly supported growth stocks. Besides the strong real estate rebound, anticipating 2024's interest rate cuts, information technology was the best performing sector once again, followed by finance, industrials, consumer discretionary and communication services. The sole sector ending the year with a negative quarterly return was energy.

To conclude, it was a great year for US equities, but with a lot of performance dispersion.



## Report of the Board of Directors

### Candriam Sustainable Equity (continued)

**Candriam Sustainable Equity Circular Economy - Candriam Sustainable Equity Climate Action - Candriam Sustainable Equity Emerging Markets - Candriam Sustainable Equity EMU - Candriam Sustainable Equity Europe - Candriam Sustainable Equity Europe Children - Candriam Sustainable Equity Europe Small & Mid Caps - Candriam Sustainable Equity Future Mobility (continued)**

#### Emerging Markets

In 2023, Emerging Markets saw continued challenges and volatilities. Against the backdrop of global liquidity conditions, the Fed maintained a steadfast tightening policy throughout the year, marked by multiple rate hikes. Facing consequences from deposit withdrawals, US regional banks were the first casualties of higher rates and tighter liquidity conditions. With such events, broader weakness in the financial sector had a spill-over on EM financials as well, the majority of which eventually recovered as fundamentals stayed intact.

China concluded the year with historically low valuations, defying investors' anticipations of a robust post-Covid recovery. Instead, the country confronted multiple endogenous risks, notably a widespread real estate crisis putting pressure on the refinancing capacity of major property companies such as Evergrande and Country Garden. Additionally, the under-regulated shadow banking sector formed another hurdle to China's economic growth. The government began rolling out a series of stimulus in the second half of the year, but the accumulating policies were not meaningful enough to rekindle investors' enthusiasm. Geopolitical conflicts were another challenge, yet China delivered a more conciliatory tone to the US mitigating the stress. On the other hand, India gained favour as an outstanding global player. The country managed to achieve resilient economic growth, positioning as a competitive production centre in the global supply chain. India's positive development trajectory was affirmed by both its central bank and international organizations such as the World Bank, upgrading the country's GDP growth forecast.

On the thematic front, Artificial Intelligence (AI) emerged as the latest and most influential technology trend. This proved particularly advantageous for export-oriented Taiwan and South Korea, enabling them to regain momentum in the face of global demand weakness. Effectively, the Asia-Pacific region possesses a good coverage of the semi-conductor supply chain, gathering several global chip leaders. Moreover, the year-end saw recovery signs against the downturn cycle, as the industrial production was picking up in the region.

Elsewhere among EM countries, central banks demonstrated effectiveness to curb inflation. Many EM countries, such as some in LatAm, entered rate cutting and further easing cycles earlier than their DM peers. Brazil's economy showcased resilience regardless of some initial concerns over the elections, and Mexico continued to reap the benefits from the US near-shoring effect. In Emerging Europe, recovery was also observed in Poland and Greece.

As the final chapter of the year unfolded in December, the narrative took on new dimensions. After a period of rises and stagnation, the Fed eventually adopted a more dovish posture for rate policy, signalling an expected peak of the hiking cycle and potential rate cuts in 2024. The welcomed shift boosted market performance across regions. However, questions lingered, including the US' enduring debt deficit. The unfortunate conflicts around the Red Sea added to volatilities. As a result, commodity pockets witnessed some significant movements, and the global supply chain, already under strain, became more delicate.

Overall 2023, continued to remain a year of large deviation in market performance of EM regions. On one hand broader EM markets outside China displayed strong resilience tracking gains in global markets, at the same time the slowdown concerns in China weighed on China equity returns.

#### Candriam Sustainable Equity Japan

The first quarter started off with speculation around the BoJ Governor succession, as well as potential hopes for further shift in policy and China's faster-than-expected reopening. At this time we saw financials strengthen as investors positioned in to a potential shift in YCC policy. March then saw a shift in focus with wage negotiations and CPI all indicating an acceleration in inflation, giving investors' confidence of Japan's shift. However, the impact of US and EU Financials caused a more tumultuous environment creating scepticism in a shift in monetary policy and cautions of some investments made by financial companies to boost yields (especially insurers).

The second quarter started and finished higher seeing the NKY close above the Y33k level for the first time in over 20yrs. This quarter's performance has been driven by domestic consumption tailwind, inbound uplift & the ongoing wage hikes, USDJPY expectations to remain weaker for longer, continued expectations for BoJ Policy changes, YCC adjustment/removal and finally TSE Reforms. The best performing major equity market in local currency terms, both over the second quarter (up 14%) and the first half of the year (up 23%), was Japan. The yen weakened versus other major trading partners as interest rates remained low in Japan and the Bank of Japan maintained its yield curve control policy to anchor government bond yields, while interest rates ratcheted higher in most other countries. This weakness in the yen helped support Japanese stocks, many of which earn a significant proportion of their profits abroad.

Factor performance was clear during Q3, where Value outperformed Growth (MSCI Japan Value +14% outperformance vs Growth). Higher oil prices and USDJPY were key drivers, while the "BoJ policy (change) theme" stayed front and center of Japan investors' focus. The BoJ YCC Policy shifted (July) bringing the upper range of 10Y effectively up to 100bps. The Tokyo's BoJ Core CPI in marked 3.8% in Sept (12<sup>th</sup> consecutive month above 2%) and USDJPY being close to 150 (from 144-handle at end 2Q) as Fed rate hikes remain on the table while BoJ maintained its dovish stance. Finally, the 2Q GDP (+4.8% annualized saar) saw strength driven by net-exports, while consumption and capex saw a slight slowdown.

While the BoJ made changes to the YCC policy in end-October, introducing more 'flexibility' of up to 1% as the upper limit on the 10Y, this marked a peak in yields and end to the 'Value' trade. Fed was in the driving seat with a more dovish message from Powell in early Nov, citing "pretty significant progress" on bringing down inflation, followed by a series of softer data points (Oct UR, CPI, Existing Home Sales etc.). In Japan, we saw mixed messages from the BoJ on media in early Dec citing Deputy Himino expressing views that normalization of policy will give limited negative impact to the economy and Governor Ueda calling for an "even more challenging year-end"... but ultimately with no changes to the policy settings and statement in Dec, this left an easing bias and continuation of the Growth/Defensive leadership.

**Note:** The information in this report is provided for information purposes and is no way indicative of future performance.



## Report of the Board of Directors

### Candriam Sustainable Equity Japan (continued)

In 2023, the fund returned 24.08% (gross of fees in JPY terms), underperforming its benchmark by 448. The MSCI Japan NR gained 28.56%<sup>\*</sup>.

Japan's stock market rally was very much driven by large cap stocks. This was mainly due to overseas investors buying index futures and liquid large cap stocks. The unwinding of pandemic investment trends is also a factor. The uncertainty caused by the pandemic tended to see equity investors retreat to the safety of larger companies.

The portfolio was on average a little underweighted on the largest stocks in the universe and a little overweighted on the smaller stocks. There are several reasons that explain this tilt. Firstly we strive to offer a diversified stock exposure without concentrating the portfolio on a limited number of (large cap stocks). Secondly some large cap names such as Mitsubishi UFJ Financial Group, Keyence Corporation and Shin-Etsy Chemical were excluded from the portfolio because they score weakly on Candriam's ESG analysis. Thirdly, smaller companies tend to be less efficiently priced and offer a greater potential for outperformance in the long run.

This tilt towards smaller stocks in addition to the exclusion of some large cap names due to weak ESG performance explains the bulk of performance difference of the portfolio relative to the benchmark.

<sup>\*</sup>The gross performance information shown does not reflect the deduction of fees and expenses associated with the underlying funds or accounts; investment results net of fees and expenses will be lower than the gross results shown. The payment of actual fees and expenses will reduce returns. The compound effect of such fees and expenses should be considered when reviewing returns.

### Candriam Sustainable Equity Quant Europe

In Europe, despite rapidly rising interest rates and the turmoil in the banking sector in March, economic activity also surprised on the upside throughout the first quarter on the back of falling energy prices and the resilience of services activity. On the inflation front, although headline CPI continued to decrease throughout the quarter from 9.2% year on year in December to 8.5% in February, core inflation increased from 5.2% to 5.6% over the same period. With growth more resilient than expected and core inflation stubbornly high, the European Central Bank (ECB) increased its deposit rate by 50bps in March despite the banking turmoil caused by the collapse of Silicon Valley Bank in the US and the subsequent issues for Credit Suisse in Europe. Despite the hit to bank shares in March, European stocks outperformed over the first quarter delivering just over 10%. The UK economy has also fared better than expected so far this year. UK equities underperformed global equities over the quarter but still delivered just over 3%. The Bank of England increased its policy rate by 25bps in March to 4.25% and left the door open to further tightening if necessary to bring inflation down.

During the second semester, the Bank of England raised interest rates rapidly to 5%. The Bank retained existing forward guidance, highlighting that "if there were to be evidence of more persistent pressures, then further tightening in monetary policy would be required". Core inflation above 5% led the European Central Bank to raise rates to 3.5% and signal that they still have further to go.

Stagflation increasingly appears to be on the cards for the European economy during Q3 as the region's growth data deteriorates, while overall inflation levels continue to be elevated. The UK market was the next strongest performer regionally, returning 1.9% in part thanks to its relatively large tilt towards the energy sector, which was supported by a sharp rise in oil prices. Returns were negative in all other regions, taking year-to-date returns in the US and Europe ex-UK to 13.1% and 10.0% respectively.

European equities delivered strong returns of 6.7% during the last quarter, with index composition the primary driver of underperformance relative to the US rather than underperformance at each individual sector level. The UK equity market lagged due to a combination of higher exposure to underperforming energy stocks and sterling strength, ending the quarter up 3.2%. The ECB kept rates unchanged and announced a tapering of the PEPP reinvestments for 2H24. Lagarde's comments during the December meeting were hawkish on rates, fuelled by staff forecasts that revised up wages, unit labor costs and core inflation. The topic of rate cuts was not discussed and Lagarde said defiantly that the ECB cannot yet lower its guard.

In 2023, the fund returned 16.91% (gross of fees<sup>\*</sup> in EUR terms), outperforming its benchmark by 107bp. The MSCI Europe NR ended the period up by 15.84%.

The portfolio benefited from the excellent performance of several companies that exhibited both compelling ESG and financial criteria. Some of the names that contributed most to the excess return were 3i Group, an international investor focused on private equity, infrastructure, and debt management; Stellantis, a Dutch company engaged in the design, manufacture, and sale of vehicles; and Novo Nordisk, a Danish pharmaceutical company that experienced increased sales of their diabetes and obesity drugs in 2023.

Diageo and British American Tobacco were not held by the portfolio due to their involvement in controversial activities. Despite this, they significantly underperformed the MSCI Europe index, contributing positively to the excess return of the portfolio.

<sup>\*</sup>The gross performance information shown does not reflect the deduction of fees and expenses associated with the underlying funds or accounts; investment results net of fees and expenses will be lower than the gross results shown. The payment of actual fees and expenses will reduce returns. The compound effect of such fees and expenses should be considered when reviewing returns.



## Report of the Board of Directors

### Candriam Sustainable Equity US

Given the cooler inflation data and the turmoil surrounding Silicon Valley Bank, the Federal Open Market Committee voted unanimously to raise the federal funds rate by just 25 basis points (bps) in March to a target range of 4.75%-5.00%. Despite the hit to bank shares the S&P 500 rose in March, helped by strong returns from growth stocks that were buoyed by falling bond yields. Over the first quarter the S&P 500 rose by 7.5%. US treasuries returned 3% over the quarter.

US stocks were the next best performing market in local currency terms, up 9% over the second quarter. This gain was driven almost entirely by the largest growth stocks (think "mega-cap tech") which are disproportionately found in the US, with the rest of the market delivering much more muted returns so far this year. US inflation fell sharply from a peak of 9% down to 4%, largely due to favourable base effects from oil prices, which peaked last June and have come down significantly since.

Economic data over the third quarter pointed to a deterioration in the growth outlook. Despite major banks either maintaining their rates (Fed, BoE, and SNB) or announcing expected hikes (ECB) in the September policy meeting, the messages were quite hawkish, with key central banks all reiterating that the job is not finished, and rates will remain elevated until there is a clear sign that inflation is under control.

The S&P 500, with its growth tilt, was the best performing major equity index over the last quarter of 2023 delivering 11.7% total return, its best quarterly performance for three years. Returns for the full year were dominated by the 'magnificent seven' tech and AI stocks, which contributed around 80% of the index returns. Coming into the final quarter of 2023, the market was comfortable that central banks had finished hiking, but cautious about how long rates would remain at restrictive levels. A series of softer inflation prints in the US and Europe, however, was enough to remove those fears and investors shifted to expect pre-emptive cuts from the central banks. This view was then compounded at the December Federal Open Market Committee meeting where the latest projections suggested three cuts over 2024. Market sentiment was even more mercurial than normal over 2023, bouncing from recession worries at the start of the year, to resilient growth over the summer, to higher for longer in the autumn, and ending the year focused on future rate cuts. Falling inflation and dovish messaging out of the Federal Reserve reversed the worries of the prior quarter. Positive stock-bond correlation worked in investors' favour, with stocks and bonds rising together. But with the market pricing around double the number of cuts that the Federal Reserve dot plot indicates, and a soft landing now consensus, many areas of the markets start 2024 priced for perfection. Investors will be watching closely to see whether this is delivered in the new year.

In 2023, the fund returned 23.50% (gross of fees\* in USD terms), underperforming its benchmark by 218bp. The S&P 500 NR ended the period up by 25.68%.

The broader market's gains were driven largely by the so-called Magnificent Seven companies, which include Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta Platforms and Tesla. They accounted for about two-thirds of the gains in the S&P 500 in 2023. Nvidia lead the group with a gain of about 239%. The Magnificent Seven stocks profited immensely from the rise of Artificial Intelligence and large language models such as Chat GPT. The Magnificent Seven have a total weight of 28% in the S&P500 index. As a result of this extremely high concentration combined with a large outperformance of this group of stocks only 26% of the stocks in the index outperformed the S&P500 in 2023. The portfolio had an exposure to most of the Magnificent Seven Stocks except for Amazon and Meta. Amazon has a weak ESG score because the company faces significant challenges related to Human Rights, Labor Rights and Governance. Meta Platforms has several issues linked to the controversial management of consumer data, has faced many scandals, and is expected to be involved in more content-related controversies in the future. The absence of Amazon and Meta contributed negatively to the excess return of the strategy.

The largest Energy companies such as Exxon Mobil and Chevron were excluded from the portfolio due to their weak climate scores. These stock significantly lagged the market in 2023. This effect had a positive effect on the excess return of the portfolio.

\*The gross performance information shown does not reflect the deduction of fees and expenses associated with the underlying funds or accounts; investment results net of fees and expenses will be lower than the gross results shown. The payment of actual fees and expenses will reduce returns. The compound effect of such fees and expenses should be considered when reviewing returns.

### Candriam Sustainable Equity World

Global growth has generally surprised positively during the first quarter of 2023. This stronger growth is perhaps best illustrated by the rebound in the US and European composite purchasing managers' index (PMI) business surveys since the start of the year. Lower energy and oil prices have probably played an important role in the improvement in business sentiment, along with the reopening of China. Against this backdrop, developed market stocks returned nearly 8% over the first quarter.

After a difficult 2022, the first half of 2023 was kinder to balanced portfolios. Developed market equities delivered 15% year to date and 7% over the second quarter. Within equity markets, the big growth stocks bounced back strongly, returning 27% year to date and 11% over the second quarter. The strong return for stocks so far this year has been helped by the fact that the much-anticipated rise in developed world unemployment is yet to materialise, along with optimism that US inflation might be able to moderate significantly without the need for a rise in unemployment.



## Report of the Board of Directors

### Candriam Sustainable Equity World (continued)

Following a robust rally for stocks in the first half of 2023, the third quarter offered something of a reality check. Developed market equities fell by -3.4% over the quarter, taking year-to-date returns down to a still strong 11.6%. A sell-off in global bond markets was partly to blame for the pressure on risk assets, with the global aggregate bond benchmark falling by -3.6% in the third quarter. As bonds and stocks fell simultaneously, commodities were the notable outperformer, returning 4.7% over the third quarter, echoing the market dynamics of 2022. In sum, the smooth sailing for risk assets in the first half of the year was unlikely to continue indefinitely in the face of a slowing global economy. Despite the resilience witnessed in economic activity year to date, recession risks remain elevated and not all parts of the market appear appropriately priced for such a scenario.

The final quarter of 2023 delivered a welcome Christmas present for investors. After the slight reality check in the third quarter, the last three months of the year saw strong returns across most major asset classes. Growing excitement that central banks will cut interest rates sooner in 2024 than previously expected resulted in an 'almost everything rally'. Developed market equities delivered 11.5% total return while global aggregate bonds returned 8.1%. Global equity markets reversed indeed the third quarter narrative. Fixed income markets were positive across the board. Expectations of early central bank cuts, tightening spreads and a weakening dollar supported positive returns. Finally, global indices enjoyed a further tailwind as a weakening dollar boosted USD returns for global investment grade credit and inflation-linked bonds.

In 2023, the fund returned 18.24% (gross of fees\* in EUR terms), underperforming its benchmark by 136bp. The MSCI World NR ended the period up by 19.60%.

The broader market's gains were driven largely by the so-called Magnificent Seven companies, which include Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta Platforms and Tesla. Nvidia lead the group with a gain of about 239%. The Magnificent Seven stocks profited immensely from the rise of Artificial Intelligence and large language models such as Chat GPT. The Magnificent Seven have a total weight of about 19% in the MSCI World index. As a result of this extremely high concentration combined with a large outperformance of this group of stocks only one third of the stocks in the index outperformed the MSCI World in 2023. The portfolio had an exposure to most of the Magnificent Seven Stocks except for Amazon and Meta. Amazon has a weak ESG score because the company faces significant challenges related to Human Rights, Labor Rights and Governance. Meta Platforms has several issues linked to the controversial management of consumer data, has faced many scandals, and is expected to be involved in more content-related controversies in the future. The absence of Amazon and Meta contributed negatively to the excess return of the strategy.

The largest Energy companies such as Exxon Mobil and Chevron were excluded from the portfolio due to their weak climate scores. These stock significantly lagged the market in 2023. This effect had a positive effect on the excess return of the portfolio.

\*The gross performance information shown does not reflect the deduction of fees and expenses associated with the underlying funds or accounts; investment results net of fees and expenses will be lower than the gross results shown. The payment of actual fees and expenses will reduce returns. The compound effect of such fees and expenses should be considered when reviewing returns.

### Candriam Sustainable Money Market Euro

#### Market Context

##### 1st Quarter

The year started with a positive risk sentiment as the global economic outlook improved amid Europe's resilience during the energy crisis, China reopening, and subsiding inflationary pressures. The market, expecting a sharp slowdown in inflation, directly opposed the ECB's view that we may not yet have seen peak inflation, as well as the FED's view that rates need to go above 5% and stay there for some time.

During their February meetings, neither central bank made a convincing effort to push back those dovish market expectations. Instead, markets succumbed to a barrage of economic data pointing towards a resilient economy in the US (but also in the EU) and stubbornly high (and accelerating) core inflation across both sides of the Atlantic, accompanied by a step-up in hawkish central bank messaging.

Both the FED and ECB hiked rates during their March meetings, despite the turmoil in financial markets. Yield curves strongly inverted, and the entire US and German treasury curve traded below the respective deposit rate, as investors repriced for a crisis that would force the hand of central banks.

Rates markets hence remained highly volatile over the quarter, and the Euribor 3 months and 12 months ended the period at 3.04% (+91 bps) and 3.62% (+33 bps) respectively.

##### 2nd Quarter

Headline inflation sharply declined in the US and EU because of strong base energy effects, while core inflation remained sticky and, in some cases, accelerated. During their quarter, the heads of the ECB, Fed and BoE shared a common hawkish tone, while BoJ Governor Kazuo Ueda maintained a more dovish one. Instead, markets succumbed to a barrage of economic data pointing towards a resilient economy in the US and a relative slowdown in EU. In China, activity growth data is likely to show more evidence of China's struggle to keep the economy on track for recovery after the initial post-Covid reopening boost seen in Q1.

Both the FED and ECB hiked rates during their meetings, despite the turmoil in financial markets. Yield curves strongly inverted, and the entire US and German treasury curve traded below the respective deposit rate, as investors repriced for a crisis that would force the hand of central banks.

Note: The information in this report is provided for information purposes and is no way indicative of future performance.



## Report of the Board of Directors

### Candriam Sustainable Money Market Euro (continued)

#### Market Context (continued)

Despite the uncertain macro backdrop, Post-SVB/CSG turmoil in March, market perception has gradually improved on Banks, as reflected by May being the second busiest month of the year after January. Turning to Non-Financials, primary activity was stronger YoY in H123, both for the IG and HY segment, including in Q2 despite a soft start to the quarter

Rates markets hence remained highly volatile over the quarter, and the Euribor 3 months and 12 months ended the period at 3.57% and 4.13% respectively.

#### 3rd Quarter

Economic data continued to paint a mixed picture over the quarter. Markets started off with reignited expectations of a policy pivot, which were quashed over the next months. The FED hiked rates in July, bringing the lower bound to 5.25%, the highest it has been since 2007. In September, the ECB raised rates, bringing the deposit rate to 4%, the highest it has ever been since the start of its mandate. The tightening cycle has been unprecedented, not only in its absolute level, but also the pace by which both central banks have raised rates over the short period of about 16 months.

Are we at the peak? Probably, but the focus has shifted from the level of rates to the duration that rates remain elevated. But the devil hides in the details, as any inflation slippage that puts the inflation target at risk would bring rate hikes back into play. Global rates curves bear steepened as markets reconciled with the fact that central banks can keep monetary policy tight by pushing back rate cuts further in time.

Earnings results were well-received, with most corporations beating expectations. Nevertheless, companies had a tougher time passing on higher prices to consumers as price-elasticities increased to historic average levels. Pricing pressure is expected to moderate over the remainder of the year, though dispersion is likely to increase as we will discover which companies truly have pricing power and will be able to defend their margins.

Rates markets remained highly volatile over the quarter, and the Euribor 3 months and 12 months ended the period at 3.95% and 4.23% respectively.

Rate curves continued to bear steepen over the start of the quarter until FED officials commented that the tightening in financial conditions and the sharp increase in long-term real yields had done some of the hard work for them. Over the quarter economic data highlighted that the transmission of restrictive monetary policy remains forceful across both sides of the Atlantic. Banks continued to tighten commercial credit, households are pulling back on discretionary spending, and the labor market gradually cooled. Central bankers would prefer to stay in wait-and-see-mode and let tighter credit conditions further cool economic activity and inflation, while warning that although inflation is moderating, it will take time to reach their targets. On the other hand, investors have heard the "high for longer" narrative ad nauseam and financial markets rallied strongly across the developed world over the final months of 2023, driven by the expectation of easier monetary policy as inflation fears evaporated.

The earnings season saw large dispersion, and roughly half of the companies missed on top-line expectations. Although the majority could beat on the operating margin, guidance has generally become more cautious, and companies conceded increasing concern about their ability to defend margins.

Rates markets remained highly volatile over the quarter, and the Euribor 3 months and 12 months ended the period at 3.91% and 3.51% respectively.

#### Fund Strategy

The overall structure of the fund remains the same, with a neutral stance on credit and a defensive stance on rates. We continue to prefer shorter maturities, while favouring quality and liquidity.

#### Market Outlook

We closely monitor the evolution of economic activity, inflationary pressures and the varying and lagging impacts from the unprecedented rate hike cycles all around the world. Economic data and financial stability are likely to drive the reaction functions of central banks. While risks to global supply chains, from climate disruption to geopolitics (Ukraine/Russia, Israel/Palestine, risks to maritime transport in the red sea and other rising tensions) remain. All of these will likely be key drivers for financial markets over 2024 and the uncertainty surrounding them will likely support volatility as sharp, two-way market reactions are being driven by incremental news flow. We therefore pay close attention to downside risk and favor high-quality, liquid assets while remaining selective in our investments. We rely on our rigorous in-house, bottom-up analysis and hold a preference for companies with strong ratings and low leverage

The Board of Directors

Luxembourg, March 28, 2024.



## Audit report

To the Shareholders of  
**CANDRIAM SUSTAINABLE**

---

### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of CANDRIAM SUSTAINABLE (the “Fund”) and of each of its sub-funds as at 31 December 2023, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2023;
- the statement of changes in net assets for the year then ended;
- the investment portfolio as at 31 December 2023; and
- the notes to the financial statements - Schedule of derivative instruments and the other notes to the financial statements, which include a summary of significant accounting policies.

---

### Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

---

### Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

---

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

#### **Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

---

#### **Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 3 April 2024

Sébastien Sadzot



## Statement of net assets as at December 31, 2023

		Candriam Sustainable Balanced Asset Allocation	Candriam Sustainable Bond Emerging Markets	Candriam Sustainable Bond Euro
		EUR	USD	EUR
<b>Assets</b>				
Investment portfolio at market value	2a	10,735,112	1,193,129,745	991,031,671
Cash at bank and broker	10	279,274	42,049,732	3,195,082
Receivable for investments sold		0	0	0
Receivable on subscriptions		0	2,315,496	50,739
Interest and dividends receivable, net		50	23,522,366	8,771,354
Net unrealised appreciation on forward foreign exchange contracts	2f.g	20,985	12,741,610	17
Net unrealised appreciation on futures	2e	28,653	5,555,524	91,466
Other assets		0	0	0
<b>Total assets</b>		<b>11,064,074</b>	<b>1,279,314,473</b>	<b>1,003,140,329</b>
<b>Liabilities</b>				
Bank overdraft		0	891,835	0
Payable on investments purchased		0	0	0
Payable on redemptions		0	2,361,483	307,529
Net unrealised depreciation on forward foreign exchange contracts	2f.g	0	0	0
Net unrealised depreciation on futures	2e	0	0	0
Management fees payable	3	4,644	435,966	69,928
Operating and Administrative Expenses payable	5	592	135,646	89,793
Subscription tax payable	6	1,117	45,474	38,152
Other liabilities		0	1	0
<b>Total liabilities</b>		<b>6,353</b>	<b>3,870,405</b>	<b>505,402</b>
<b>Total net assets</b>		<b>11,057,721</b>	<b>1,275,444,068</b>	<b>1,002,634,927</b>



## Statement of net assets as at December 31, 2023

		Candriam Sustainable Bond Euro Corporate	Candriam Sustainable Bond Euro Short Term	Candriam Sustainable Bond Global
		EUR	EUR	EUR
<b>Assets</b>				
Investment portfolio at market value	2a	2,263,503,798	2,082,137,472	308,386,967
Cash at bank and broker	10	57,231,641	12,657,451	13,758,339
Receivable for investments sold		0	0	0
Receivable on subscriptions		5,101,560	9,455,309	375,686
Interest and dividends receivable, net		28,653,670	16,818,040	2,825,722
Net unrealised appreciation on forward foreign exchange contracts	2f,g	640,118	441,949	0
Net unrealised appreciation on futures	2e	0	1,655,010	2,763,478
Other assets		0	0	0
<b>Total assets</b>		<b>2,355,130,787</b>	<b>2,123,165,231</b>	<b>328,110,192</b>
<b>Liabilities</b>				
Bank overdraft		141	0	0
Payable on investments purchased		0	9,944,605	0
Payable on redemptions		869,504	1,640,108	37,147
Net unrealised depreciation on forward foreign exchange contracts	2f,g	0	0	1,156,670
Net unrealised depreciation on futures	2e	4,322,979	0	0
Management fees payable	3	543,149	258,525	60,843
Operating and Administrative Expenses payable	5	233,452	187,092	36,305
Subscription tax payable	6	629,547	139,182	52,132
Other liabilities		0	0	0
<b>Total liabilities</b>		<b>6,598,772</b>	<b>12,169,512</b>	<b>1,343,097</b>
<b>Total net assets</b>		<b>2,348,532,015</b>	<b>2,110,995,719</b>	<b>326,767,095</b>



## Statement of net assets as at December 31, 2023

		Candriam Sustainable Bond Global Convertible	Candriam Sustainable Bond Global High Yield	Candriam Sustainable Bond Impact
		EUR	EUR	EUR
<b>Assets</b>				
Investment portfolio at market value	2a	22,756,813	1,256,286,653	41,569,082
Cash at bank and broker	10	360,237	98,984,520	631,695
Receivable for investments sold		0	0	0
Receivable on subscriptions		0	1,634,642	0
Interest and dividends receivable, net		58,473	18,012,044	281,196
Net unrealised appreciation on forward foreign exchange contracts	2f,g	138,839	11,308,663	97,572
Net unrealised appreciation on futures	2e	0	0	0
Other assets		0	0	0
<b>Total assets</b>		<b>23,314,362</b>	<b>1,386,226,522</b>	<b>42,579,545</b>
<b>Liabilities</b>				
Bank overdraft		0	1,323	0
Payable on investments purchased		0	0	0
Payable on redemptions		0	877,929	0
Net unrealised depreciation on forward foreign exchange contracts	2f,g	0	0	0
Net unrealised depreciation on futures	2e	0	0	70,957
Management fees payable	3	1	466,132	3,214
Operating and Administrative Expenses payable	5	2,239	139,823	3,785
Subscription tax payable	6	583	56,485	1,188
Other liabilities		1,641	2,002,598	0
<b>Total liabilities</b>		<b>4,464</b>	<b>3,544,290</b>	<b>79,144</b>
<b>Total net assets</b>		<b>23,309,898</b>	<b>1,382,682,232</b>	<b>42,500,401</b>



## Statement of net assets as at December 31, 2023

		Candriam Sustainable Defensive Asset Allocation	Candriam Sustainable Equity Children	Candriam Sustainable Equity Circular Economy
		EUR	USD	USD
<b>Assets</b>				
Investment portfolio at market value	2a	183,769,260	63,805,738	426,167,563
Cash at bank and broker	10	3,028,817	2,078,352	12,509,682
Receivable for investments sold		0	431,215	0
Receivable on subscriptions		103	0	91,174
Interest and dividends receivable, net		55,379	17,636	175,556
Net unrealised appreciation on forward foreign exchange contracts	2f,g	510,787	0	222,322
Net unrealised appreciation on futures	2e	489,078	0	0
Other assets		0	0	0
<b>Total assets</b>		<b>187,853,424</b>	<b>66,332,941</b>	<b>439,166,297</b>
<b>Liabilities</b>				
Bank overdraft		0	0	75,743
Payable on investments purchased		0	0	0
Payable on redemptions		17,940	100,910	311,717
Net unrealised depreciation on forward foreign exchange contracts	2f,g	0	0	0
Net unrealised depreciation on futures	2e	0	0	0
Management fees payable	3	49,830	184	55,959
Operating and Administrative Expenses payable	5	10,291	8,403	62,730
Subscription tax payable	6	763	1,656	13,647
Other liabilities		0	2,345	590
<b>Total liabilities</b>		<b>78,824</b>	<b>113,498</b>	<b>520,386</b>
<b>Total net assets</b>		<b>187,774,600</b>	<b>66,219,443</b>	<b>438,645,911</b>



## Statement of net assets as at December 31, 2023

		Candriam	Candriam	Candriam
		Sustainable Equity Climate Action	Sustainable Equity Emerging Markets	Sustainable Equity EMU
		USD	EUR	EUR
<b>Assets</b>				
Investment portfolio at market value	2a	1,163,119,373	2,256,094,521	413,415,637
Cash at bank and broker	10	47,560,990	83,499,391	39,950,993
Receivable for investments sold		14,558,304	0	1,515,300
Receivable on subscriptions		316,290	2,902,580	170,446
Interest and dividends receivable, net		517,441	3,270,444	65,221
Net unrealised appreciation on forward foreign exchange contracts	2f,g	231,755	0	0
Net unrealised appreciation on futures	2e	0	0	0
Other assets		14,623	0	128,360
<b>Total assets</b>		<b>1,226,318,776</b>	<b>2,345,766,936</b>	<b>455,245,957</b>
<b>Liabilities</b>				
Bank overdraft		0	266,773	0
Payable on investments purchased		3,109,314	0	0
Payable on redemptions		268,600	3,455,874	2,208,554
Net unrealised depreciation on forward foreign exchange contracts	2f,g	0	0	0
Net unrealised depreciation on futures	2e	0	0	0
Management fees payable	3	101,397	822,281	267,089
Operating and Administrative Expenses payable	5	176,860	422,585	85,889
Subscription tax payable	6	42,483	205,366	85,468
Other liabilities	7	0	12,278,101	0
<b>Total liabilities</b>		<b>3,698,654</b>	<b>17,450,980</b>	<b>2,647,000</b>
<b>Total net assets</b>		<b>1,222,620,122</b>	<b>2,328,315,956</b>	<b>452,598,957</b>



Statement of net assets as at December 31, 2023

		Candriam Sustainable Equity Europe	Candriam Sustainable Equity Europe Small & Mid Caps	Candriam Sustainable Equity Future Mobility
		EUR	EUR	USD
<b>Assets</b>				
Investment portfolio at market value	2a	1,195,705,688	297,445,742	272,556,246
Cash at bank and broker	10	88,290,111	6,397,108	18,700,840
Receivable for investments sold		0	0	0
Receivable on subscriptions		7,988,997	98,952	551
Interest and dividends receivable, net		298,245	236,851	154,727
Net unrealised appreciation on forward foreign exchange contracts	2f,g	0	81,635	2,270
Net unrealised appreciation on futures	2e	0	0	0
Other assets		66,389	20,755	0
<b>Total assets</b>		<b>1,292,349,430</b>	<b>304,281,043</b>	<b>291,414,634</b>
<b>Liabilities</b>				
Bank overdraft		0	0	0
Payable on investments purchased		5,453,356	0	0
Payable on redemptions		1,582,599	538,864	0
Net unrealised depreciation on forward foreign exchange contracts	2f,g	0	0	0
Net unrealised depreciation on futures	2e	0	0	0
Management fees payable	3	544,722	53,025	1,365
Operating and Administrative Expenses payable	5	233,203	51,656	40,138
Subscription tax payable	6	199,987	13,102	7,413
Other liabilities		2	0	0
<b>Total liabilities</b>		<b>8,013,869</b>	<b>656,647</b>	<b>48,916</b>
<b>Total net assets</b>		<b>1,284,335,561</b>	<b>303,624,396</b>	<b>291,365,718</b>



Statement of net assets as at December 31, 2023

		Candriam Sustainable Equity Japan	Candriam Sustainable Equity Quant Europe	Candriam Sustainable Equity US
		JPY	EUR	USD
<b>Assets</b>				
Investment portfolio at market value	2a	76,825,394,476	582,948,968	1,806,931,799
Cash at bank and broker	10	407,767,623	1,305,025	5,875,921
Receivable for investments sold		0	2,504,115	1,512,250
Receivable on subscriptions		29,043,692	19,443	1,482,268
Interest and dividends receivable, net		81,477,208	871,691	1,265,240
Net unrealised appreciation on forward foreign exchange contracts	2f,g	0	0	3,893,316
Net unrealised appreciation on futures	2e	0	0	0
Other assets		0	282,507	0
<b>Total assets</b>		<b>77,343,682,999</b>	<b>587,931,749</b>	<b>1,820,960,794</b>
<b>Liabilities</b>				
Bank overdraft		0	0	0
Payable on investments purchased		0	0	0
Payable on redemptions		19,172,459	3,587,250	8,752,638
Net unrealised depreciation on forward foreign exchange contracts	2f,g	19,443,713	0	0
Net unrealised depreciation on futures	2e	0	0	0
Management fees payable	3	18,366,261	120,179	369,727
Operating and Administrative Expenses payable	5	13,726,554	103,554	308,411
Subscription tax payable	6	7,267,659	66,308	161,021
Other liabilities		0	0	0
<b>Total liabilities</b>		<b>77,976,646</b>	<b>3,877,291</b>	<b>9,591,797</b>
<b>Total net assets</b>		<b>77,265,706,353</b>	<b>584,054,458</b>	<b>1,811,368,997</b>



## Statement of net assets as at December 31, 2023

		Candriam Sustainable Equity World	Candriam Sustainable Money Market Euro	Combined
		EUR	EUR	EUR
<b>Assets</b>				
Investment portfolio at market value	2a	1,582,606,810	675,104,970	19,113,527,895
Cash at bank and broker	10	8,932,867	70,010,922	607,695,204
Receivable for investments sold		0	0	18,957,874
Receivable on subscriptions		1,605,046	8,117,524	41,513,974
Interest and dividends receivable, net		1,899,208	3,886,593	109,747,578
Net unrealised appreciation on forward foreign exchange contracts	2f,g	351,120	0	29,063,801
Net unrealised appreciation on futures	2e	0	0	10,056,901
Other assets		36,189	0	547,438
<b>Total assets</b>		<b>1,595,431,240</b>	<b>757,120,009</b>	<b>19,931,110,665</b>
<b>Liabilities</b>				
Bank overdraft		0	0	1,144,151
Payable on investments purchased		0	21,926,510	40,139,221
Payable on redemptions		1,255,488	2,663,168	29,842,383
Net unrealised depreciation on forward foreign exchange contracts	2f,g	0	369,561	1,650,488
Net unrealised depreciation on futures	2e	0	0	4,393,936
Management fees payable	3	1,078,760	47,213	5,380,122
Operating and Administrative Expenses payable	5	315,494	39,669	2,705,966
Subscription tax payable	6	293,468	17,800	2,093,047
Other liabilities		0	0	14,285,000
<b>Total liabilities</b>		<b>2,943,210</b>	<b>25,063,921</b>	<b>101,634,314</b>
<b>Total net assets</b>		<b>1,592,488,030</b>	<b>732,056,088</b>	<b>19,829,476,351</b>



Statement of changes in net assets for the year ended December 31, 2023

		Candriam Sustainable Balanced Asset Allocation	Candriam Sustainable Bond Emerging Markets	Candriam Sustainable Bond Euro
		EUR	USD	EUR
<b>Net assets at the beginning of the year</b>		<b>7,473,289</b>	<b>1,185,786,961</b>	<b>804,140,763</b>
<b>Income</b>				
Dividends, net	2i	0	0	0
Interest on bonds and money market instruments, net	2i	445	64,296,774	15,411,107
Interest received on CFD		0	0	2,762
Bank interest		5,284	1,834,553	138,326
Other income		11	5,237	981
<b>Total income</b>		<b>5,740</b>	<b>66,136,564</b>	<b>15,553,176</b>
<b>Expenses</b>				
Management fees	3	41,904	4,799,257	835,408
Operating and Administrative Expenses	5	5,486	1,540,014	936,827
Depositary fees	5	405	54,980	40,320
Subscription tax	6	8,068	176,738	119,191
Transaction costs	2h	200	59,405	15,739
Bank interest		22	219,472	174
Other expenses		0	0	3
<b>Total expenses</b>		<b>56,085</b>	<b>6,849,866</b>	<b>1,947,662</b>
<b>Net income / (loss) from investments</b>		<b>(50,345)</b>	<b>59,286,698</b>	<b>13,605,514</b>
Net realised gain / (loss) on sales of investments	2b	108,258	(121,294,224)	(24,259,366)
Net realised gain / (loss) on forward foreign exchange contracts	2f, g	18,529	(5,711,553)	257,138
Net realised gain / (loss) on futures	2e	17,209	(6,313,777)	2,566,371
Net realised gain / (loss) on foreign exchange		(60,598)	(2,284,080)	230,925
<b>Net realised gain / (loss)</b>		<b>33,053</b>	<b>(76,316,936)</b>	<b>(7,599,418)</b>
Change in net unrealised appreciation / depreciation on investments	2a	664,784	165,538,884	76,351,179
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2f, g	17,852	14,441,119	(145,698)
Change in net unrealised appreciation / depreciation on futures	2e	19,429	2,528,747	(2,634,134)
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>735,118</b>	<b>106,191,814</b>	<b>65,971,929</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		5,831,647	255,035,612	312,765,693
Redemptions of shares		(2,982,333)	(268,272,898)	(178,652,424)
Dividends distributed	8	0	(3,297,421)	(1,591,034)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>11,057,721</b>	<b>1,275,444,068</b>	<b>1,002,634,927</b>



## Statement of changes in net assets for the year ended December 31, 2023

		Candriam Sustainable Bond Euro Corporate	Candriam Sustainable Bond Euro Short Term	Candriam Sustainable Bond Global
		EUR	EUR	EUR
<b>Net assets at the beginning of the year</b>		<b>1,392,752,877</b>	<b>1,324,752,445</b>	<b>315,703,938</b>
<b>Income</b>				
Dividends, net	2i	0	0	0
Interest on bonds and money market instruments, net	2i	56,635,073	27,139,958	6,881,261
Interest received on CFD		0	0	0
Bank interest		1,042,199	299,286	341,231
Other income		15,195	3,780	278
<b>Total income</b>		<b>57,692,467</b>	<b>27,443,024</b>	<b>7,222,770</b>
<b>Expenses</b>				
Management fees	3	3,847,749	1,919,199	605,417
Operating and Administrative Expenses	5	2,010,805	1,602,499	416,395
Depository fees	5	80,541	69,068	14,890
Subscription tax	6	850,874	273,288	94,759
Transaction costs	2h	240,248	65,457	25,451
Bank interest		8,147	1,489	19,778
Other expenses		0	24	116
<b>Total expenses</b>		<b>7,038,364</b>	<b>3,931,024</b>	<b>1,176,806</b>
<b>Net income / (loss) from investments</b>		<b>50,654,103</b>	<b>23,512,000</b>	<b>6,045,964</b>
Net realised gain / (loss) on sales of investments	2b	(39,653,301)	(27,224,598)	(14,481,326)
Net realised gain / (loss) on forward foreign exchange contracts	2f, g	1,898,377	706,036	(1,321,279)
Net realised gain / (loss) on futures	2e	242,055	1,518,450	(4,251,920)
Net realised gain / (loss) on foreign exchange		(2,283,816)	292,039	(2,800,119)
<b>Net realised gain / (loss)</b>		<b>10,857,418</b>	<b>(1,196,073)</b>	<b>(16,808,680)</b>
Change in net unrealised appreciation / depreciation on investments	2a	156,225,703	72,818,465	22,592,949
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2f, g	(906,588)	310,152	(882,639)
Change in net unrealised appreciation / depreciation on futures	2e	(2,044,292)	(809,608)	110,253
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>164,132,241</b>	<b>71,122,936</b>	<b>5,011,883</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		1,227,644,544	1,251,616,343	184,739,684
Redemptions of shares		(434,624,536)	(536,496,005)	(178,236,828)
Dividends distributed	8	(1,373,111)	0	(451,582)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>2,348,532,015</b>	<b>2,110,995,719</b>	<b>326,767,095</b>



## Statement of changes in net assets for the year ended December 31, 2023

		Candriam Sustainable Bond Global Convertible	Candriam Sustainable Bond Global High Yield	Candriam Sustainable Bond Impact
		EUR	EUR	EUR
<b>Net assets at the beginning of the year</b>		<b>22,576,828</b>	<b>1,600,221,335</b>	<b>38,072,843</b>
<b>Income</b>				
Dividends, net	2i	0	0	0
Interest on bonds and money market instruments, net	2i	150,678	68,384,510	597,462
Interest received on CFD		0	0	0
Bank interest		34,017	2,043,071	27,098
Other income		81	4,100	10
<b>Total income</b>		<b>184,776</b>	<b>70,431,681</b>	<b>624,570</b>
<b>Expenses</b>				
Management fees	3	26	5,906,472	32,654
Operating and Administrative Expenses	5	24,952	1,794,907	40,202
Depository fees	5	1,002	68,421	1,754
Subscription tax	6	2,293	231,053	4,405
Transaction costs	2h	0	373	1,517
Bank interest		4,465	184,850	0
Other expenses		13	0	1
<b>Total expenses</b>		<b>32,751</b>	<b>8,186,076</b>	<b>80,533</b>
<b>Net income / (loss) from investments</b>		<b>152,025</b>	<b>62,245,605</b>	<b>544,037</b>
Net realised gain / (loss) on sales of investments	2b	175,623	(25,268,170)	(693,775)
Net realised gain / (loss) on forward foreign exchange contracts	2f, g	1,259,397	22,203,263	62,592
Net realised gain / (loss) on futures	2e	0	472,609	190,078
Net realised gain / (loss) on foreign exchange		(535,079)	(10,244,162)	(3,319)
<b>Net realised gain / (loss)</b>		<b>1,051,966</b>	<b>49,409,145</b>	<b>99,613</b>
Change in net unrealised appreciation / depreciation on investments	2a	1,039,995	92,009,154	3,126,825
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2f, g	(945,743)	(19,570,872)	50,289
Change in net unrealised appreciation / depreciation on futures	2e	0	(575,750)	(133,432)
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>1,146,218</b>	<b>121,271,677</b>	<b>3,143,295</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		0	386,245,042	1,500,956
Redemptions of shares		(413,148)	(718,357,341)	(127,668)
Dividends distributed	8	0	(6,698,481)	(89,025)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>23,309,898</b>	<b>1,382,682,232</b>	<b>42,500,401</b>



Statement of changes in net assets for the year ended December 31, 2023

		Candriam Sustainable Defensive Asset Allocation	Candriam Sustainable Equity Children	Candriam Sustainable Equity Circular Economy
		EUR	USD	USD
<b>Net assets at the beginning of the year</b>		<b>141,591,117</b>	<b>77,441,723</b>	<b>431,165,388</b>
<b>Income</b>				
Dividends, net	2i	0	1,000,329	5,916,447
Interest on bonds and money market instruments, net	2i	106,790	0	0
Interest received on CFD		0	0	0
Bank interest		58,814	90,513	783,417
Other income		232	189	648
<b>Total income</b>		<b>165,836</b>	<b>1,091,031</b>	<b>6,700,512</b>
<b>Expenses</b>				
Management fees	3	567,432	1,757	689,888
Operating and Administrative Expenses	5	110,444	106,974	760,367
Depositary fees	5	7,993	3,230	19,842
Subscription tax	6	2,277	7,255	57,491
Transaction costs	2h	3,818	95,468	265,435
Bank interest		4,835	12,628	12,803
Other expenses		0	60,523	0
<b>Total expenses</b>		<b>696,799</b>	<b>287,835</b>	<b>1,805,826</b>
<b>Net income / (loss) from investments</b>		<b>(530,963)</b>	<b>803,196</b>	<b>4,894,686</b>
Net realised gain / (loss) on sales of investments	2b	(644,768)	(12,367,961)	(24,871,032)
Net realised gain / (loss) on forward foreign exchange contracts	2f, g	478,977	(69,131)	(195,241)
Net realised gain / (loss) on futures	2e	199,092	0	0
Net realised gain / (loss) on foreign exchange		(542,030)	(1,748,775)	(1,892,447)
<b>Net realised gain / (loss)</b>		<b>(1,039,692)</b>	<b>(13,382,671)</b>	<b>(22,064,034)</b>
Change in net unrealised appreciation / depreciation on investments	2a	12,286,611	17,686,725	55,953,064
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2f, g	436,116	0	212,786
Change in net unrealised appreciation / depreciation on futures	2e	103,010	0	0
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>11,786,045</b>	<b>4,304,054</b>	<b>34,101,816</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		50,128,985	154,586	50,182,667
Redemptions of shares		(15,668,482)	(14,998,828)	(74,218,334)
Dividends distributed	8	(63,065)	(682,092)	(2,585,626)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>187,774,600</b>	<b>66,219,443</b>	<b>438,645,911</b>



Statement of changes in net assets for the year ended December 31, 2023

		Candriam Sustainable Equity Climate Action	Candriam Sustainable Equity Emerging Markets	Candriam Sustainable Equity EMU
		USD	EUR	EUR
<b>Net assets at the beginning of the year</b>		<b>1,078,890,806</b>	<b>2,886,356,517</b>	<b>411,623,511</b>
<b>Income</b>				
Dividends, net	2i	10,996,069	36,163,442	10,320,345
Interest on bonds and money market instruments, net	2i	0	0	0
Interest received on CFD		0	0	0
Bank interest		1,263,453	3,176,395	640,246
Other income		594	746	859
<b>Total income</b>		<b>12,260,116</b>	<b>39,340,583</b>	<b>10,961,450</b>
<b>Expenses</b>				
Management fees	3	1,359,825	11,694,423	3,145,688
Operating and Administrative Expenses	5	1,892,473	5,555,899	984,817
Depository fees	5	49,358	114,359	19,584
Subscription tax	6	165,793	550,524	156,922
Transaction costs	2h	486,304	6,386,904	472,393
Bank interest		6,264	25,606	177
Other expenses		0	2	58
<b>Total expenses</b>		<b>3,960,017</b>	<b>24,327,717</b>	<b>4,779,639</b>
<b>Net income / (loss) from investments</b>		<b>8,300,099</b>	<b>15,012,866</b>	<b>6,181,811</b>
Net realised gain / (loss) on sales of investments	2b	(5,112,706)	(182,014,897)	27,483,155
Net realised gain / (loss) on forward foreign exchange contracts	2f, g	(459,196)	(255)	0
Net realised gain / (loss) on futures	2e	0	0	0
Net realised gain / (loss) on foreign exchange		(13,062,645)	(81,079,817)	(486)
<b>Net realised gain / (loss)</b>		<b>(10,334,448)</b>	<b>(248,082,103)</b>	<b>33,664,480</b>
Change in net unrealised appreciation / depreciation on investments	2a	81,393,497	225,388,910	32,467,649
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2f, g	218,665	0	0
Change in net unrealised appreciation / depreciation on futures	2e	0	0	0
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>71,277,714</b>	<b>(22,693,193)</b>	<b>66,132,129</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		225,917,405	896,108,175	137,768,771
Redemptions of shares		(145,317,550)	(1,429,864,098)	(162,296,759)
Dividends distributed	8	(8,148,253)	(1,591,445)	(628,695)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>1,222,620,122</b>	<b>2,328,315,956</b>	<b>452,598,957</b>



Statement of changes in net assets for the year ended December 31, 2023

		Candriam Sustainable Equity Europe	Candriam Sustainable Equity Europe Small & Mid Caps	Candriam Sustainable Equity Future Mobility
		EUR	EUR	USD
<b>Net assets at the beginning of the year</b>		<b>1,340,558,137</b>	<b>190,380,952</b>	<b>240,041,599</b>
<b>Income</b>				
Dividends, net	2i	30,378,142	5,050,692	2,863,743
Interest on bonds and money market instruments, net	2i	0	0	0
Interest received on CFD		0	0	0
Bank interest		2,221,420	281,220	628,745
Other income		1,957	408	261
<b>Total income</b>		<b>32,601,519</b>	<b>5,332,320</b>	<b>3,492,749</b>
<b>Expenses</b>				
Management fees	3	6,033,773	411,200	14,294
Operating and Administrative Expenses	5	2,985,646	471,808	463,326
Depositary fees	5	63,244	9,703	13,198
Subscription tax	6	402,409	46,168	31,407
Transaction costs	2h	1,886,052	446,080	66,934
Bank interest		5,805	2,678	6,547
Other expenses		554	0	0
<b>Total expenses</b>		<b>11,377,483</b>	<b>1,387,637</b>	<b>595,706</b>
<b>Net income / (loss) from investments</b>		<b>21,224,036</b>	<b>3,944,683</b>	<b>2,897,043</b>
Net realised gain / (loss) on sales of investments	2b	42,110,278	(7,504,469)	5,746,696
Net realised gain / (loss) on forward foreign exchange contracts	2f, g	0	67,304	(1,582)
Net realised gain / (loss) on futures	2e	0	0	0
Net realised gain / (loss) on foreign exchange		794,802	(353,552)	(3,869,416)
<b>Net realised gain / (loss)</b>		<b>64,129,116</b>	<b>(3,846,034)</b>	<b>4,772,741</b>
Change in net unrealised appreciation / depreciation on investments	2a	38,128,688	22,025,109	60,660,262
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2f, g	0	81,635	2,198
Change in net unrealised appreciation / depreciation on futures	2e	0	0	0
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>102,257,804</b>	<b>18,260,710</b>	<b>65,435,201</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		626,798,528	146,134,654	40,040,057
Redemptions of shares		(784,028,572)	(50,210,810)	(51,988,223)
Dividends distributed	8	(1,250,336)	(941,110)	(2,162,916)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>1,284,335,561</b>	<b>303,624,396</b>	<b>291,365,718</b>



Statement of changes in net assets for the year ended December 31, 2023

		Candriam Sustainable Equity Japan	Candriam Sustainable Equity Quant Europe	Candriam Sustainable Equity US
		JPY	EUR	USD
<b>Net assets at the beginning of the year</b>		<b>54,709,644,108</b>	<b>399,999,315</b>	<b>1,528,375,671</b>
<b>Income</b>				
Dividends, net	2i	1,341,703,722	13,969,606	18,042,643
Interest on bonds and money market instruments, net	2i	0	0	0
Interest received on CFD		0	0	0
Bank interest		197,197	27,957	260,207
Other income		4,063	3,305	0
<b>Total income</b>		<b>1,341,904,982</b>	<b>14,000,868</b>	<b>18,302,850</b>
<b>Expenses</b>				
Management fees	3	169,519,583	1,304,499	4,096,234
Operating and Administrative Expenses	5	140,217,566	1,030,141	3,311,451
Depository fees	5	3,032,335	22,256	73,213
Subscription tax	6	16,265,032	124,203	341,766
Transaction costs	2h	36,032,604	1,653,163	667,029
Bank interest		802,558	38,567	47,025
Other expenses		0	9	0
<b>Total expenses</b>		<b>365,869,678</b>	<b>4,172,838</b>	<b>8,536,718</b>
<b>Net income / (loss) from investments</b>		<b>976,035,304</b>	<b>9,828,030</b>	<b>9,766,132</b>
Net realised gain / (loss) on sales of investments	2b	5,258,184,577	4,487,262	1,923,358
Net realised gain / (loss) on forward foreign exchange contracts	2f, g	924,442,425	(154,119)	(2,389,823)
Net realised gain / (loss) on futures	2e	0	0	0
Net realised gain / (loss) on foreign exchange		(195,780,949)	81,669	393,431
<b>Net realised gain / (loss)</b>		<b>6,962,881,357</b>	<b>14,242,842</b>	<b>9,693,098</b>
Change in net unrealised appreciation / depreciation on investments	2a	7,760,816,267	60,941,091	333,381,121
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2f, g	114,861,583	0	3,714,299
Change in net unrealised appreciation / depreciation on futures	2e	0	0	0
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>14,838,559,207</b>	<b>75,183,933</b>	<b>346,788,518</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		24,587,607,000	414,149,156	603,754,052
Redemptions of shares		(16,837,276,627)	(303,870,380)	(667,255,480)
Dividends distributed	8	(32,827,335)	(1,407,566)	(293,764)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>77,265,706,353</b>	<b>584,054,458</b>	<b>1,811,368,997</b>



## Statement of changes in net assets for the year ended December 31, 2023

		Candriam Sustainable Equity World	Candriam Sustainable Money Market Euro	Combined
		EUR	EUR	EUR
<b>Net assets at the beginning of the year</b>		<b>1,132,975,070</b>	<b>1,054,243,850</b>	<b>17,707,642,156</b>
<b>Income</b>				
Dividends, net	2i	19,712,276	0	159,310,442
Interest on bonds and money market instruments, net	2i	0	25,822,251	259,335,097
Interest received on CFD		0	0	2,762
Bank interest		134,825	2,453,460	17,326,497
Other income		3,275	317	41,834
<b>Total income</b>		<b>19,850,376</b>	<b>28,276,028</b>	<b>436,016,632</b>
<b>Expenses</b>				
Management fees	3	9,708,931	413,894	57,474,830
Operating and Administrative Expenses	5	3,054,147	455,236	29,685,935
Depository fees	5	59,208	38,691	824,382
Subscription tax	6	554,356	79,888	4,311,135
Transaction costs	2h	1,408,632	0	14,321,450
Bank interest		32,045	2,935	612,571
Other expenses		0	0	55,569
<b>Total expenses</b>		<b>14,817,319</b>	<b>990,644</b>	<b>107,285,872</b>
<b>Net income / (loss) from investments</b>		<b>5,033,057</b>	<b>27,285,384</b>	<b>328,730,760</b>
Net realised gain / (loss) on sales of investments	2b	22,737,089	199,769	(332,039,675)
Net realised gain / (loss) on forward foreign exchange contracts	2f, g	860,007	(830,996)	23,422,369
Net realised gain / (loss) on futures	2e	0	0	(4,761,692)
Net realised gain / (loss) on foreign exchange		(9,736,178)	(8,424)	(127,835,092)
<b>Net realised gain / (loss)</b>		<b>18,893,975</b>	<b>26,645,733</b>	<b>(112,483,330)</b>
Change in net unrealised appreciation / depreciation on investments	2a	192,172,399	2,616,353	1,707,366,085
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2f, g	281,656	(369,561)	(4,081,352)
Change in net unrealised appreciation / depreciation on futures	2e	0	0	(3,675,340)
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>211,348,030</b>	<b>28,892,525</b>	<b>1,587,126,063</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		701,525,003	1,962,902,752	9,526,751,038
Redemptions of shares		(452,636,610)	(2,313,983,039)	(8,776,328,410)
Dividends distributed	8	(723,463)	0	(32,562,149)
Currency translation		0	0	(183,152,347)
<b>Net assets at the end of the year</b>		<b>1,592,488,030</b>	<b>732,056,088</b>	<b>19,829,476,351</b>



Statistics

**Candriam Sustainable Balanced Asset Allocation**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>11,057,721</b>	<b>7,473,289</b>	-
I	LU2428018811	Capitalisation	EUR	10,363.19	1,067.02	983.33	-

**Candriam Sustainable Bond Emerging Markets**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>1,275,444,068</b>	<b>1,185,786,961</b>	<b>1,362,386,819</b>
C	LU1434519416	Capitalisation	USD	97,567.41	106.68	99.56	119.25
C	LU1434519507	Distribution	USD	16,618.66	79.81	76.45	96.66
C - EUR - Hedged	LU2016899614	Capitalisation	EUR	30,166.61	83.97	80.16	98.48
C - EUR - Unhedged	LU2264875068	Capitalisation	EUR	2,766.70	103.44	-	100.43
I	LU1434519689	Capitalisation	USD	247,243.36	1,109.31	1,027.86	1,223.24
I	LU1434519762	Distribution	USD	11,570.60	853.51	810.57	1,017.63
I - CHF - Hedged	LU2059770078	Capitalisation	CHF	17,709.09	927.19	896.76	1,099.16
I - EUR - Hedged	LU1434519846	Capitalisation	EUR	179,135.70	869.71	824.24	1,006.10
I - EUR - Hedged	LU1580881933	Distribution	EUR	59,765.59	715.53	695.46	896.27
I - GBP - Hedged	LU1797946164	Distribution	GBP	1,889.34	806.78	772.51	980.68
IP	LU2713794126	Capitalisation	USD	1.00	1,007.38	-	-
R	LU1434519929	Capitalisation	USD	65,322.83	110.38	102.45	122.03
R - CHF - Hedged	LU2059770151	Capitalisation	CHF	37,520.10	86.98	84.27	103.35
R - EUR - Hedged	LU2016899705	Capitalisation	EUR	54,305.24	85.84	81.50	99.54
R - EUR - Hedged	LU1797946248	Distribution	EUR	218,470.37	78.22	76.16	98.15
R - EUR - Unhedged	LU1434520000	Capitalisation	EUR	6,124.03	93.78	90.09	100.71
R - GBP - Hedged	LU1953289276	Capitalisation	GBP	10.00	98.90	92.59	111.54
R2	LU1434520182	Capitalisation	USD	6,510.00	101.81	94.15	111.83
R2	LU1439992113	Distribution	USD	10,791.00	81.25	77.03	96.51
R2 - EUR - Hedged	LU2328290445	Distribution	EUR	745,199.31	82.08	79.62	96.98
V	LU1434520265	Capitalisation	USD	104,579.82	892.95	825.48	980.12
V	LU2211179648	Distribution	USD	11,441.90	839.48	795.76	987.37
V - CHF - Hedged	LU2059770235	Capitalisation	CHF	107,103.97	806.05	777.85	951.36
V - EUR - Hedged	LU1434520349	Capitalisation	EUR	201,550.27	874.49	826.88	1,006.69
VP	LU2713797228	Capitalisation	USD	1.00	1,007.46	-	-
Z	LU1434520422	Capitalisation	USD	130,845.94	1,151.66	1,061.19	1,255.94
Z	LU1434520695	Distribution	USD	14,527.00	886.84	837.52	1,045.60
Z - EUR - Hedged	LU2059770318	Capitalisation	EUR	62,871.57	964.13	908.64	1,103.37

**Candriam Sustainable Bond Euro**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>1,002,634,927</b>	<b>804,140,763</b>	<b>841,675,532</b>
C	LU1313769447	Capitalisation	EUR	190,456.36	91.90	86.04	104.33
C	LU1313769520	Distribution	EUR	95,245.41	88.45	83.29	101.07
I	LU1313769793	Capitalisation	EUR	211,038.86	975.73	909.83	1,098.60
I	LU1313769959	Distribution	EUR	6,714.13	924.35	866.21	1,046.71
N	LU2027379432	Capitalisation	EUR	10.00	86.10	80.72	97.97
R	LU1313770023	Capitalisation	EUR	46,481.69	94.23	87.96	106.29
R2	LU1720116919	Capitalisation	EUR	7,164.25	94.06	87.66	105.79
R2	LU1720117057	Distribution	EUR	88,399.33	90.94	85.18	102.88
V	LU1313770296	Capitalisation	EUR	7,878.93	882.93	822.03	990.73
V - CHF - Hedged	LU2702913760	Capitalisation	CHF	1.00	1,032.12	-	-
Z	LU1313770379	Capitalisation	EUR	378,594.50	966.85	898.85	1,082.08
Z	LU1434521230	Distribution	EUR	402,859.00	939.51	877.78	1,057.52



Statistics

**Candriam Sustainable Bond Euro Corporate**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>2,348,532,015</b>	<b>1,392,752,877</b>	<b>1,413,558,432</b>
C	LU1313770452	Capitalisation	EUR	951,490.24	100.81	93.18	107.73
C	LU1313770536	Distribution	EUR	5,529,632.77	91.49	85.28	99.06
I	LU1313770619	Capitalisation	EUR	1,007,182.94	357.44	328.81	378.59
I	LU1313770700	Distribution	EUR	75.00	989.78	917.05	-
IP	LU2713796923	Capitalisation	EUR	1.00	1,003.38	-	-
R	LU1313770882	Capitalisation	EUR	176,537.65	102.83	94.68	109.16
R	LU1720117305	Distribution	EUR	2,054.00	96.04	89.14	103.16
R - CHF - Hedged	LU1932633214	Capitalisation	CHF	19,020.00	90.86	85.48	99.17
R - GBP - Hedged	LU1932633305	Capitalisation	GBP	7,464.00	96.33	87.52	99.77
R - USD - Hedged	LU1932633487	Capitalisation	USD	357.00	97.89	88.38	99.89
R2	LU1720117487	Capitalisation	EUR	5,500.05	100.38	92.19	106.09
R2	LU1720117560	Distribution	EUR	165,595.25	95.96	88.78	102.56
V	LU1313770965	Capitalisation	EUR	334,400.11	935.86	859.19	988.21
VP	LU2713796840	Capitalisation	EUR	1.00	1,003.36	-	-
Z	LU1313771005	Capitalisation	EUR	983,693.26	1,029.25	943.03	1,082.47
Z	LU1434521743	Distribution	EUR	24,341.00	973.89	898.74	1,035.67

**Candriam Sustainable Bond Euro Short Term**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>2,110,995,719</b>	<b>1,324,752,445</b>	<b>1,193,725,081</b>
C	LU1434521826	Capitalisation	EUR	1,145,698.77	97.56	94.15	98.29
C	LU1434522048	Distribution	EUR	540,656.62	98.53	95.22	99.46
I	LU1434522477	Capitalisation	EUR	170,991.77	995.38	957.86	996.73
I	LU1434522550	Distribution	EUR	14,222.66	995.68	958.15	997.07
IP	LU2713796766	Capitalisation	EUR	1.00	1,003.00	-	-
R	LU1434522634	Capitalisation	EUR	101,799.23	98.69	95.01	98.95
R	LU1720117644	Distribution	EUR	731.47	99.03	95.32	99.22
R2	LU1720117727	Capitalisation	EUR	14,045.17	99.24	95.46	99.32
R2	LU1720117990	Distribution	EUR	230,492.93	99.12	95.34	99.21
S	LU2363112280	Capitalisation	EUR	327,056.74	1,035.22	-	-
V	LU1434522717	Capitalisation	EUR	89,663.38	9,918.38	9,535.29	9,916.98
V	LU2364191341	Distribution	EUR	1,825.55	10,064.00	9,675.23	-
V - CHF - Hedged	LU2590263930	Capitalisation	CHF	12,394.00	1,015.15	-	-
VP	LU2713796683	Capitalisation	EUR	1.00	1,003.03	-	-
Z	LU1434522808	Capitalisation	EUR	462,632.50	1,010.38	969.87	1,007.18

**Candriam Sustainable Bond Global**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>326,767,095</b>	<b>315,703,938</b>	<b>389,118,347</b>
C	LU1434523012	Capitalisation	EUR	112,402.32	93.22	92.01	104.83
C	LU1434523103	Distribution	EUR	436,424.19	86.61	86.73	99.80
I	LU1434523285	Capitalisation	EUR	34,701.44	964.68	947.73	1,074.75
R	LU1434523442	Capitalisation	EUR	74,864.49	95.22	93.63	106.36
R - EUR - Asset Hedged	LU2211181891	Capitalisation	EUR	126,582.01	87.22	83.58	97.67
R2	LU1720118295	Capitalisation	EUR	93.94	104.71	102.76	116.51
R2	LU1720118022	Distribution	EUR	16,427.50	87.04	86.55	99.00
V	LU1434523525	Capitalisation	EUR	7,348.88	938.04	919.75	-
V - EUR - Asset Hedged	LU2211182196	Capitalisation	EUR	62,340.71	879.42	840.68	979.58
V - USD - Asset Hedged	LU2211182436	Capitalisation	USD	9,073.33	927.94	868.72	992.15
V (q) - GBP - Asset Hedged	LU2211182352	Distribution	GBP	10,396.18	863.51	830.44	973.06
Z	LU1434523798	Capitalisation	EUR	147,726.00	986.34	965.14	1,091.12



Statistics

**Candriam Sustainable Bond Global Convertible**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>23,309,898</b>	<b>22,576,828</b>	-
C	LU2428020718	Capitalisation	EUR	10.00	103.91	99.99	-
I	LU2428020981	Capitalisation	EUR	1.00	1,047.35	1,002.49	-
R	LU2428021369	Capitalisation	EUR	10.00	104.67	100.22	-
Z	LU2428021872	Capitalisation	EUR	22,050.00	1,057.00	1,005.52	-

**Candriam Sustainable Bond Global High Yield**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>1,382,682,232</b>	<b>1,600,221,335</b>	<b>1,806,354,023</b>
C	LU1644441120	Capitalisation	EUR	740,472.01	110.52	102.49	113.39
C	LU1644441393	Distribution	EUR	86,137.56	94.35	89.68	104.12
C - USD - Unhedged	LU2109443460	Capitalisation	USD	3,433.49	91.09	81.61	96.21
C (m) - USD - Hedged	LU2364191697	Distribution	USD	14,086.94	93.88	89.26	100.54
I	LU1644441476	Capitalisation	EUR	150,909.03	1,149.50	1,059.17	1,164.50
I	LU1644441633	Distribution	EUR	126,969.08	907.64	876.13	1,010.66
I - USD - Hedged	LU1644441559	Capitalisation	USD	4,517.18	1,170.83	1,056.95	1,137.54
I - USD - Hedged	LU2211180653	Distribution	USD	1.00	988.47	914.53	1,029.15
I - USD - Unhedged	LU2109443544	Capitalisation	USD	503.44	946.63	842.54	986.32
IP	LU2713796337	Capitalisation	EUR	1.00	1,003.07	-	-
N	LU2027379515	Capitalisation	EUR	22,431.54	100.49	93.56	104.05
R	LU1644441716	Capitalisation	EUR	655,796.73	113.95	105.09	115.63
R	LU1720118378	Distribution	EUR	126,621.28	97.10	91.81	106.04
R - CHF - Hedged	LU2211180901	Capitalisation	CHF	2,281.85	97.96	92.26	102.12
R - USD - Hedged	LU2211181206	Capitalisation	USD	4,614.44	104.87	94.77	102.26
R2	LU2363112363	Distribution	EUR	159,918.83	97.35	91.66	100.58
S	LU1720118451	Capitalisation	EUR	31,304.56	1,093.69	1,003.10	1,098.75
S - USD - Hedged	LU2474803587	Capitalisation	USD	109,699.43	1,112.87	-	-
V	LU1644441807	Capitalisation	EUR	361,060.03	1,094.55	1,005.23	1,102.57
V - USD - Hedged	LU2211180067	Capitalisation	USD	3,863.43	1,063.44	956.80	1,027.54
VP	LU2713796253	Capitalisation	EUR	1.00	1,003.17	-	-
Z	LU1644441989	Capitalisation	EUR	291,978.00	1,192.25	1,091.42	1,193.27

**Candriam Sustainable Bond Impact**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>42,500,401</b>	<b>38,072,843</b>	<b>46,572,584</b>
C	LU2369559823	Capitalisation	EUR	14,441.15	86.80	80.81	99.33
I	LU2369560169	Capitalisation	EUR	1,158.86	873.96	810.70	993.97
N	LU2421360129	Capitalisation	EUR	1.00	104.10	-	-
R	LU2369560326	Capitalisation	EUR	10.00	87.29	81.03	99.39
S	LU2369561050	Distribution	EUR	21,608.00	872.68	812.21	994.22
Z	LU2369561217	Capitalisation	EUR	24,300.00	879.68	813.53	994.45

**Candriam Sustainable Defensive Asset Allocation**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>187,774,600</b>	<b>141,591,117</b>	<b>190,770,120</b>
C	LU1644442102	Capitalisation	EUR	10,690.99	148.25	139.44	160.87
C	LU1644442284	Distribution	EUR	88.32	98.34	92.99	-
I	LU1644442367	Capitalisation	EUR	75,907.62	1,612.12	1,504.14	1,721.43
I	LU1644442441	Distribution	EUR	5,761.16	1,564.87	1,467.24	1,682.73
R	LU1644442524	Capitalisation	EUR	5,821.36	103.18	96.35	110.36
R2	LU1932633560	Distribution	EUR	39,177.85	93.94	88.01	100.66
V	LU1644442797	Capitalisation	EUR	1.60	1,005.77	936.56	-
Z	LU1644442870	Capitalisation	EUR	50,025.59	1,009.70	938.28	-



Statistics

**Candriam Sustainable Equity Children**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>66,219,443</b>	<b>77,441,723</b>	<b>3,644,593</b>
BF - EUR - Unhedged	LU2371175907	Capitalisation	EUR	33,955.02	877.73	850.61	-
BF - EUR - Unhedged	LU2371178836	Distribution	EUR	34,637.90	863.40	850.61	-
C	LU2371178752	Capitalisation	USD	1.00	81.54	76.88	104.51
I	LU2371178240	Capitalisation	USD	1.00	813.58	767.67	1,044.53
I - EUR - Unhedged	LU2371178083	Capitalisation	EUR	254.45	922.28	901.39	-
R	LU2371177275	Capitalisation	USD	1.00	82.27	77.18	104.57
Z - EUR - Unhedged	LU2371179057	Capitalisation	EUR	1.00	804.65	779.02	1,067.93

**Candriam Sustainable Equity Circular Economy**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>438,645,911</b>	<b>431,165,388</b>	<b>272,303,788</b>
BF - EUR - Unhedged	LU2109443114	Capitalisation	EUR	141,283.19	932.05	890.67	-
BF - EUR - Unhedged	LU2109443205	Distribution	EUR	160,135.46	917.45	890.67	-
C	LU2109440870	Capitalisation	USD	82,811.75	132.49	124.52	164.84
C - EUR - Hedged	LU2109441175	Capitalisation	EUR	70,090.00	102.36	98.71	135.48
I	LU2109441258	Capitalisation	USD	1,017.62	1,371.98	1,277.39	1,675.05
I - EUR - Unhedged	LU2109441332	Capitalisation	EUR	23,151.26	1,259.38	1,213.66	1,493.60
N	LU2363112447	Capitalisation	USD	1.00	99.58	-	-
N - EUR - Hedged	LU2363112793	Capitalisation	EUR	221.58	97.49	-	-
N - EUR - Unhedged	LU2363112520	Capitalisation	EUR	1.00	98.02	-	-
PI	LU2109441415	Capitalisation	USD	4.00	1,206.82	1,118.17	1,459.86
R	LU2109441688	Capitalisation	USD	6,397.00	136.66	127.37	167.19
R	LU2109441761	Distribution	USD	3,550.00	80.43	76.32	100.17
R - EUR - Hedged	LU2109441928	Capitalisation	EUR	24,531.14	92.23	88.20	120.03
R - EUR - Unhedged	LU2109441845	Capitalisation	EUR	20,889.56	90.40	87.21	107.44
R2	LU2109442066	Capitalisation	USD	2,727.00	99.48	92.38	120.82
R2	LU2109442140	Distribution	USD	15,541.96	120.04	113.52	151.27
V	LU2109442579	Capitalisation	USD	11,001.00	843.07	782.42	1,022.71
Z	LU2109442736	Capitalisation	USD	42,991.00	1,423.67	1,314.92	1,710.50

**Candriam Sustainable Equity Climate Action**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>1,222,620,122</b>	<b>1,078,890,806</b>	<b>1,443,264,896</b>
BF - EUR - Unhedged	LU2016898996	Capitalisation	EUR	259,260.94	1,544.39	1,510.72	1,915.77
BF - EUR - Unhedged	LU2016899028	Distribution	EUR	211,077.08	1,468.32	1,462.47	1,885.67
C	LU1932633644	Capitalisation	USD	43,919.83	150.64	144.94	199.37
C	LU1932633727	Distribution	USD	965.57	134.25	131.65	184.70
C - EUR - Hedged	LU1932634022	Capitalisation	EUR	42,165.71	102.08	100.90	144.36
C - EUR - Unhedged	LU1932633990	Capitalisation	EUR	5,129.69	108.87	108.42	139.97
I	LU1932634295	Capitalisation	USD	31,021.51	1,573.74	1,499.94	2,044.08
I - EUR - Hedged	LU2059769906	Capitalisation	EUR	4,751.92	1,154.68	1,130.75	1,602.63
I - EUR - Unhedged	LU1932634378	Capitalisation	EUR	11,841.55	1,498.13	1,477.93	1,890.09
PI	LU1932635003	Capitalisation	USD	1,193.50	1,482.95	1,407.18	1,909.12
R	LU1932634451	Capitalisation	USD	4,414.87	156.65	149.45	203.85
R	LU1932634535	Distribution	USD	817.33	128.27	124.71	173.45
R - EUR - Hedged	LU1932634709	Capitalisation	EUR	1,203.35	120.19	117.81	167.13
R - EUR - Unhedged	LU1932634618	Capitalisation	EUR	7,173.18	150.24	148.36	189.91
R2	LU1932634881	Capitalisation	USD	5,123.92	148.85	141.50	192.32
R2	LU1932634964	Distribution	USD	696,291.28	149.56	144.87	200.77
Z	LU1932635185	Capitalisation	USD	144,447.15	1,633.27	1,544.27	2,087.56
Z - EUR - Unhedged	LU2211181388	Capitalisation	EUR	4,983.00	1,203.30	1,177.59	1,493.97

**Candriam Sustainable Equity Emerging Markets**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>2,328,315,956</b>	<b>2,886,356,517</b>	<b>2,240,251,849</b>
BF	LU2521063755	Capitalisation	EUR	128,938.25	1,018.73	-	-
C	LU1434523954	Capitalisation	EUR	2,583,441.88	112.53	114.14	158.16
C	LU1434524093	Distribution	EUR	235,764.18	112.04	116.81	166.03



Statistics

**Candriam Sustainable Equity Emerging Markets (continued)**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
C - USD - Unhedged	LU1797946321	Capitalisation	USD	516,366.92	82.50	80.61	118.62
C - USD - Unhedged	LU2343014036	Distribution	USD	316,165.44	62.67	62.83	92.46
I	LU1434524259	Capitalisation	EUR	79,576.77	1,979.80	1,987.67	2,723.75
I - GBP - Unhedged	LU1434524333	Capitalisation	GBP	9,053.54	1,196.29	1,221.40	1,586.99
I - USD - Unhedged	LU1797946594	Capitalisation	USD	4,845.48	1,175.29	1,135.90	1,651.98
IP	LU2713796170	Capitalisation	EUR	1.00	1,017.26	-	-
N	LU2027379606	Capitalisation	EUR	160.43	86.57	88.11	122.52
P	LU2421359626	Capitalisation	EUR	-	-	782.09	-
R	LU1434524416	Capitalisation	EUR	404,701.69	163.75	164.63	226.12
R	LU1720118535	Distribution	EUR	167,406.11	85.03	87.84	123.70
R - GBP - Unhedged	LU1434524689	Capitalisation	GBP	7,477.27	236.91	242.22	315.45
R - USD - Unhedged	LU1797946677	Capitalisation	USD	1.00	99.81	96.44	97.22
R2	LU1434524762	Capitalisation	EUR	143,362.94	106.10	106.34	145.59
R2	LU1434524846	Distribution	EUR	236,826.26	99.45	102.34	143.53
S	LU2363113171	Capitalisation	EUR	111,672.89	729.37	729.43	-
V	LU1434524929	Capitalisation	EUR	279,482.26	1,052.20	1,053.22	1,440.24
V - GBP - Unhedged	LU2590263856	Capitalisation	GBP	18,534.60	1,027.25	-	-
V - USD - Unhedged	LU1797946750	Capitalisation	USD	58,754.74	938.83	904.67	-
VP	LU2713796097	Capitalisation	EUR	1.00	1,017.34	-	-
Z	LU1434525066	Capitalisation	EUR	505,440.62	2,136.03	2,129.57	2,900.52

**Candriam Sustainable Equity EMU**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>452,598,957</b>	<b>411,623,511</b>	<b>492,942,322</b>
C	LU1313771187	Capitalisation	EUR	517,598.01	177.03	153.77	180.00
C	LU1313771260	Distribution	EUR	227,932.56	114.89	101.93	121.66
I	LU1313771344	Capitalisation	EUR	96,242.04	1,783.81	1,533.71	1,775.21
R	LU1313771427	Capitalisation	EUR	98,945.91	189.84	163.47	189.67
R	LU1720121679	Distribution	EUR	43,481.00	131.64	115.67	136.71
R2	LU1434525223	Capitalisation	EUR	30,643.38	147.25	126.43	146.28
R2	LU1434525496	Distribution	EUR	1,145.00	132.05	115.69	136.36
V	LU1313771690	Capitalisation	EUR	8,111.00	2,067.94	1,772.93	2,048.76
Z	LU1313771773	Capitalisation	EUR	522,472.66	224.24	191.55	220.47

**Candriam Sustainable Equity Europe**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>1,284,335,561</b>	<b>1,340,558,137</b>	<b>1,888,267,515</b>
C	LU1313771856	Capitalisation	EUR	8,229,673.24	26.86	25.07	29.13
C	LU1313771930	Distribution	EUR	878,366.97	19.52	18.69	22.27
I	LU1313772078	Capitalisation	EUR	7,914,335.97	32.49	30.00	34.47
IP	LU2713795792	Capitalisation	EUR	1.00	1,009.16	-	-
N	LU2027379788	Capitalisation	EUR	2,268.43	123.72	115.93	135.34
R	LU1313772151	Capitalisation	EUR	337,122.07	172.11	159.12	183.31
R	LU1720118618	Distribution	EUR	12,000.00	100.49	95.32	112.82
R2	LU1720118709	Capitalisation	EUR	99,948.51	144.68	133.39	153.22
R2	LU1720118964	Distribution	EUR	18,338.91	123.44	116.73	137.47
V	LU1313772235	Capitalisation	EUR	101,113.37	1,989.80	1,831.50	2,100.20
VP	LU2713795529	Capitalisation	EUR	1.00	1,009.19	-	-
Z	LU1313772318	Capitalisation	EUR	294,123.80	1,720.33	1,577.87	1,803.03
Z	LU1434525819	Distribution	EUR	4,089.00	1,350.25	1,270.08	1,487.76

**Candriam Sustainable Equity Europe Small & Mid Caps**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>303,624,396</b>	<b>190,380,952</b>	<b>228,658,340</b>
C	LU2258565089	Capitalisation	EUR	2,970.15	260.85	248.71	317.53
C	LU2258565162	Distribution	EUR	416.00	115.81	110.42	204.69
I	LU2258565246	Capitalisation	EUR	7,019.89	2,439.08	2,301.44	2,905.71
I - CHF - Hedged	LU2620893631	Capitalisation	CHF	4,637.80	1,048.69	-	-
IP	LU2713795446	Capitalisation	EUR	1.00	1,010.79	-	-



Statistics

**Candriam Sustainable Equity Europe Small & Mid Caps (continued)**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
R	LU2258565675	Capitalisation	EUR	20,503.94	207.06	195.78	247.84
R2	LU2258565758	Capitalisation	EUR	1,992.08	2,094.79	1,972.99	2,488.80
R2	LU2258565832	Distribution	EUR	215,581.70	212.74	204.60	258.09
V	LU2258565915	Capitalisation	EUR	72,534.58	996.55	-	-
VP	LU2713795362	Capitalisation	EUR	1.00	1,010.94	-	-
Z	LU2258566053	Capitalisation	EUR	54,172.40	2,840.55	2,661.55	3,340.03

**Candriam Sustainable Equity Future Mobility**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>291,365,718</b>	<b>240,041,599</b>	<b>307,398,902</b>
BF - EUR - Unhedged	LU2258562656	Capitalisation	EUR	133,551.69	1,025.88	834.86	1,102.49
BF - EUR - Unhedged	LU2258562730	Distribution	EUR	124,314.90	1,007.81	834.86	1,102.49
C	LU2258562813	Capitalisation	USD	5,564.65	98.83	79.11	113.31
C - EUR - Hedged	LU2258563118	Capitalisation	EUR	1,198.54	81.59	67.05	99.95
C - EUR - Unhedged	LU2258563035	Capitalisation	EUR	579.32	109.70	-	-
I	LU2258563209	Capitalisation	USD	79.00	1,011.03	801.64	1,137.53
I - EUR - Unhedged	LU2258563381	Capitalisation	EUR	215.00	1,034.29	848.82	1,130.49
R	LU2258563464	Capitalisation	USD	1.00	102.72	81.03	114.44
R2	LU2258564199	Distribution	USD	6,000.00	93.14	75.05	108.44
V	LU2258564512	Capitalisation	USD	10.00	1,020.89	806.86	1,141.26
Z	LU2258564603	Capitalisation	USD	-	-	824.73	1,160.94

**Candriam Sustainable Equity Japan**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>JPY</b>		<b>77,265,706,353</b>	<b>54,709,644,108</b>	<b>32,875,952,098</b>
C	LU1434526460	Capitalisation	JPY	1,076,509.87	3,455.00	2,839.00	3,116.00
C	LU1434526544	Distribution	JPY	296,883.24	3,410.00	2,865.00	3,211.00
I	LU1434526627	Capitalisation	JPY	72,844.81	194,148.00	157,784.00	171,231.00
N	LU2027379861	Capitalisation	JPY	800.30	17,684.00	14,589.00	16,087.00
R	LU1434526890	Capitalisation	JPY	19,391.51	3,243.00	2,640.00	2,872.00
R	LU1720120192	Distribution	JPY	3,236.44	15,525.00	12,928.00	14,326.00
R - EUR - Hedged	LU1797946917	Capitalisation	EUR	5,473.32	108.01	-	-
R - EUR - Hedged	LU1720120358	Distribution	EUR	-	-	97.28	108.97
R - EUR - Unhedged	LU1434526973	Capitalisation	EUR	276,914.41	122.17	110.57	130.03
R2	LU1720120515	Capitalisation	JPY	246,155.99	15,988.00	12,976.00	14,077.00
R2	LU1720120788	Distribution	JPY	11,384.88	15,449.00	12,816.00	14,170.00
Z	LU1434527278	Capitalisation	JPY	193,399.03	215,683.00	174,152.00	187,930.00
Z - EUR - Hedged	LU2501585306	Capitalisation	EUR	37,336.31	1,207.22	-	-

**Candriam Sustainable Equity Quant Europe**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>584,054,458</b>	<b>399,999,315</b>	<b>-</b>
C	LU2378104066	Capitalisation	EUR	17,609.26	3,395.87	2,959.74	-
C	LU2378104140	Distribution	EUR	4,215.42	2,108.09	1,886.12	-
I	LU2378104223	Capitalisation	EUR	14,848.42	4,164.03	3,591.31	-
N	LU2378104652	Capitalisation	EUR	66.18	3,098.12	2,712.08	-
R	LU2378104736	Capitalisation	EUR	999.23	181.27	156.57	-
R - GBP - Unhedged	LU2378104819	Capitalisation	GBP	6.00	243.36	215.17	-
R2	LU2378104900	Capitalisation	EUR	5,821.86	210.77	181.54	-
V	LU2378105113	Capitalisation	EUR	75.98	2,140.93	1,840.96	-
Z	LU2378105204	Capitalisation	EUR	87,653.73	4,692.05	4,020.43	-
Z	LU2378105386	Distribution	EUR	18,086.00	2,238.56	1,967.38	-



Statistics

**Candriam Sustainable Equity US**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>1,811,368,997</b>	<b>1,528,375,671</b>	<b>1,910,075,814</b>
BF - EUR - Unhedged	LU2227860371	Capitalisation	EUR	112,547.88	1,241.92	1,043.03	1,247.17
C	LU2227857070	Capitalisation	USD	1,761,865.06	53.96	44.52	57.64
C	LU2227857153	Distribution	USD	466,083.59	52.64	43.94	57.62
C - EUR - Hedged	LU2227857310	Capitalisation	EUR	2,305.30	101.44	85.62	114.73
C - EUR - Unhedged	LU2227857237	Capitalisation	EUR	149,486.61	118.96	101.62	123.51
I	LU2227857401	Capitalisation	USD	2,582,948.95	66.69	54.42	69.65
I	LU2227857583	Distribution	USD	8,160.00	65.15	53.75	69.65
I - EUR - Hedged	LU2227857740	Capitalisation	EUR	47,634.12	1,042.37	870.62	1,154.48
I - EUR - Unhedged	LU2227857666	Capitalisation	EUR	34,471.48	1,226.05	1,035.40	1,243.76
I - GBP - Unhedged	LU2227857823	Capitalisation	GBP	1.00	1,232.63	1,065.95	1,212.47
IP	LU2713794803	Capitalisation	USD	1.00	999.43	-	-
R	LU2227858128	Capitalisation	USD	36,264.18	110.71	90.41	115.94
R - CHF - Hedged	LU2227858714	Capitalisation	CHF	10.00	101.37	86.51	115.13
R - EUR - Unhedged	LU2227858474	Capitalisation	EUR	183,613.61	122.12	103.24	124.25
R - GBP - Unhedged	LU2227858805	Capitalisation	GBP	24.13	122.84	106.31	121.07
R2	LU2227858987	Capitalisation	USD	197,235.51	111.27	90.70	116.08
R2	LU2227859019	Distribution	USD	22,389.83	108.69	89.58	116.07
R2 - EUR - Unhedged	LU2227859100	Capitalisation	EUR	1,441.22	122.77	103.57	124.40
S	LU2227859282	Capitalisation	USD	1.00	1,103.39	902.47	1,158.59
V	LU2227859365	Capitalisation	USD	150,322.49	1,118.38	909.78	1,162.04
V - EUR - Hedged	LU2227859449	Capitalisation	EUR	6,965.00	1,460.34	1,215.98	1,608.92
VP	LU2713794712	Capitalisation	USD	1.00	999.47	-	-
Z	LU2227859522	Capitalisation	USD	796,104.10	1,125.71	913.42	1,163.76
Z	LU2227859795	Distribution	USD	1.00	1,098.35	901.77	1,163.23
Z - EUR - Hedged	LU2227859878	Capitalisation	EUR	106,145.46	974.07	809.04	1,068.36

**Candriam Sustainable Equity World**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>1,592,488,030</b>	<b>1,132,975,070</b>	<b>1,154,931,881</b>
C	LU1434527435	Capitalisation	EUR	16,302,213.78	32.47	27.99	33.70
C	LU1434527518	Distribution	EUR	2,302,208.64	28.05	24.58	30.05
C - EUR - Asset Hedged	LU2420561321	Capitalisation	EUR	1,046,720.02	111.25	94.38	-
C - USD - Unhedged	LU2016899291	Capitalisation	USD	8,623.60	104.18	86.72	111.23
I	LU1434527781	Capitalisation	EUR	394,480.14	641.50	547.22	651.65
I	LU1434527864	Distribution	EUR	430.80	2,866.06	2,483.90	3,001.91
IP	LU2713794639	Capitalisation	EUR	1.00	1,000.60	-	-
N	LU2027379945	Capitalisation	EUR	17,898.34	141.49	122.50	148.21
R	LU1434528169	Capitalisation	EUR	127,184.24	217.68	185.96	221.98
R - GBP - Unhedged	LU1434528243	Capitalisation	GBP	11.60	269.86	236.01	266.56
R2	LU1720121166	Capitalisation	EUR	83,667.45	145.54	124.00	147.61
V	LU1434528672	Capitalisation	EUR	479,175.16	311.92	265.29	315.26
VP	LU2713794555	Capitalisation	EUR	1.00	1,000.65	-	-
Z	LU1434528839	Capitalisation	EUR	1,328,204.64	327.60	277.64	328.79

**Candriam Sustainable Money Market Euro**

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>732,056,088</b>	<b>1,054,243,850</b>	<b>937,369,198</b>
C	LU1434529050	Capitalisation	EUR	48,616.16	1,130.76	1,096.84	1,099.91
C	LU1434529134	Distribution	EUR	9,631.90	1,079.52	1,047.14	1,050.07
I	LU1434529217	Capitalisation	EUR	85,074.37	1,197.82	1,159.79	1,160.94
I	LU1434529308	Distribution	EUR	6,321.27	1,141.67	1,105.43	1,106.54
R	LU2620893557	Capitalisation	EUR	10.00	100.60	-	-
R2	LU1434529563	Distribution	EUR	626,978.05	103.03	-	-
V	LU1434529647	Capitalisation	EUR	191,796.20	1,050.91	1,016.61	1,016.69
Z	LU1434529993	Capitalisation	EUR	267,554.86	1,089.14	1,052.98	1,052.46



Candriam Sustainable Balanced Asset Allocation

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>Emerging Markets</b>				
CANDRIAM SUSTAINABLE BOND EMERGING MARKETS Z C	251	USD	261,636	2.37
CANDRIAM SUSTAINABLE EQUITY EMERGING MARKETS Z C	367	EUR	785,379	7.10
			<b>1,047,015</b>	<b>9.47</b>
<b>European Union</b>				
CANDRIAM FUND SUSTAINABLE EUROPEAN EQUITIES FOSSIL FREE Z C	49	EUR	119,613	1.08
CANDRIAM SUSTAINABLE EQUITY EUROPE SMALL & MID CAPS Z C	40	EUR	113,719	1.03
CANDRIAM SUSTAINABLE EQUITY EUROPE Z C	601	EUR	1,034,735	9.36
CANDRIAM SUSTAINABLE EQUITY QUANT EUROPE Z C	259	EUR	1,213,537	10.97
INDEXIQ FACTORS SUSTAINABLE SOVEREIGN EURO BOND UCITS ETF D	4,729	EUR	110,162	1.00
			<b>2,591,766</b>	<b>23.44</b>
<b>Japan</b>				
CANDRIAM SUSTAINABLE EQUITY JAPAN Z C	174	JPY	240,338	2.17
			<b>240,338</b>	<b>2.17</b>
<b>Supranational</b>				
CANDRIAM FUND SUSTAINABLE EURO CORPORATE BONDS FOSSIL FREE Z C	71	EUR	105,282	0.95
CANDRIAM SUSTAINABLE BOND EURO CORPORATE Z C	1,104	EUR	1,135,733	10.27
CANDRIAM SUSTAINABLE BOND EURO SHORT TERM Z C	1,142	EUR	1,153,306	10.43
CANDRIAM SUSTAINABLE BOND EURO Z C	1,359	EUR	1,314,115	11.88
CANDRIAM SUSTAINABLE BOND GLOBAL HIGH YIELD Z C	90	EUR	107,288	0.97
CANDRIAM SUSTAINABLE BOND GLOBAL Z C	484	EUR	477,359	4.32
CANDRIAM SUSTAINABLE EQUITY CIRCULAR ECONOMY Z C	57	USD	73,461	0.66
CANDRIAM SUSTAINABLE EQUITY CLIMATE ACTION Z C	124	USD	183,616	1.66
CANDRIAM SUSTAINABLE EQUITY WORLD Z C	435	EUR	142,443	1.29
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	515	EUR	561,214	5.08
			<b>5,253,817</b>	<b>47.51</b>
<b>United States of America</b>				
CANDRIAM SUSTAINABLE EQUITY US Z C	1,572	USD	1,602,176	14.49
			<b>1,602,176</b>	<b>14.49</b>
<b>Total Shares/Units in investment funds</b>			<b>10,735,112</b>	<b>97.08</b>
<b>Total Undertakings for Collective Investment</b>			<b>10,735,112</b>	<b>97.08</b>
<b>Total investment portfolio</b>			<b>10,735,112</b>	<b>97.08</b>
Acquisition cost			10,233,114	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Sustainable Balanced Asset Allocation

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

Supranational	47.51
European Union	23.44
United States of America	14.49
Emerging Markets	9.47
Japan	2.17
	<b>97.08</b>

### Economic breakdown (in % of net assets)

Investments funds	97.08
	<b>97.08</b>



Candriam Sustainable Bond Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Structured products</b>				
<b>Mexico</b>				
MEXICO 3.375 16-31 23/02A	1,510,000	MXN	8,171,805	0.64
			<b>8,171,805</b>	<b>0.64</b>
<b>Total Structured products</b>			<b>8,171,805</b>	<b>0.64</b>
<b>Bonds</b>				
<b>Albania</b>				
ALBANIA 3.5 20-27 16/06A	7,400,000	EUR	7,918,101	0.62
ALBANIA GOVERNMENT INTE 5.9 23-28 09/06A	20,211,000	EUR	22,891,600	1.79
			<b>30,809,701</b>	<b>2.42</b>
<b>Bermuda</b>				
BERMUDA 3.375 20-50 20/08S	3,000,000	USD	2,106,960	0.17
BERMUDA 5 22-32 15/07S	11,000,000	USD	10,897,810	0.85
GOVT OF BERMUDA 2.3750 20-30 20/08S	12,277,000	USD	10,546,987	0.83
			<b>23,551,757</b>	<b>1.85</b>
<b>Brazil</b>				
BRAZIL 3.75 21-31 12/09S	10,000,000	USD	8,915,700	0.70
BRAZIL 3.875 20-30 12/06S	5,000,000	USD	4,581,375	0.36
BRAZIL 4.50 19-29 30/05S	2,000,000	USD	1,932,260	0.15
BRAZIL 4.75 19-50 14/01S	5,000,000	USD	3,849,800	0.30
BRAZIL 5.625 16-47 21/02S	5,000,000	USD	4,390,850	0.34
BRAZIL 6.0000 23-33 20/10S	10,500,000	USD	10,509,503	0.82
BRAZIL 6.25 23-31 18/03S	17,376,000	USD	18,054,012	1.42
			<b>52,233,500</b>	<b>4.10</b>
<b>Bulgaria</b>				
BULGARIA GOVERNMENT I 4.375 23-31 13/05A	9,107,000	EUR	10,594,035	0.83
BULGARIA GOVERNMENT I 4.875 23-36 13/05A	19,357,000	EUR	22,948,458	1.80
			<b>33,542,493</b>	<b>2.63</b>
<b>Chile</b>				
CHILE 3.50 21-53 15/04S	12,000,000	USD	9,083,760	0.71
CHILE 2.55 21-33 27/07S	10,000,000	USD	8,289,300	0.65
CHILE 3.10 21-61 22/01S	12,000,000	USD	8,063,880	0.63
CHILE 3.1000 21-41 07/05S	6,000,000	USD	4,571,970	0.36
CHILE 3.25 21-71 21/09S	10,000,000	USD	6,726,900	0.53
CHILE 4.125 23-34 05/07A	20,000,000	EUR	22,613,952	1.77
CHILE 4.34 22-42 07/03S	8,000,000	USD	7,161,200	0.56
REPUBLIC OF CHI 3.5000 22-34 31/01S	4,000,000	USD	3,575,880	0.28
			<b>70,086,842</b>	<b>5.50</b>
<b>Colombia</b>				
COLOMBIA 10.375 03-33 28/01S	1,750,000	USD	2,100,989	0.16
COLOMBIA 4.1250 21-42 22/02S	6,000,000	USD	4,303,440	0.34
COLOMBIA 5.20 19-49 15/05S	14,000,000	USD	10,988,460	0.86
COLOMBIA 5.625 14-44 26/02S	5,000,000	USD	4,213,875	0.33
COLOMBIA 6.125 09-41 18/01S	10,000,000	USD	9,119,750	0.72
COLOMBIA 7.5 23-49 02/02S	25,975,000	USD	27,460,250	2.15
COLOMBIA 8 22-33 20/04S	14,200,000	USD	15,538,776	1.22
COLOMBIA 8.0000 23-35 14/11S	3,115,000	USD	3,413,277	0.27
COLOMBIA 8.75 23-53 14/11S	3,753,000	USD	4,324,394	0.34
COLOMBIA TELECOM 4.95 20-30 17/07S	7,000,000	USD	4,325,895	0.34
			<b>85,789,106</b>	<b>6.73</b>
<b>Costa Rica</b>				
COSTA RICA 4.375 13-25 30/04S	14,000,000	USD	13,868,470	1.09
COSTA RICA 6.125 19-31 19/02S	5,000,000	USD	5,129,925	0.40
COSTA RICA 6.55 23-34 03/04S	15,000,000	USD	15,579,375	1.22
COSTA RICA GOVE 7.3000 23-54 13/11S	4,961,000	USD	5,400,272	0.42
			<b>39,978,042</b>	<b>3.13</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Croatia</b>				
CROATIA 1.50 20-31 17/06A	8,000,000	EUR	7,933,420	0.62
CROATIA 1.75 21-41 04/03A	5,000,000	EUR	4,206,065	0.33
CROATIA 6.00 13-24 26/01S	15,000,000	USD	15,015,375	1.18
			<b>27,154,860</b>	<b>2.13</b>
<b>Dominican Republic</b>				
DOMINICAN REPUBLIC 13.625 23-33 03/02S	290,000,000	DOP	5,993,121	0.47
DOMINICAN REPUBLIC 4.5 20-30 30/01S	7,000,000	USD	6,454,035	0.51
DOMINICAN REPUBLIC 5.3 21-41 21/01S	10,000,000	USD	8,690,350	0.68
DOMINICAN REPUBLIC 5.50 15-25 27/01S	13,000,000	USD	12,949,495	1.02
DOMINICAN REPUBLIC 5.875 20-60 30/01S	12,000,000	USD	10,414,020	0.82
DOMINICAN REPUBLIC 5.95 17-27 25/01S	9,000,000	USD	9,052,785	0.71
DOMINICAN REPUBLIC 6 22-33 22/02S	10,000,000	USD	9,866,450	0.77
DOMINICAN REPUBLIC 6.00 18-28 19/07S	10,000,000	USD	10,029,250	0.79
DOMINICAN REPUBLIC 6.40 19-49 05/06S	9,000,000	USD	8,500,050	0.67
DOMINICAN REPUBLIC 6.50 18-48 15/12S	7,000,000	USD	6,696,795	0.53
DOMINICAN REPUBLIC 7.05 23-31 03/02A	5,000,000	USD	5,264,200	0.41
DOMINICAN REPUBLIC I 11.25 23-25 15/09S	260,100,000	DOP	4,759,710	0.37
			<b>98,670,261</b>	<b>7.74</b>
<b>Georgia</b>				
GEORGIAN RAILWAY JSC 4 21-28 17/06S	10,000,000	USD	9,216,800	0.72
			<b>9,216,800</b>	<b>0.72</b>
<b>Guatemala</b>				
CT TRUST 5.1250 22-32 03/02S	5,000,000	USD	4,360,300	0.34
GUATEMALA 4.375 17-27 05/06S	4,000,000	USD	3,843,160	0.30
GUATEMALA 4.5 16-49 03/05S	9,000,000	USD	8,745,345	0.69
GUATEMALA 4.90 19-30 01/06S	3,000,000	USD	2,895,060	0.23
GUATEMALA 5.25 22-29 10/08S	3,000,000	USD	2,948,310	0.23
GUATEMALA GOVERNMENT 7.05 23-32 04/10S	3,000,000	USD	3,197,400	0.25
			<b>25,989,575</b>	<b>2.04</b>
<b>Honduras</b>				
HONDURAS 6.25 17-27 19/01S	2,500,000	USD	2,403,575	0.19
			<b>2,403,575</b>	<b>0.19</b>
<b>Hong Kong</b>				
CK HUTCHISON 4.875 23-33 21/04S	13,000,000	USD	13,027,170	1.02
			<b>13,027,170</b>	<b>1.02</b>
<b>Hungary</b>				
HUNGARY 3.125 21-51 21/09S	12,000,000	USD	8,161,440	0.64
HUNGARY 4.25 22-31 16/06A	11,000,000	EUR	12,199,026	0.96
HUNGARY 5.0000 22-27 22/02A	10,500,000	EUR	12,115,669	0.95
HUNGARY 5.25 22-29 16/06S	1,000,000	USD	1,007,375	0.08
HUNGARY 5.375 14-24 25/03S	1,498,000	USD	1,498,307	0.12
HUNGARY 5.375 23-33 12/09A	7,440,000	EUR	8,799,281	0.69
HUNGARY 5.5 22-34 16/06S	4,500,000	USD	4,586,490	0.36
HUNGARY 6.25 23-32 22/09S	5,000,000	USD	5,345,600	0.42
HUNGARY 6.75 23-52 25/09S	5,000,000	USD	5,606,600	0.44
HUNGARY 7.625 11-41 29/03S	10,000,000	USD	11,985,650	0.94
MAGYAR EXPORT-I 6.0000 23-29 16/05A	6,485,000	EUR	7,610,238	0.60
			<b>78,915,676</b>	<b>6.19</b>
<b>India</b>				
GREENKO DUTCH B.V. 3.85 21-26 29/03S	4,162,500	USD	3,886,568	0.30
GREENKO POWER II LTD 4.3 21-28 13/12S	4,590,000	USD	4,165,494	0.33
GREENKO SOLAR 5.95 19-26 29/07S	8,000,000	USD	7,781,000	0.61
			<b>15,833,062</b>	<b>1.24</b>
<b>Indonesia</b>				
INDONESIA 1.10 21-33 12/03A	3,000,000	EUR	2,629,835	0.21
INDONESIA 1.4 19-31 30/10A	6,000,000	EUR	5,626,955	0.44
INDONESIA 3.8500 20-30 15/10S	2,000,000	USD	1,912,010	0.15
PERUSAHAAN PENE 4.7000 22-32 06/06S	8,000,000	USD	8,055,600	0.63
			<b>18,224,400</b>	<b>1.43</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Ivory Coast</b>				
IVORY COAST 4.8750 20-32 30/01A	14,500,000	EUR	13,539,289	1.06
IVORY COAST 6.125 17-33 15/06S	5,000,000	USD	4,612,875	0.36
			<b>18,152,164</b>	<b>1.42</b>
<b>Jamaica</b>				
JAMAICA 7.875 15-45 28/07S	10,000,000	USD	12,234,250	0.96
			<b>12,234,250</b>	<b>0.96</b>
<b>Macedonia</b>				
MACEDONIA GOVERNMENT 6.25 23-27 15/02A	11,626,000	EUR	13,456,733	1.06
			<b>13,456,733</b>	<b>1.06</b>
<b>Malaysia</b>				
KHAZANAH CAPITAL LTD 4.876 23-33 01/06S	8,500,000	USD	8,545,220	0.67
			<b>8,545,220</b>	<b>0.67</b>
<b>Mexico</b>				
MEXICO 1.75 18-28 17/04A	2,500,000	EUR	2,572,882	0.20
MEXICO 2.125 21-51 25/10A	5,000,000	EUR	3,353,027	0.26
MEXICO 3.75 21-71 19/04S	16,500,000	USD	11,040,810	0.87
MEXICO 3.771 20-61 24/05S	10,000,000	USD	6,803,300	0.53
MEXICO 4.28 21-41 14/08S	15,000,000	USD	12,435,975	0.98
MEXICO 4.75 20-32 27/04S	10,000,000	USD	9,649,350	0.76
MEXICO 5.0000 20-51 27/04S	4,500,000	USD	3,914,235	0.31
MEXICO 5.55 14-45 21/01S	10,000,000	USD	9,566,950	0.75
MEXICO 5.75 10-10 12/10S	5,000,000	USD	4,488,075	0.35
MEXICO 6.3380 23-53 04/05S	1,897,000	USD	1,936,799	0.15
MEXICO 7.75 11-42 13/11S	4,500,000	MXN	23,400,684	1.83
			<b>89,162,087</b>	<b>6.99</b>
<b>Montenegro</b>				
MONTENEGRO 2.55 19-29 03/10A	5,000,000	EUR	4,550,026	0.36
MONTENEGRO 2.875 20-27 16/12A	4,000,000	EUR	3,886,424	0.30
			<b>8,436,450</b>	<b>0.66</b>
<b>Morocco</b>				
MOROCCO 4.00 20-50 15/12S	14,000,000	USD	10,116,820	0.79
MOROCCO 5.95 23-28 08/03S	8,960,000	USD	9,208,058	0.72
			<b>19,324,878</b>	<b>1.52</b>
<b>Panama</b>				
PANAMA 2.2520 20-32 29/09S	10,000,000	USD	7,332,650	0.57
PANAMA 4.30 13-53 29/04S	3,000,000	USD	2,015,910	0.16
PANAMA 4.50 18-50 16/04S	3,000,000	USD	2,090,175	0.16
PANAMA 6.4 22-35 14/02S	13,000,000	USD	12,721,215	1.00
PANAMA 6.70 06-36 26/01S	6,000,000	USD	5,964,690	0.47
PANAMA 6.853 23-54 28/03S	2,045,000	USD	1,919,161	0.15
PANAMA GOVERNMENT INT 6.875 23-36 31/01S	7,500,000	USD	7,505,400	0.59
			<b>39,549,201</b>	<b>3.10</b>
<b>Peru</b>				
COFIDE 2.4 20-27 28/09S	6,400,000	USD	5,705,376	0.45
COFIDE 4.75 15-25 15/07S	6,000,000	USD	5,932,410	0.47
LIMA METRO LINE 2 FIN 4.35 19-36 05/04Q	6,999,723	USD	6,407,197	0.50
PERU 1.25 21-33 11/03A	8,000,000	EUR	6,958,676	0.55
PERU 1.95 21-36 17/11A	18,000,000	EUR	15,032,674	1.18
PERU 3 21-34 15/01S	10,000,000	USD	8,458,900	0.66
PERU 3.23 20-21 28/07S	11,000,000	USD	6,881,215	0.54
PERU 3.3 21-41 11/03S	5,000,000	USD	3,900,300	0.31
PERU 3.60 21-72 15/01S	8,000,000	USD	5,659,280	0.44
PERU 6.55 07-37 14/03S	7,000,000	USD	7,813,645	0.61
			<b>72,749,673</b>	<b>5.70</b>
<b>Philippines</b>				
PHILIPPINES 1.20 21-33 28/04A	11,000,000	EUR	9,782,466	0.77
			<b>9,782,466</b>	<b>0.77</b>
<b>Poland</b>				
POLAND 3.875 23-33 14/02A	15,000,000	EUR	17,286,640	1.36

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
POLAND 4.00 14-24 22/01S	5,400,000	USD	5,397,975	0.42
POLAND 4.25 23-43 14/02A	13,000,000	EUR	15,163,343	1.19
			<b>37,847,958</b>	<b>2.97</b>
<b>Romania</b>				
ROMANIA 2.125 22-28 07/03A	15,000,000	EUR	15,066,791	1.18
ROMANIA 3.375 18-38 08/02A	8,000,000	EUR	6,940,074	0.54
ROMANIA 3.3750 20-50 28/01A	16,000,000	EUR	12,074,178	0.95
ROMANIA 3.75 22-34 07/02A	10,000,000	EUR	9,532,577	0.75
ROMANIA 5.25 22-27 25/05S	13,000,000	USD	12,930,580	1.01
ROMANIA 6 22-34 25/05A	9,000,000	USD	9,084,285	0.71
ROMANIA 6.375 23-33 18/09A	8,125,000	EUR	9,498,136	0.74
ROMANIA 7.125 23-33 17/01S	4,000,000	USD	4,324,340	0.34
			<b>79,450,961</b>	<b>6.23</b>
<b>Senegal</b>				
SENEGAL 5.375 21-37 08/06A	15,509,000	EUR	12,691,398	1.00
SENEGAL 6.25 17-33 23/05S	13,491,000	USD	12,086,250	0.95
SENEGAL 6.75 18-48 13/03S	3,000,000	USD	2,366,970	0.19
			<b>27,144,618</b>	<b>2.13</b>
<b>Serbia</b>				
SERBIA 1.5 19-29 26/06A	5,333,000	EUR	4,987,021	0.39
SERBIA 1.65 21-33 03/03A	8,500,000	EUR	6,968,765	0.55
SERBIA 2.0500 21-36 23/09A	3,000,000	EUR	2,314,131	0.18
SERBIA 3.1250 20-27 15/05A	6,000,000	EUR	6,353,571	0.50
SERBIE INTERNATIONAL 1.00 21-28 23/09A	4,000,000	EUR	3,740,853	0.29
			<b>24,364,341</b>	<b>1.91</b>
<b>South Africa</b>				
SOUTH AFRICA 5.65 17-47 27/09S	6,000,000	USD	4,814,310	0.38
SOUTH AFRICA 5.75 19-49 30/09S	6,000,000	USD	4,813,350	0.38
SOUTH AFRICA 5.875 22-32 20/04S	4,000,000	USD	3,800,560	0.30
SOUTH AFRICA 7.3 22-52 20/04S	5,000,000	USD	4,750,125	0.37
			<b>18,178,345</b>	<b>1.43</b>
<b>Turkey</b>				
COCA-COLA ICECEK AS 4.5 22-29 20/01S	6,000,000	USD	5,524,470	0.43
WE SODA INVESTMENTS 9.5 23-28 06/10S	11,500,000	USD	11,938,035	0.94
			<b>17,462,505</b>	<b>1.37</b>
<b>United Arab Emirates</b>				
EMIRATES NBD BANK 5.875 23-28 11/10S	7,559,000	USD	7,837,360	0.61
MASDAR ABU DHABI FUT 4.875 23-33 25/07S	11,000,000	USD	10,914,860	0.86
			<b>18,752,220</b>	<b>1.47</b>
<b>Uruguay</b>				
URUGUAY 4.125 12-45 20/11S	3,000,000	USD	2,733,045	0.21
URUGUAY 4.975 18-55 20/04S	3,000,000	USD	2,935,575	0.23
URUGUAY 7.875 03-33 15/01S	3,000,000	USD	3,674,865	0.29
URUGUAY 9.75 23-33 20/07S	505,000,000	UYU	13,121,398	1.03
			<b>22,464,883</b>	<b>1.76</b>
<b>Total bonds</b>			<b>1,162,485,773</b>	<b>91.14</b>
<b>Floating rate notes</b>				
<b>Brazil</b>				
BRAZIL MINAS SPE REGS FL.R 13-28 15/02S	1,350,000	USD	1,332,308	0.10
			<b>1,332,308</b>	<b>0.10</b>
<b>Ivory Coast</b>				
IVORY COAST 5.75 09-32 31/12S	4,535,560	USD	4,298,214	0.34
			<b>4,298,214</b>	<b>0.34</b>
<b>Namibia</b>				
NAMIBIA 5.25 15-25 29/10S	17,000,000	USD	16,841,645	1.32
			<b>16,841,645</b>	<b>1.32</b>
<b>Total floating rate notes</b>			<b>22,472,167</b>	<b>1.76</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,193,129,745</b>	<b>93.55</b>
<b>Total investment portfolio</b>			<b>1,193,129,745</b>	<b>93.55</b>
Acquisition cost			1,201,973,544	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Emerging Markets

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

Dominican Republic	7.74
Mexico	7.63
Colombia	6.73
Romania	6.23
Hungary	6.19
Peru	5.70
Chile	5.50
Brazil	4.20
Costa Rica	3.13
Panama	3.10
Poland	2.97
Bulgaria	2.63
Albania	2.42
Croatia	2.13
Senegal	2.13
Guatemala	2.04
Serbia	1.91
Bermuda	1.85
Ivory Coast	1.76
Uruguay	1.76
Morocco	1.52
United Arab Emirates	1.47
Indonesia	1.43
South Africa	1.43
Turkey	1.37
Namibia	1.32
India	1.24
Macedonia	1.06
Hong Kong	1.02
Jamaica	0.96
Philippines	0.77
Georgia	0.72
Malaysia	0.67
Montenegro	0.66
Honduras	0.19
	<b>93.55</b>

**Economic breakdown (in % of net assets)**

Bonds of States, Provinces and municipalities	78.14
Banks and other financial institutions	6.96
Investments funds	2.37
Real estate	1.79
Utilities	1.50
Foods and non alcoholic drinks	0.99
Transportation	0.72
Graphic art and publishing	0.63
Communication	0.34
Banks and other financial institutions	0.10
	<b>93.55</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Australia</b>				
CWTH BK AUSTRALIA 0.50 16-26 27/07A	724,000	EUR	681,063	0.07
NATL AUSTRALIA BANK 2.125 22-28 24/05A	2,500,000	EUR	2,422,400	0.24
NATL AUSTRALIA BANK 3.2627 23-26 13/02A	2,438,000	EUR	2,450,690	0.24
TELSTRA CORPORATION 1 20-30 23/04A	518,000	EUR	463,882	0.05
TELSTRA CORPORATION 1.375 19-29 26/03A	1,000,000	EUR	928,870	0.09
WESTPAC BANKING CORP 0.766 21-31 13/05A	1,600,000	EUR	1,469,520	0.15
			<b>8,416,425</b>	<b>0.84</b>
<b>Austria</b>				
AUSTRIA 0.9 22-32 20/02A	22,187,000	EUR	19,523,672	1.95
AUSTRIA 0.00 22-28 20/10U	4,500,000	EUR	4,032,248	0.40
AUSTRIA 0.50 17-27 20/04A	2,510,000	EUR	2,369,704	0.24
AUSTRIA 0.75 16-26 20/10A	2,842,000	EUR	2,722,565	0.27
AUSTRIA 1.50 16-47 20/02A	3,810,000	EUR	2,928,557	0.29
AUSTRIA 1.85 22-49 23/05A	9,937,000	EUR	8,125,981	0.81
			<b>39,702,727</b>	<b>3.96</b>
<b>Belgium</b>				
BELFIUS SANV 3.875 23-28 12/06A	5,800,000	EUR	5,942,622	0.59
BELGIUM 0.3 21-31 20/10A	2,000,000	EUR	1,657,790	0.17
BELGIUM 0.35 22-32 22/06A	800,000	EUR	668,776	0.07
BELGIUM 0.375 20-30 15/04A	4,000,000	EUR	3,476,560	0.35
BELGIUM 0.9 19-29 22/06A	1,500,000	EUR	1,394,445	0.14
BELGIUM 1.25 18-33 22/04A	10,466,000	EUR	9,373,192	0.93
BELGIUM 1.60 16-47 22/06A	6,789,400	EUR	5,112,893	0.51
BELGIUM 2.75 22-39 22/04A	3,200,000	EUR	3,123,904	0.31
COMMUNAUTE FLAMANDE 0.375 16-26 13/10A	600,000	EUR	562,869	0.06
COMMUNAUTE FLAMANDE 1.375 18-33 21/11A	1,000,000	EUR	869,260	0.09
ELIA SYSTEM OP SA/NV 3.25 13-28 04/04A	500,000	EUR	505,700	0.05
ELIA SYSTEMS OP 1.375 15-24 27/05A	200,000	EUR	197,969	0.02
ELIA TRANSMISSION BE 0.875 20-30 28/04A	500,000	EUR	436,640	0.04
FLEMISH COM 3.25 23-33 05/04A	1,400,000	EUR	1,438,493	0.14
FLEMISH COMMUNITY 0.125 20-35 15/10A	500,000	EUR	358,440	0.04
KBC BANK SA 0.00 20-25 03/06U	2,400,000	EUR	2,273,256	0.23
KBC GROUPE SA 0.7500 20-30 24/01A	1,500,000	EUR	1,290,188	0.13
PROXIMUS SA 4.0 23-30 08/03A	3,000,000	EUR	3,141,870	0.31
PROXIMUS SA 4.125 23-33 17/11A	1,300,000	EUR	1,388,478	0.14
PROXIMUS SADP 0.7500 21-36 17/11A	900,000	EUR	654,084	0.07
UCB SA 1.0000 21-28 30/03A	2,500,000	EUR	2,230,288	0.22
			<b>46,097,717</b>	<b>4.60</b>
<b>Canada</b>				
CANADA 0 20-30 29/10A	2,000,000	EUR	1,666,290	0.17
CANADA 0.00 19-29 15/10U	600,000	EUR	515,220	0.05
CANADA 0.875 15-25 21/01A	900,000	EUR	877,703	0.09
CANADA 0.875 17-27 04/05A	2,330,000	EUR	2,200,266	0.22
CANADIAN IMPERIAL BA 0.375 19-24 03/05A	1,001,000	EUR	989,138	0.10
NATL BANK OF CANADA 3.75 23-28 25/01A	2,642,000	EUR	2,676,571	0.27
RBC TORONTO 0.25 19-24 02/05A	1,274,000	EUR	1,258,833	0.13
TORONTO DOMINION BANK 0.625 18-25 06/06A	549,000	EUR	529,299	0.05
TORONTO DOMINION BK 0.375 19-24 25/04A	1,384,000	EUR	1,368,818	0.14
TORONTO DOMINION BK 1.952 22-30 08/04A	1,000,000	EUR	919,125	0.09
			<b>13,001,263</b>	<b>1.30</b>
<b>Croatia</b>				
CROATIA 1.125 19-29 19/06A	464,000	EUR	422,370	0.04
CROATIA 2.75 17-30 27/01A	1,100,000	EUR	1,090,117	0.11
CROATIA 3.00 17-27 20/03A	100,000	EUR	100,372	0.01
			<b>1,612,859</b>	<b>0.16</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Denmark</b>				
NYKREDIT REALKREDIT 0.5 20-25 11/06A	3,000,000	EUR	2,868,375	0.29
VESTAS WIND SYSTEMS 1.5000 22-29 15/06A	1,000,000	EUR	916,735	0.09
VESTAS WIND SYSTEMS A 4.125 23-26 15/06A	3,528,000	EUR	3,590,022	0.36
			<b>7,375,132</b>	<b>0.74</b>
<b>Estonia</b>				
ESTONIA 0.125 20-30 10/06A	1,172,000	EUR	976,194	0.10
			<b>976,194</b>	<b>0.10</b>
<b>European Union</b>				
BANQUE EUROP INVEST 0 21-31 14/01A	3,000,000	EUR	2,522,910	0.25
BANQUE EUROP INVEST 0.05 22-29 15/11A	9,000,000	EUR	7,856,729	0.78
BANQUE EUROP INVEST 0.375 18-26 15/05A	1,483,000	EUR	1,414,463	0.14
BANQUE EUROP INVEST 1.125 17-33 13/04A	2,610,000	EUR	2,297,570	0.23
BEI 2.75 12-25 15/09A	2,000,000	EUR	2,003,280	0.20
BEI 4.00 05-37 15/10A	4,500,000	EUR	5,104,260	0.51
COUNCIL OF EUROPE 0.00 21-31 20/01U	3,100,000	EUR	2,609,131	0.26
COUNCIL OF EUROPE 0.125 17-24 10/04A	450,000	EUR	445,709	0.04
COUNCIL OF EUROPE DE 2.875 23-33 17/01A	2,000,000	EUR	2,045,570	0.20
EFSF 2.75 13-29 03/12A	1,000,000	EUR	1,015,795	0.10
EURO FI 1.5 22-25 15/12A	5,900,000	EUR	5,775,717	0.58
EURO UNIO BILL 0 20-25 04/11A	4,500,000	EUR	4,300,403	0.43
EURO UNIO BILL 0.00 20-30 04/10U	100,000	EUR	84,951	0.01
EURO UNIO BILL 0.00 21-28 02/06U	6,500,000	EUR	5,868,265	0.59
EURO UNIO BILL 0.3 20-50 04/11A	1,200,000	EUR	613,224	0.06
EURO UNIO BILL 1.25 18-33 04/04A	1,500,000	EUR	1,337,318	0.13
EUROP FIN STABILITY 0.00 21-31 20/01U	2,500,000	EUR	2,096,125	0.21
EUROP FIN STABILITY 0.05 19-29 17/10A	1,500,000	EUR	1,307,160	0.13
EUROP FIN STABILITY 0.2 15-25 28/04A	2,000,000	EUR	1,930,850	0.19
EUROP FIN STABILITY 0.4 18-25 17/02A	1,500,000	EUR	1,457,663	0.15
EUROP FIN STABILITY 0.875 17-27 26/07A	4,382,000	EUR	4,160,599	0.41
EUROP FIN STABILITY 0.875 19-35 10/04A	2,300,000	EUR	1,883,850	0.19
EUROP FIN STABILITY 1.25 17-33 24/05A	755,000	EUR	669,345	0.07
EUROP FIN STABILITY 3 13-34 04/09A	1,000,000	EUR	1,025,255	0.10
EUROPEAN STABILITY 0 21-26 15/12A	3,381,000	EUR	3,150,872	0.31
EUROPEAN STABILITY 1.125 16-32 03/05A	616,000	EUR	550,645	0.05
EUROPEAN STABILITY M 3.00 23-33 23/08A	1,500,000	EUR	1,551,383	0.15
EUROPEAN UNION 0.00 21-31 04/07U	2,490,000	EUR	2,065,106	0.21
EUROPEAN UNION 0.4 21-37 04/02A	10,956,000	EUR	8,113,300	0.81
EUROPEAN UNION 1.00 22-32 06/07A	3,000,000	EUR	2,642,595	0.26
EUROPEAN UNION 2.0 22-27 04/10A	12,847,000	EUR	12,660,910	1.26
EUROPEAN UNION 3.0 22-53 04/03A	1,729,909	EUR	1,695,069	0.17
EUROPEAN UNION 3.00 11-26 04/09A	1,000,000	EUR	1,015,885	0.10
			<b>93,271,907</b>	<b>9.30</b>
<b>Finland</b>				
FINLAND 0.5 18-28 15/09A	4,500,000	EUR	4,142,520	0.41
FINLAND 0.5 19-29 15/09A	3,150,000	EUR	2,849,396	0.28
FINLAND 1.125 18-34 15/04A	5,250,000	EUR	4,563,090	0.46
FINNVERA 0.50 16-26 13/04A	1,150,000	EUR	1,096,203	0.11
NOKIA OYJ 4.375 23-31 21/08A	1,354,000	EUR	1,364,250	0.14
NORDEA BANK ABP 1.125 22-27 16/02A	1,500,000	EUR	1,410,225	0.14
OP CORPORATE BA 0.6250 22-27 27/07A	1,030,000	EUR	936,770	0.09
OP CORPORATE BANK 0.1 20-27 16/11A/11A	2,000,000	EUR	1,782,550	0.18
STORA ENSO OYJ 4.0 23-26 01/06A	1,667,000	EUR	1,687,362	0.17
			<b>19,832,366</b>	<b>1.98</b>
<b>France</b>				
AFD 2.25 14-26 28/05A	1,000,000	EUR	987,840	0.10
AGENCE FRANCAISE 0.1250 21-31 29/09A	2,000,000	EUR	1,631,700	0.16
AGENCE FRANCAISE DEV 0.25 19-29 29/06A	700,000	EUR	614,023	0.06
AGENCE FRANCAISE DEV 0.50 18-25 31/10A	300,000	EUR	287,483	0.03

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
AGENCE FRANCAISE DEVPT 1.5 18-34 31/10A	2,000,000	EUR	1,749,650	0.17
AIR LIQUIDE FINANCE 0.6250 19-30 20/06A	600,000	EUR	526,845	0.05
AIR LIQUIDE FINANCE 2.875 22-32 16/09A	1,000,000	EUR	999,900	0.10
AXA 3.625 23-33 10/01A	1,234,000	EUR	1,310,070	0.13
AXA SA 1.125 16-28 15/05A	1,100,000	EUR	1,034,952	0.10
BANQUE FED CRED 4.1250 23-30 18/09A	3,100,000	EUR	3,257,418	0.32
BFCM 0.25 21-28 29/06A	1,000,000	EUR	881,945	0.09
BFCM 1.875 19-29 18/06A	2,000,000	EUR	1,828,730	0.18
BFCM 5.125 23-33 13/01A	600,000	EUR	644,034	0.06
BFCM BANQUE FEDERATI 3.875 23-28 26/01A	700,000	EUR	711,428	0.07
BFCM EMTN 4.00 22-29 21/11A	1,600,000	EUR	1,658,680	0.17
BNP PARIBAS SA FL.R 20-27 14/10A	1,500,000	EUR	1,384,853	0.14
BPCE 0.125 19-24 04/12A	500,000	EUR	485,165	0.05
BPCE SFH 0.125 21-30 03/06A	2,100,000	EUR	1,750,928	0.17
BPIFRANCE 3.125 23-33 25/05A	5,000,000	EUR	5,160,050	0.51
CA 4.0 23-33 18/01A	2,100,000	EUR	2,211,521	0.22
CAISSE DEPOTS CONS 0.01 20-25 15/09A	1,300,000	EUR	1,236,430	0.12
CAPGEMINI SE 0.625 20-25 23/06A	1,500,000	EUR	1,441,043	0.14
CAPGEMINI SE 1.125 20-30 23/06A	1,500,000	EUR	1,340,880	0.13
COMPAGNIE DE SAINT G 3.75 23-26 29/11A	3,300,000	EUR	3,356,711	0.33
CREDIT AGRICOLE 0.375 19-25 21/10A	1,400,000	EUR	1,334,998	0.13
CREDIT AGRICOLE LDN 1.375 17-27 03/05A	2,000,000	EUR	1,897,080	0.19
CREDIT AGRICOLE LDN 1.875 16-26 20/12A	1,200,000	EUR	1,156,356	0.12
CREDIT AGRICOLE SA 2.625 15-27 17/03A	200,000	EUR	194,132	0.02
CREDIT MUTUEL ARKEA 0.375 19-28 03/10A	400,000	EUR	350,460	0.03
DANONE 3.47 23-31 22/05A	3,200,000	EUR	3,292,080	0.33
DANONE SA 0 21-25 01/06A	1,700,000	EUR	1,605,999	0.16
DANONE SA 0.395 20-29 10/06A	200,000	EUR	176,010	0.02
DANONE SA 1.125 15-25 14/01A	200,000	EUR	195,135	0.02
DANONE SA 3.706 23-29 13/11A	3,500,000	EUR	3,650,605	0.36
DANONE SA EMTN 1.208 16-28 03/11A	200,000	EUR	186,703	0.02
EDENRED SA 1.875 17-27 30/03A	1,000,000	EUR	965,830	0.10
EDENRED SA 3.625 23-26 13/12A	1,600,000	EUR	1,623,336	0.16
FRANCE 0.5 16-25 14/06A	1,500,000	EUR	1,445,558	0.14
FRANCE 0.5 18-29 25/05A	8,500,000	EUR	7,760,202	0.77
FRANCE 0.5 20-44 25/06A	13,019,000	EUR	8,151,520	0.81
FRANCE 0.50 15-26 25/05A	7,000,000	EUR	6,703,304	0.67
FRANCE 0.75 19-52 25/05A	200,000	EUR	114,553	0.01
FRANCE 0.7500 22-28 25/02A	12,800,000	EUR	12,060,607	1.20
FRANCE 1.25 15-36 25/05A	2,500,000	EUR	2,116,325	0.21
FRANCE 1.25 17-34 25/04A	3,300,000	EUR	2,900,420	0.29
FRANCE 1.375 17-29 14/03A	700,000	EUR	658,102	0.07
FRANCE 1.50 18-50 25/05A	7,400,000	EUR	5,377,432	0.54
FRANCE 1.75 16-39 25/06A	14,923,000	EUR	12,977,338	1.29
FRANCE 2.00 17-48 25/05A	3,428,000	EUR	2,837,664	0.28
FRANCE 2.75 11-27 25/10A	8,200,000	EUR	8,353,011	0.83
FRANCE 3.25 12-45 25/05A	5,700,000	EUR	5,948,805	0.59
FRANCE 4.50 09-41 25/04A	3,200,000	EUR	3,901,968	0.39
GECINA 0.875 22-33 25/01A	1,800,000	EUR	1,490,076	0.15
ICADE SA 1.125 16-25 17/11A	100,000	EUR	95,267	0.01
KLEPIERRE SA 0.625 19-30 01/07A	1,500,000	EUR	1,252,665	0.12
L OREAL 2.875 23-28 19/05A	1,000,000	EUR	1,006,340	0.10
L OREAL S A 0.875 22-26 29/06A	1,000,000	EUR	954,665	0.10
L OREAL S A 3.375 23-27 23/01A	5,600,000	EUR	5,695,676	0.57
LA BANQUE POSTALE 0.75 21-31 23/06A	600,000	EUR	493,179	0.05
LA BANQUE POSTALE 1.375 19-29 24/04A	2,000,000	EUR	1,815,130	0.18
LA POSTE 2.625 22-28 14/09A	1,000,000	EUR	989,750	0.10
LA POSTE SA 1.45 18-28 30/11A	1,000,000	EUR	931,725	0.09

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
LEGRAND SA 0.375 21-31 06/10A	2,000,000	EUR	1,675,460	0.17
PRAEMIA HEALTHCARE 375 20-30 17/09A	2,000,000	EUR	1,651,270	0.16
REGIE AUTONOME TRANS 0.875 17-27 25/05A	1,000,000	EUR	943,415	0.09
REGION IDF 1.375 18-33 20/06A	100,000	EUR	87,633	0.01
SNCF RESEAU 1.00 16-31 09/11A	500,000	EUR	438,398	0.04
SNCF RESEAU 1.875 17-34 30/03A	1,200,000	EUR	1,086,360	0.11
SOCIETE GENERALE SA FL.R 20-28 22/09A	2,500,000	EUR	2,272,550	0.23
SOCIETE GENERALE SFH 0.01 20-30 11/02A	2,100,000	EUR	1,779,036	0.18
SOCIETE NATIONA 3.1250 22-27 02/11A	1,600,000	EUR	1,622,160	0.16
SPIE SA 2.625 19-26 18/06A	500,000	EUR	489,719	0.05
STE DE FINANCE LOCAL 0.00 19-24 24/05U	1,200,000	EUR	1,181,634	0.12
STE DU GRAND PARIS 1.125 19-34 25/05A05A	1,000,000	EUR	835,785	0.08
SUEZ 1.25 16-28 19/05A	1,200,000	EUR	1,118,694	0.11
UNEDIC 1.25 15-27 21/10A	2,600,000	EUR	2,481,947	0.25
UNIBAIL RODAMCO 0.875 16-25 21/02	100,000	EUR	96,826	0.01
UNIBAIL RODAMCO 0.8750 19-32 29/03A	1,400,000	EUR	1,123,374	0.11
UNION NAT.INTERPRO.EMP 0.00 20-28 25/11U	4,100,000	EUR	3,637,008	0.36
UNION NATIONALE INT 0.00 21-34 25/05A	1,500,000	EUR	1,151,018	0.11
VILLE DE PARIS 1.75 15-31 25/05A	1,000,000	EUR	936,330	0.09
			<b>173,760,902</b>	<b>17.33</b>
<b>Germany</b>				
ADIDAS AG 0.00 20-24 09/09U	900,000	EUR	877,707	0.09
ADIDAS AG 0.0000 20-28 05/10U	3,100,000	EUR	2,741,175	0.27
ADIDAS AG 3.0 22-25 21/11A	1,700,000	EUR	1,702,729	0.17
ALLIANZ FIN II 1.375 16-31 21/04A	1,500,000	EUR	1,378,965	0.14
ALLIANZ FINANCE 0.00 20-25 14/01U	800,000	EUR	773,708	0.08
BUNDESREPUBLIK DEUTS 2.30 23-33 15/02A	6,500,000	EUR	6,668,252	0.67
DEUT TELEKOM INT FIN 1.50 16-28 03/04A	1,000,000	EUR	950,675	0.09
DEUTSCHE BOERSE AG 0.00 21-26 22/02U	3,300,000	EUR	3,106,274	0.31
DEUTSCHE TELEKOM AG 1.75 19-31 25/03A	2,200,000	EUR	2,072,323	0.21
EUROGRID GMBH 1.113 20-32 15/05A	1,400,000	EUR	1,178,254	0.12
GERMANY 0.00 20-35 15/05U	23,000,000	EUR	18,128,829	1.81
GERMANY 0.00 21-31 15/08U	1,000,000	EUR	866,085	0.09
GERMANY 0.00 21-36 15/05U	4,000,000	EUR	3,068,680	0.31
GERMANY 0.00 21-50 15/08U	1,000,000	EUR	559,550	0.06
GERMANY 0.2 19-39 15/08A	967,000	EUR	645,487	0.06
GERMANY 0.50 17-27 16/02A	2,970,000	EUR	2,794,042	0.28
GERMANY 0.625 17-27 08/02A	1,300,000	EUR	1,228,864	0.12
GERMANY 0.625 19-29 05/02A	5,000,000	EUR	4,570,500	0.46
GERMANY 0.75 19-34 03/04A	100,000	EUR	83,167	0.01
GERMANY 2.50 12-44 04/07A	5,100,000	EUR	5,271,131	0.53
GERMANY 3.25 10-42 04/07A	2,000,000	EUR	2,285,320	0.23
HENKEL AG & CO KGAA 2.625 22-27 13/09A	1,000,000	EUR	995,695	0.10
KFW 0.00 20-25 18/02U	1,170,000	EUR	1,131,150	0.11
KFW 0.00 20-30 17/09U	4,000,000	EUR	3,395,440	0.34
KFW 0.00 21-26 15/06U	4,000,000	EUR	3,767,340	0.38
KFW 0.0100 19-27 05/05A	4,316,000	EUR	3,990,142	0.40
KFW 1.125 17-37 15/06A	100,000	EUR	81,761	0.01
KFW 1.25 16-36 04/07A	590,000	EUR	497,343	0.05
KFW 1.25 22-27 30/06A	3,000,000	EUR	2,885,025	0.29
KREDITANSTALT FUER W 2.75 23-30 15/05A	5,097,000	EUR	5,193,333	0.52
KREDITANSTALT FUER W 2.875 23-33 07/06A	5,000,000	EUR	5,129,900	0.51
LAND HESSEN 0.1250 21-31 10/10A	2,000,000	EUR	1,666,370	0.17
LAND HESSEN 2.875 23-33 04/07A	6,000,000	EUR	6,158,759	0.61
LINDE FINANCE BV 0.25 20-27 19/05A	2,100,000	EUR	1,930,803	0.19
MERCK FINANCIAL SERVI 1.875 22-26 15/06A	800,000	EUR	780,208	0.08
MUENCHENER RUECK FL.R 20-41 26/05A	900,000	EUR	748,715	0.07
NRW BANK 0.875 15-25 10/11A	1,000,000	EUR	965,970	0.10

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
NRW.BANK 0.1 20-35 09/07A	3,000,000	EUR	2,212,320	0.22
NRW.BANK 0.25 22-27 16/03A	8,000,000	EUR	7,452,279	0.74
SAP EMTN 1.00 15-25 01/04A	870,000	EUR	852,578	0.09
SIEMENS FINANCIERING 0.125 19-29 05/09A	945,000	EUR	843,540	0.08
SIEMENS FINANCIERING 0.25 20-29 20/02A	500,000	EUR	442,108	0.04
SIEMENS FINANCIERING 2.75 22-30 09/09A	1,500,000	EUR	1,495,043	0.15
VOLKSWAGEN FINANCIAL 3 20-25 06/04A	1,500,000	EUR	1,491,975	0.15
VOLKSWAGEN INTL FIN 4.125 22-25 15/11A	2,200,000	EUR	2,227,973	0.22
VONOVIA SE 1.375 22-26 28/01A	600,000	EUR	573,939	0.06
			<b>117,861,426</b>	<b>11.76</b>
<b>Ireland</b>				
IRELAND 0.9 18-28 15/02A	5,000,000	EUR	4,747,950	0.47
IRELAND 1.35 18-31 18/03A	10,532,000	EUR	9,910,032	0.99
IRELAND 1.70 17-37 15/05A	500,000	EUR	446,558	0.04
SMURFIT KAPPA TSY 0.5000 21-29 22/09A	534,000	EUR	457,761	0.05
SMURFIT KAPPA TSY 1.5 19-27 15/09S	1,300,000	EUR	1,222,852	0.12
			<b>16,785,153</b>	<b>1.67</b>
<b>Italy</b>				
ACEA SPA 1.7500 19-28 23/05A	549,000	EUR	518,517	0.05
BUONI POLIENNAL 1.50 21-45 30/04S	12,891,000	EUR	8,175,342	0.82
BUONI POLIENNAL 3.8500 18-49 01/09S	7,500,000	EUR	7,104,487	0.71
CASSA DEPOSITI 1.00 20-30 11/02A	3,300,000	EUR	2,847,801	0.28
ENEL FI 4.5 23-43 20/02A	1,512,000	EUR	1,562,856	0.16
ENEL FIN INTL 4.0 23-31 20/02A	1,000,000	EUR	1,035,900	0.10
ENEL FINANCE INTL 1.125 18-26 16/09A	400,000	EUR	380,668	0.04
INTE 5.25 22-30 13/01A	800,000	EUR	858,556	0.09
INTESA SAN PAOLO 1.375 15-25 18/12A	200,000	EUR	193,604	0.02
INTESA SANPAOLO 0.75 21-28 16/03A	3,000,000	EUR	2,703,735	0.27
INTESA SANPAOLO SPA 5.625 23-33 08/03A	900,000	EUR	970,353	0.10
ITALY 0.85 19-27 15/01S	12,900,000	EUR	12,189,209	1.22
ITALY 0.95 21-32 01/06S	3,800,000	EUR	3,113,796	0.31
ITALY 1.65 20-30 01/12S	4,500,000	EUR	4,049,190	0.40
ITALY 2.00 18-28 01/02S	10,500,000	EUR	10,157,122	1.01
ITALY 2.25 16-36 01/09S	980,000	EUR	822,882	0.08
ITALY 2.45 16-33 01/09S	9,500,000	EUR	8,634,122	0.86
ITALY 2.8 22-29 15/06S	2,500,000	EUR	2,465,975	0.25
ITALY 3.10 19-40 01/03S	2,800,000	EUR	2,482,102	0.25
ITALY 3.50 14-30 01/03S	4,040,000	EUR	4,119,649	0.41
ITALY 4 22-35 30/04S	9,506,000	EUR	9,721,738	0.97
ITALY 5.00 09-40 01/09S	2,276,000	EUR	2,520,488	0.25
ITALY BTP 6.50 97-27 01/11S	1,060,000	EUR	1,199,872	0.12
UNICREDIT SPA 0.3750 16-26 31/10A	1,000	EUR	932	0.00
UNICREDIT SPA FL.R 22-27 15/11A	1,400,000	EUR	1,484,336	0.15
			<b>89,313,232</b>	<b>8.91</b>
<b>Latvia</b>				
LATVIA 0.25 21-30 23/01A	1,244,000	EUR	1,048,319	0.10
			<b>1,048,319</b>	<b>0.10</b>
<b>Luxembourg</b>				
LUXEMBOURG 0.00 20-32 14/09U	2,456,000	EUR	1,998,226	0.20
LUXEMBOURG 0.625 17-27 01/02A	905,000	EUR	857,198	0.09
			<b>2,855,424</b>	<b>0.28</b>
<b>Netherlands</b>				
ABN AMRO BANK 0.5 19-26 15/04A	672,000	EUR	636,465	0.06
ABN AMRO BANK 0.875 18-25 22/04A	4,083,000	EUR	3,949,445	0.39
ABN AMRO BANK 3.625 23-26 10/01A	1,200,000	EUR	1,209,582	0.12
ABN AMRO BANK 4.25 22-30 21/02A	3,000,000	EUR	3,120,870	0.31
ASML HOLDING NV 0.625 20-29 07/05A	2,177,000	EUR	1,950,396	0.19
ASML HOLDING NV 3.5 23-25 06/12A	3,160,000	EUR	3,186,196	0.32
COOPERATIEVE RA 0.7500 22-32 02/03A	3,400,000	EUR	2,904,467	0.29

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
COOPERATIEVE RABOBANK 0.625 21-33 25/02A	400,000	EUR	319,898	0.03
DSM KONINKLIJKE 1.00 15-25 09/04A	100,000	EUR	97,253	0.01
DSM NV 0.75 16-26 28/09A	1,000,000	EUR	951,260	0.09
ING BANK NEDERLAND NV 4.125 23-26 02/10A	3,500,000	EUR	3,587,395	0.36
ING BANK NV 0.1250 21-31 08/12A	3,000,000	EUR	2,448,180	0.24
ING GROUP NV 0.25 21-30 11/01A	1,500,000	EUR	1,266,758	0.13
ING GROUP NV 0.875 21-32 09/06A	1,000,000	EUR	899,915	0.09
ING GROUP NV 2.5 18-30 15/11A	1,000,000	EUR	959,480	0.10
NEDER WATERSCHAPSBANK 0.125 20-35 03/09A	1,000,000	EUR	734,735	0.07
NEDER WATERSCHAPSBANK 1.25 16-36 27/05A	1,203,000	EUR	1,005,179	0.10
NEDER WATERSCHAPSBANK 1.25 17-32 07/06A	460,000	EUR	412,346	0.04
NETHERLANDS 0.00 20-52 15/01U	800,000	EUR	411,876	0.04
NETHERLANDS 0.00 21-31 15/07U	2,000,000	EUR	1,698,320	0.17
NETHERLANDS 0.25 19-29 15/07A	1,500,000	EUR	1,354,365	0.14
NETHERLANDS 0.50 19-40 15/01A	12,910,000	EUR	9,569,407	0.95
NETHERLANDS 2.50 12-33 15/01A	7,000,000	EUR	7,125,369	0.71
SANDOZ FINANCE BV 3.97 23-27 17/04A	2,418,000	EUR	2,468,053	0.25
TENNET HOLDING BV 0.875 19-30 03/06A	400,000	EUR	371,438	0.04
TENNET HOLDING BV 1.50 19-39 13/06A	100,000	EUR	87,521	0.01
TENNET HOLDING REGS 1.75 15-27 04/06A	500,000	EUR	484,273	0.05
WOLTERS KLUWER 3.0 22-26 23/09A	500,000	EUR	501,308	0.05
WOLTERS KLUWER N.V. 0.75 20-30 03/07A	1,000,000	EUR	869,370	0.09
			<b>54,581,120</b>	<b>5.44</b>
<b>New Zealand</b>				
ANZ NEW ZEALAND INTL 0.895 22-27 23/03A	3,428,000	EUR	3,223,863	0.32
WESTPAC SECURITIES 1.099 22-26 24/03A	3,003,000	EUR	2,853,451	0.28
WESTPAC SECURITIES 1.777 22-26 14/01A	2,000,000	EUR	1,947,800	0.19
			<b>8,025,114</b>	<b>0.80</b>
<b>Portugal</b>				
EDP FINANCE 0.375 19-26 16/09A	864,000	EUR	805,848	0.08
EDP FINANCE BV 1.625 18-26 26/01A	1,000,000	EUR	968,150	0.10
ENERGIAS DE PORTUGAL 3.875 23-28 26/06A	1,000,000	EUR	1,028,995	0.10
			<b>2,802,993</b>	<b>0.28</b>
<b>Romania</b>				
ROMANIA 2.00 20-32 28/01A	6,000,000	EUR	4,651,530	0.46
ROMANIA 2.124 19-31 16/07A	400,000	EUR	319,472	0.03
ROMANIA 3.75 22-34 07/02A	586,000	EUR	505,689	0.05
			<b>5,476,691</b>	<b>0.55</b>
<b>Slovakia</b>				
SLOVAKIA 3.625 23-33 08/06A	4,414,259	EUR	4,573,415	0.46
			<b>4,573,415</b>	<b>0.46</b>
<b>Slovenia</b>				
SLOVENIA 0.125 21-31 01/07A	2,485,000	EUR	2,047,553	0.20
SLOVENIA 0.275 20-30 14/01A	2,154,000	EUR	1,861,476	0.19
			<b>3,909,029</b>	<b>0.39</b>
<b>Spain</b>				
ADIF - ALTA VELOCIDAD 0.55 20-30 30/04AA	1,400,000	EUR	1,196,832	0.12
BANCO BILBAO VIZCAYA 0.75 20-25 04/06A	2,500,000	EUR	2,410,088	0.24
BANCO BILBAO VIZCAYA 1.00 19-26 21/06A	600,000	EUR	570,267	0.06
BANCO DE SABADELL SA 0.125 20-28 10/02A	1,200,000	EUR	1,073,700	0.11
BANCO DE SABADELL SA 0.875 19-25 22/07A	700,000	EUR	673,953	0.07
BBVA 3.375 22-27 20/09A	2,000,000	EUR	2,020,130	0.20
BBVA SA 1.375 18-25 14/05A 18-25 14/05A	300,000	EUR	291,111	0.03
CELLNEX FINANCE CO 2.25 22-26 12/04A	500,000	EUR	486,104	0.05
CELLNEX TELECOM S.A. 1 20-27 20/01A	1,000,000	EUR	924,895	0.09
CELLNEX TELECOM SA 1.875 20-29 26/06A06A	2,000,000	EUR	1,827,742	0.18
COMMUNITY OF MA 0.4190 20-30 30/04A	750,000	EUR	642,529	0.06
IBERDROLA FINANZAS 1.00 17-25 07/03A	2,000,000	EUR	1,944,610	0.19
IBERDROLA FINANZAS 1.25 17-27 13/09A	600,000	EUR	573,609	0.06

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
IBERDROLA FINANZAS 1.621 17-29 29/11A	1,000,000	EUR	950,470	0.09
IBERDROLA FINANZAS 3.375 22-32 22/11A	1,000,000	EUR	1,021,895	0.10
IBERDROLA INTL BV 1.125 16-26 21/04A	300,000	EUR	289,553	0.03
IBERDROLA INTL BV FL.R 20-XX 28/04A	1,000,000	EUR	943,685	0.09
RED ELECTRICA FIN 1.25 18-27 13/03A	600,000	EUR	573,543	0.06
SPAIN 0.00 20-25 31/01U	5,000,000	EUR	4,839,425	0.48
SPAIN 0.7 22-32 30/04A	2,000,000	EUR	1,688,400	0.17
SPAIN 0.80 20-27 30/07A	13,990,000	EUR	13,176,481	1.31
SPAIN 1 21-42 30/07A	8,843,000	EUR	5,922,997	0.59
SPAIN 1.25 20-30 31/10A	850,000	EUR	773,806	0.08
SPAIN 1.571 19-29 30/04A	1,522,000	EUR	1,429,714	0.14
SPAIN 1.60 5-25 30/04A	3,000,000	EUR	2,946,960	0.29
SPAIN 1.85 19-35 30/07A	2,530,000	EUR	2,224,123	0.22
SPAIN 1.9 22-52 31/10A	1,500,000	EUR	1,038,488	0.10
SPAIN 1.95 15-30 30/07A	6,433,000	EUR	6,155,544	0.61
SPAIN 2.35 17-33 30/07A	7,000,000	EUR	6,656,299	0.66
SPAIN 2.55 22-32 31/10A	12,000,000	EUR	11,700,599	1.17
SPAIN 2.90 16-46 31/10A	6,470,000	EUR	5,855,576	0.58
SPAIN 4.20 05-37 31/01A	2,600,000	EUR	2,877,641	0.29
SPAIN 4.3 06-26 15/09A	1,200,000	EUR	1,244,418	0.12
SPAIN 4.90 07-40 30/07A	500,000	EUR	592,528	0.06
SPAIN 5.15 13-44 31/10A	1,132,000	EUR	1,407,891	0.14
TELEFONICA EMISIONES 1.788 19-29 12/03A	200,000	EUR	188,684	0.02
TELEFONICA EMISIONES 2.932 14-29 17/10A	2,000,000	EUR	1,982,050	0.20
			<b>91,116,340</b>	<b>9.09</b>
<b>Supranational</b>				
BANQUE INTERNATIONAL 0 20-30 21/02A	2,400,000	EUR	2,065,644	0.21
BIRD 1.50 16-36 14/01A	1,290,000	EUR	1,126,215	0.11
INTL BK FOR RECONS A 3.1 23-38 14/04A	2,000,000	EUR	2,056,470	0.21
			<b>5,248,329</b>	<b>0.52</b>
<b>Sweden</b>				
SKANDINAVISKA ENSKIL 4.125 23-27 29/06A	1,000,000	EUR	1,030,635	0.10
SKANDINAVISKA ENSKIL 4.375 23-28 06/11A	1,878,000	EUR	1,949,993	0.19
SVENSKA HANDELSBANKE 3.875 23-27 10/05A	3,000,000	EUR	3,063,000	0.31
			<b>6,043,628</b>	<b>0.60</b>
<b>Switzerland</b>				
SIKA CAPITAL BV 3.75 23-26 03/11A	1,848,000	EUR	1,880,294	0.19
			<b>1,880,294</b>	<b>0.19</b>
<b>United Kingdom</b>				
ASTRAZENECA PLC 0.75 16-24 12/05A	500,000	EUR	494,595	0.05
ASTRAZENECA PLC 1.25 16-28 12/05A	1,100,000	EUR	1,036,904	0.10
ASTRAZENECA PLC 3.75 23-32 03/03A	1,000,000	EUR	1,054,320	0.11
GSK CAPITAL BV 3.0 22-27 28/11A	3,092,000	EUR	3,119,070	0.31
NATWEST MARKETS PLC 0.125 21-26 18/06A	2,086,000	EUR	1,934,483	0.19
RECKITT BENCK TREA SE 3.625 23-28 14/09A	2,950,000	EUR	3,052,837	0.30
RECKITT BENCKISER TR 0.375 20-26 19/05A	2,054,000	EUR	1,939,315	0.19
RECKITT BENCKISER TR 0.75 20-30 19/05A	2,000,000	EUR	1,756,130	0.18
RELX FINANCE BV 1.00 17-24 22/03A	400,000	EUR	397,484	0.04
RELX FINANCE BV 1.375 16-26 12/05A	1,150,000	EUR	1,111,826	0.11
RELX FINANCE BV 3.75 23-31 12/06A	663,000	EUR	690,498	0.07
UNILEVER CAPITAL 3.4000 23-33 06/06A	1,952,000	EUR	2,013,956	0.20
UNILEVER FINANCE NET 1.75 20-30 25/03A	1,200,000	EUR	1,126,848	0.11
VODAFONE GROUP 0.90 19-26 24/11A	1,810,000	EUR	1,718,405	0.17
VODAFONE GROUP PLC 2.2 16-26 28/02A	1,800,000	EUR	1,767,933	0.18
			<b>23,214,604</b>	<b>2.32</b>
<b>United States of America</b>				
AIR PROD CHEMICALS 0.5 20-28 05/05A	1,000,000	EUR	904,600	0.09
APPLE INC 1.375 17-29 24/05A	2,000,000	EUR	1,883,000	0.19
AVANTOR FUNDING INC 2.625 20-25 06/11S	1,500,000	EUR	1,471,086	0.15

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
BANK OF AMERICA CORP 4.134 23-28 12/06A	2,000,000	EUR	2,064,290	0.21
COLGATE-PALMOLIVE CO 0.5 19-26 06/03A	1,952,000	EUR	1,858,616	0.19
COLGATE-PALMOLIVE CO 0.875 19-29 12/11S	665,000	EUR	478,920	0.05
CROWN EUROPEAN HLDG 3.375 15-25 15/05S	1,500,000	EUR	1,490,688	0.15
DANAHER CORP 2.5 20-30 30/03A	1,000,000	EUR	971,860	0.10
DH EUROPE FIN 0.20 19-26 18/03A	600,000	EUR	563,688	0.06
DH EUROPE FIN 0.45 19-28 18/03A	2,445,000	EUR	2,211,637	0.22
DH EUROPE FINANCE II 0.75 19-31 18/09A	2,000,000	EUR	1,689,300	0.17
ELI LILLY & CO 0.625 19-31 01/11A	340,000	EUR	292,114	0.03
ELI LILLY & CO 2.125 15-30 03/06A	700,000	EUR	679,553	0.07
EQUINIX INC 0.2500 21-27 15/03A	2,113,000	EUR	1,924,605	0.19
GENERAL MILLS INC 0.45 20-26 15/01A	667,000	EUR	629,808	0.06
GENERAL MILLS INC 3.907 23-29 13/04A	696,000	EUR	719,417	0.07
IQVIA INC 1.75 21-26 03/03S	1,200,000	EUR	1,156,116	0.12
KELLANOVA 1.25 15-25 10/03A	1,000,000	EUR	975,115	0.10
KELLOGG CO 0.5 21-29 20/05A	1,354,000	EUR	1,175,414	0.12
LINDE PLC 0.00 21-26 30/09U	1,600,000	EUR	1,478,760	0.15
MANPOWERGROUP INC 1.75 18-26 22/06A	200,000	EUR	193,756	0.02
MASTERCARD 2.10 15-27 01/12A	2,000,000	EUR	1,950,790	0.19
MERCK & CO INC 1.875 14-26 15/10A	1,000,000	EUR	973,870	0.10
NESTLE FIN 3.5 23-27 13/12A	2,000,000	EUR	2,067,050	0.21
NESTLE FINANCE 0.00001 20-25 3/12A	181,000	EUR	171,911	0.02
NESTLE FINANCE INTER 0 20-33 03/12A	514,000	EUR	398,335	0.04
NESTLE FINANCE INTER 3.375 22-34 15/11A	800,000	EUR	829,760	0.08
NESTLE FINANCE INTL 1.5 20-30 01/04A	1,000,000	EUR	931,030	0.09
PROCTER & GAMBL 0.3500 21-30 05/05A	1,886,000	EUR	1,627,260	0.16
PROCTER & GAMBLE CO 4.875 07-27 11/05A	500,000	EUR	532,683	0.05
PROCTER AND GAMBLE 3.25 23-26 02/08A	2,137,000	EUR	2,159,962	0.22
PROLOGIS EURO FINANCE 0.375 20-28 06/02A	1,083,000	EUR	967,845	0.10
ROCHE FINANCE EUR 3.586 23-36 04/12A	2,413,000	EUR	2,556,875	0.26
SANOFI SA 1.375 18-30 21/03A	1,100,000	EUR	1,017,616	0.10
SANOFI SA 1.5 20-30 30/03A	1,000,000	EUR	930,980	0.09
SCHNEIDER ELECTRIC S 1 20-27 09/04A	1,300,000	EUR	1,232,465	0.12
SCHNEIDER ELECTRIC S 3.25 23-28 12/06A	2,900,000	EUR	2,962,887	0.30
SCHNEIDER ELECTRIC S 3.375 23-25 06/04A	2,000,000	EUR	2,001,760	0.20
SCHNEIDER ELECTRIC SE 1.375 18-27 21/06A	200,000	EUR	190,931	0.02
STELLANTIS NV 2.75 22-32 01/04A	1,200,000	EUR	1,124,376	0.11
STELLANTIS NV 4.375 23-30 14/03A	1,454,000	EUR	1,538,085	0.15
STRYKER 3.375 23-28 11/12A	1,056,000	EUR	1,071,016	0.11
THERMO FISHER SCIEN 1.95 17-29 24/07A	1,000,000	EUR	950,595	0.09
THERMO FISHER SCIENT 0.1250 19-25 01/03A	1,119,000	EUR	1,076,400	0.11
THERMO FISHER SCIENT 1.45 17-27 16/03A	500,000	EUR	478,100	0.05
THERMO FISHER SCIENT 3.2 22-26 21/01A	1,250,000	EUR	1,252,919	0.12
VERIZON COMM 0.875 19-27 08/04A	800,000	EUR	748,684	0.07
VERIZON COMM 2.625 14-31 01/12A31 01/12A	2,500,000	EUR	2,390,850	0.24
VERIZON COMMUNICATIO 0.375 21-29 22/03A	1,000,000	EUR	870,355	0.09
VERIZON COMMUNICATION 3.25 14-26 17/02A	100,000	EUR	100,675	0.01
			<b>59,918,408</b>	<b>5.98</b>
<b>Total bonds</b>			<b>898,701,011</b>	<b>89.63</b>
<b>Floating rate notes</b>				
<b>Belgium</b>				
KBC GROUPE FL.R 22-27 23/11A	2,000,000	EUR	2,049,140	0.20
KBC GROUPE SA FL.R 17-29 18/09A	1,000,000	EUR	975,405	0.10
KBC GROUPE SA FL.R 20-27 16/06A	2,500,000	EUR	2,331,938	0.23
KBC GROUPE SA FL.R 21-31 07/12A	1,800,000	EUR	1,627,839	0.16
			<b>6,984,322</b>	<b>0.70</b>
<b>Canada</b>				
TORONTO DOMINION BANK FL.R 23-25 20/01Q	3,881,000	EUR	3,889,887	0.39

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
			<b>3,889,887</b>	<b>0.39</b>
<b>Denmark</b>				
JYSKE BANK DNK FL.R 21-26 02/09A	3,819,000	EUR	3,588,791	0.36
			<b>3,588,791</b>	<b>0.36</b>
<b>Finland</b>				
NORDEA BANK ABP FL.R 23-34 23/02A	1,259,000	EUR	1,309,184	0.13
			<b>1,309,184</b>	<b>0.13</b>
<b>France</b>				
AXA SA FL.R 21-41 07/04A	3,386,000	EUR	2,803,879	0.28
BNP PARIBAS FL.R 23-31 13/04A	7,500,000	EUR	7,773,562	0.78
BPCE FL.R 22-28 14/01A	2,900,000	EUR	2,649,585	0.26
BPCE SA FL.R 23-35 25/01A	1,500,000	EUR	1,545,360	0.15
CNP ASSURANCES FL.R 23-52 18/07A	1,900,000	EUR	1,970,576	0.20
CREDIT AGRICOLE SA FL.R 20-30 05/06A	1,000,000	EUR	967,030	0.10
CREDIT MUTUEL ARKEA FL.R 20-29 11/06A	2,100,000	EUR	1,908,407	0.19
SG FL.R 23-29 28/09A	500,000	EUR	521,583	0.05
VIGIE FL.R 19-XX 12/09A	1,000,000	EUR	925,010	0.09
			<b>21,064,992</b>	<b>2.10</b>
<b>Germany</b>				
ALLIANZ FINANCE FL.R 21-24 22/11Q	600,000	EUR	603,684	0.06
CMZB FRANCFORT FL.R 23-30 18/01A	1,200,000	EUR	1,258,152	0.13
COMMERZBANK AKTIENG FL.R 23-29 25/03A	1,000,000	EUR	1,051,815	0.10
MERCK KGAA FL.R 19-79 25/06A	1,100,000	EUR	1,073,567	0.11
			<b>3,987,218</b>	<b>0.40</b>
<b>Ireland</b>				
AIB GROUP PLC FL.R 22-26 04/07A26 04/07A	4,000,000	EUR	4,001,460	0.40
AIB GROUP PLC FL.R 23-29 23/07A	546,000	EUR	564,135	0.06
BANK OF IRELAND GRP FL.R 21-27 10/03A	2,000,000	EUR	1,860,490	0.19
			<b>6,426,085</b>	<b>0.64</b>
<b>Italy</b>				
INTESA SANPAOLO FL.R 23-34 20/02A	1,000,000	EUR	1,057,901	0.11
			<b>1,057,901</b>	<b>0.11</b>
<b>Netherlands</b>				
ABN AMRO BANK NV FL.R 22-33 22/02A	2,000,000	EUR	2,059,990	0.21
ING GROEP NV FL.R 21-28 29/09A	2,000,000	EUR	1,777,570	0.18
ING GROUP NV FL.R 17-29 15/02A	400,000	EUR	399,034	0.04
ING GROUP NV FL.R 19-25 03/09A	600,000	EUR	584,916	0.06
ING GROUP NV FL.R 22-26 23/05A	2,000,000	EUR	1,957,150	0.20
			<b>6,778,660</b>	<b>0.68</b>
<b>Norway</b>				
DNB BANK ASA FL.R 22-27 21/09A	6,000,000	EUR	5,985,599	0.60
DNB BANK ASA FL.R 23-27 16/02A	2,265,000	EUR	2,273,426	0.23
			<b>8,259,025</b>	<b>0.82</b>
<b>Portugal</b>				
ENERGIAS DE PORTUGA FL.R 21-82 14/03A	900,000	EUR	810,923	0.08
ENERGIAS DE PORTUGAL FL.R 23-83 23/04A	1,100,000	EUR	1,144,033	0.11
			<b>1,954,956</b>	<b>0.19</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA FL.R 19-29 22/02A	500,000	EUR	498,360	0.05
BANCO BILBAO VIZCAYA FL.R 20-30 16/01A	300,000	EUR	288,786	0.03
BANCO DE BADELL FL.R 23-29 07/02A	600,000	EUR	620,241	0.06
BANCO DE SABADELL FL.R 22-28 10/11A	2,000,000	EUR	2,105,390	0.21
BANCO DE SABADELL SA FL.R 20-27 11/09A	1,200,000	EUR	1,139,718	0.11
BANCO DE SABADELL SA FL.R 22-26 24/03A	1,900,000	EUR	1,863,457	0.19
BBVA FL.R 23-31 13/01A	2,000,000	EUR	2,102,810	0.21
REDELA CORPORACION 23-XX 07/08A	500,000	EUR	510,245	0.05
			<b>9,129,007</b>	<b>0.91</b>
<b>Sweden</b>				
SWEDBANK AB FL.R 21-27 20/05A	4,167,000	EUR	3,852,162	0.38
			<b>3,852,162</b>	<b>0.38</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Sustainable Bond Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>United Kingdom</b>				
NATWEST MKTS FL.R 22-25 27/08Q	2,700,000	EUR	2,725,758	0.27
VODAFONE GROUP PLC FL.R 20-80 27/08A	781,000	EUR	744,171	0.07
			<b>3,469,929</b>	<b>0.35</b>
<b>Total floating rate notes</b>			<b>81,752,119</b>	<b>8.15</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>980,453,130</b>	<b>97.79</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>Supranational</b>				
CANDRIAM SUSTAINABLE BOND GLOBAL CONVERTIBLE Z C	3,100	EUR	3,276,607	0.33
CANDRIAM SUSTAINABLE BOND IMPACT Z C	8,300	EUR	7,300,845	0.73
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	1	EUR	1,089	0.00
			<b>10,578,541</b>	<b>1.06</b>
<b>Total Shares/Units in investment funds</b>			<b>10,578,541</b>	<b>1.06</b>
<b>Total Undertakings for Collective Investment</b>			<b>10,578,541</b>	<b>1.06</b>
<b>Total investment portfolio</b>			<b>991,031,671</b>	<b>98.84</b>
Acquisition cost			1,071,141,061	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

France	19.43
Germany	12.15
Spain	10.00
European Union	9.30
Italy	9.01
Netherlands	6.12
United States of America	5.98
Belgium	5.29
Austria	3.96
United Kingdom	2.66
Ireland	2.32
Finland	2.11
Canada	1.68
Supranational	1.58
Denmark	1.09
Sweden	0.99
Australia	0.84
Norway	0.82
New Zealand	0.80
Romania	0.55
Portugal	0.47
Slovakia	0.46
Slovenia	0.39
Luxembourg	0.28
Switzerland	0.19
Croatia	0.16
Estonia	0.10
Latvia	0.10
	<b>98.84</b>

**Economic breakdown (in % of net assets)**

Bonds of States, Provinces and municipalities	42.24
Banks and other financial institutions	29.39
Supranational Organisations	9.83
Communication	2.32
Pharmaceuticals	2.10
Foods and non alcoholic drinks	1.26
Miscellaneous consumer goods	1.09
Utilities	1.08
Insurance	1.06
Investments funds	1.06
Miscellaneous services	1.03
Electrical engineering	0.93
Real estate	0.92
Electronics and semiconductors	0.89
Textiles and garments	0.53
Transportation	0.46
Building materials	0.38
Internet and internet services	0.36
Banks and other financial institutions	0.32
Office supplies and computing	0.30
Road vehicles	0.27
Chemicals	0.19
Paper and forest products	0.17
Other	0.15
Packaging industries	0.15
Graphic art and publishing	0.14
Healthcare	0.12
Machine and apparatus construction	0.10
Banks and other financial institutions	0.04
	<b>98.84</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Corporate

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Australia</b>				
MACQUARIE GROUP 4.7471 23-30 23/01A	18,065,000	EUR	19,077,272	0.81
TELSTRA CORPORATION 1.375 19-29 26/03A	7,250,000	EUR	6,734,308	0.29
WESTPAC BANKING CORP 3.799 23-30 17/01A	9,000,000	EUR	9,323,280	0.40
			<b>35,134,860</b>	<b>1.50</b>
<b>Austria</b>				
MONDI FINANCE EUROPE 1.625 18-26 27/04A	5,000,000	EUR	4,832,800	0.21
			<b>4,832,800</b>	<b>0.21</b>
<b>Belgium</b>				
AZELIS GROUP 5.75 23-28 15/03S	6,500,000	EUR	6,743,061	0.29
BELFIUS BANQUE SA/NV 4.125 23-29 12/09A	5,000,000	EUR	5,179,400	0.22
BELFIUS SANV 3.875 23-28 12/06A	8,400,000	EUR	8,606,556	0.37
FLUVIUS SYSTEM 0.6250 21-31 24/11A	3,500,000	EUR	2,865,923	0.12
FLUVIUS SYSTEM OPER 3.875 23-31 18/03A	10,000,000	EUR	10,373,800	0.44
FLUVIUS SYSTEM OPERA 3.857 23-33 09/05A	10,900,000	EUR	11,283,190	0.48
FLUVIUS SYSTEM OPERATOR 4 22-32 06/07A	1,400,000	EUR	1,459,794	0.06
PROXIMUS SA 4.0 23-30 08/03A	14,800,000	EUR	15,499,892	0.66
PROXIMUS SA 4.125 23-33 17/11A	29,600,000	EUR	31,614,575	1.35
			<b>93,626,191</b>	<b>3.99</b>
<b>Canada</b>				
TORONTO DOMINION BANK 3.631 22-29 13/12A	22,000,000	EUR	22,294,470	0.95
			<b>22,294,470</b>	<b>0.95</b>
<b>Denmark</b>				
A.P. MOELLER-MAERSK 0.75 21-31 25/11A	100,000	EUR	82,075	0.00
VESTAS WIND SYSTEMS 4.125 23-31 15/06A	9,000,000	EUR	9,300,870	0.40
			<b>9,382,945</b>	<b>0.40</b>
<b>Finland</b>				
NESTE OYJ 3.875 23-29 16/03A	11,000,000	EUR	11,354,090	0.48
NESTE OYJ 3.875 23-31 21/05A	16,375,000	EUR	17,014,280	0.72
NORDEA BKP 4.125 23-28 05/05A	17,700,000	EUR	18,292,596	0.78
OP CORPORATE BANK 0.1 20-27 16/11A/11A	3,000,000	EUR	2,673,825	0.11
STORA ENSO OYJ 4.25 23-29 01/09A	6,100,000	EUR	6,265,493	0.27
			<b>55,600,284</b>	<b>2.37</b>
<b>France</b>				
BANQUE FEDERATIVE DU 4.75 23-31 10/11A	27,000,000	EUR	28,686,419	1.22
BFCM 3.125 22-27 14/09A	21,000,000	EUR	20,947,185	0.89
BNP PARIBAS 0.5000 21-28 30/05A	5,000,000	EUR	4,532,175	0.19
BPCE 3.50 23-28 25/01A	12,000,000	EUR	12,143,580	0.52
BPCE S.A. 0.01 21-27 14/01A	5,000,000	EUR	4,560,625	0.19
BPCE SA 5.1250 23-28 18/01S	15,000,000	USD	13,573,259	0.58
CARMILA 5.5 23-28 09/10A	27,500,000	EUR	28,543,762	1.22
CIE DE SAINT-GO 3.8750 23-30 29/11A	21,200,000	EUR	21,927,160	0.93
COVIVIO 4.6250 23-32 05/06A	12,700,000	EUR	13,195,618	0.56
CREDIT AGRICOLE 5.8750 23-33 25/10A	10,000,000	EUR	11,004,450	0.47
CREDIT AGRICOLE SA 3.875 23-31 20/04A	12,400,000	EUR	12,833,566	0.55
CREDIT MUTUEL ARKEA 0.875 20-27 07/05A	28,000,000	EUR	25,926,040	1.10
CREDIT MUTUEL ARKEA 3.375 22-27 19/09A	23,000,000	EUR	23,109,825	0.98
EDENRED SA 3.625 23-26 13/12A	2,200,000	EUR	2,232,087	0.10
ICADE SA 0.625 21-31 18/01A	10,000,000	EUR	7,910,000	0.34
ICADE SANTE SAS 5.5 23-28 19/09A	20,700,000	EUR	21,697,844	0.92
KERING SA 3.625 23-27 05/09A	12,400,000	EUR	12,689,292	0.54
KLEPIERRE SA 0.625 19-30 01/07A	2,600,000	EUR	2,171,286	0.09
L OREAL 2.875 23-28 19/05A	33,700,000	EUR	33,913,657	1.44
L OREAL S A 3.375 23-27 23/01A	11,500,000	EUR	11,696,478	0.50
LA POSTE 0 21-29 18/01A	2,000,000	EUR	1,694,720	0.07
LA POSTE 0.3750 19-27 17/09A	900,000	EUR	820,139	0.03

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Corporate

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
LA POSTE 0.625 20-26 21/04A	11,300,000	EUR	10,594,598	0.45
LA POSTE 1.375 20-32 21/04A	9,400,000	EUR	8,173,206	0.35
LA POSTE 3.75 23-30 12/06A	27,000,000	EUR	27,985,634	1.19
PRAEMIA HEALTHCARE 0.875 19-29 04/11A	4,100,000	EUR	3,398,613	0.14
PRAEMIA HEALTHCARE 375 20-30 17/09A	6,000,000	EUR	4,953,810	0.21
RTE RESEAU DE TRANS 0.0 19-27 09/09A	14,000,000	EUR	12,600,210	0.54
RTE RESEAU DE TRANSP 3.50 23-31 07/12A	1,200,000	EUR	1,239,270	0.05
SG 4.125 23-28 21/11A	1,000,000	EUR	1,036,150	0.04
SOCIETE GENERALE SA 4.125 23-27 02/06A	15,000,000	EUR	15,394,050	0.66
SOCIETE NATIONALA 3.1250 22-27 02/11A	15,300,000	EUR	15,511,905	0.66
SUEZ 1.875 22-27 24/05A	7,000,000	EUR	6,701,905	0.29
SUEZ SACA 4.50 23-33 13/11A	1,500,000	EUR	1,602,518	0.07
UNIBAIL RODAMCO SE 4.125 23-30 11/12A	18,400,000	EUR	18,941,512	0.81
			<b>443,942,548</b>	<b>18.90</b>
<b>Germany</b>				
COVESTRO AG 4.75 22-28 15/11A	10,600,000	EUR	11,321,065	0.48
DEUTSCHE BAHN 1.375 18-31 28/09A	9,100,000	EUR	8,298,973	0.35
DEUTSCHE BAHN FIN 1.625 18-33 16/08A	12,600,000	EUR	11,226,852	0.48
DEUTSCHE BAHN FIN 3.5 23-27 20/09A	6,000,000	EUR	6,175,110	0.26
DEUTSCHE BAHN FINANC 1.37522-24 03/03A	1,200,000	EUR	1,031,022	0.04
DEUTSCHE BAHN FINANCE 1.875 22-30 24/05A	2,000,000	EUR	1,891,970	0.08
DEUTSCHE BAHN FINANCE 4.0 23-43 23/11A	4,500,000	EUR	4,918,298	0.21
DEUTSCHE BOERSE 3.875 23-26 28/09A	22,300,000	EUR	22,794,949	0.97
DEUTSCHE BOERSE 3.875 23-33 28/09A	2,400,000	EUR	2,556,996	0.11
HOCHTIEF AG 0.625 21-29 26/04A	4,941,000	EUR	4,287,676	0.18
LEG IMMOBILIEN 0.8750 22-29 17/01A	1,000,000	EUR	874,365	0.04
LEG IMMOBILIEN 1.0000 21-32 19/11A	7,500,000	EUR	5,857,575	0.25
LEG IMMOBILIEN SE 0.875 23-29 17/01A	25,000,000	EUR	21,650,750	0.92
LINDE FINANCE BV 0.25 20-27 19/05A	1,300,000	EUR	1,195,259	0.05
SARTORIUS FINAN 4.2500 23-26 14/09A	800,000	EUR	818,712	0.03
SARTORIUS FINAN 4.5000 23-32 14/09A	1,000,000	EUR	1,044,030	0.04
SIEM FI 3.625 23-43 24/02A	4,800,000	EUR	5,003,568	0.21
SIEMENS FINANCIERING 0.625 22-27 25/02A	19,500,000	EUR	18,263,798	0.78
SIEMENS FINANCIERINGS 3.375 23-31 24/08A	10,000,000	EUR	10,327,000	0.44
TRATON FINANCE LUXEM 4.125 22-25 22/11A	11,500,000	EUR	11,592,690	0.49
TRATON FINANCE LUXEM 4.5 23-26 23/11A	3,000,000	EUR	3,066,255	0.13
VOLKSWAGEN INTL FIN 4.25 22-28 15/02A2A	5,000,000	EUR	5,169,600	0.22
VONOVIA FINANCE BV 0.5000 19-29 14/09A	5,000,000	EUR	4,128,875	0.18
VONOVIA SE 0.2500 21-28 01/09A	3,300,000	EUR	2,808,861	0.12
VONOVIA SE 0.375 21-27 16/06A	6,500,000	EUR	5,818,865	0.25
VONOVIA SE 0.625 21-29 16/06A	18,600,000	EUR	15,363,693	0.65
VONOVIA SE 1.8750 22-28 28/06A	20,000,000	EUR	18,507,000	0.79
VONOVIA SE 2.375 22-32 25/03A	7,000,000	EUR	6,145,755	0.26
VONOVIA SE 5.0 22-30 23/11A	4,300,000	EUR	4,551,830	0.19
			<b>216,691,392</b>	<b>9.23</b>
<b>Ireland</b>				
SMURFIT KAPPA 2.875 18-26 15/01S	6,000,000	EUR	5,916,360	0.25
			<b>5,916,360</b>	<b>0.25</b>
<b>Italy</b>				
ASSICURAZI GENERALI 5.399 23-33 20/04A	1,400,000	EUR	1,491,126	0.06
ENEL FI 4.5 23-43 20/02A	10,600,000	EUR	10,956,531	0.47
ENEL FINANCE AM 7.1000 22-27 14/10S	12,728,000	USD	12,324,435	0.52
HERA SPA 4.25 23-33 20/04A	7,900,000	EUR	8,214,065	0.35
INTESA SANPAOLO SPA 5.625 23-33 08/03A	6,000,000	EUR	6,469,020	0.28
UNICREDIT SPA 4.625 17-27 12/04S	6,425,000	USD	5,671,437	0.24
			<b>45,126,614</b>	<b>1.92</b>
<b>Japan</b>				
EAST JA 4.11 23-43 22/02A	1,500,000	EUR	1,602,668	0.07
EAST JAPAN RAIL 4.3890 23-43 05/09A	22,033,000	EUR	24,242,469	1.03

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Corporate

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
MIZUHO FINANCIAL 4.608 23-30 28/08A	14,562,000	EUR	15,513,481	0.66
TOYOTA MOTOR FINANCE 3.50 23-28 13/01A	27,400,000	EUR	27,951,424	1.19
			<b>69,310,042</b>	<b>2.95</b>
<b>Mexico</b>				
AMERICA MOVIL 0.75 19-27 26/06A	450,000	EUR	415,476	0.02
AMERICA MOVIL 2.125 16-28 10/03A	26,800,000	EUR	25,686,058	1.09
			<b>26,101,534</b>	<b>1.11</b>
<b>Netherlands</b>				
ABN AMRO BANK FL.R 20-XX 22/09S	6,000,000	EUR	5,750,940	0.24
ALLIANDER NV 0.375 20-30 10/06A06A	4,300,000	EUR	3,699,742	0.16
ALLIANDER NV 3.25 23-28 13/06A	1,200,000	EUR	1,225,008	0.05
COOPE RABOBANK UA 3.913 23-26 03/11A	2,500,000	EUR	2,557,100	0.11
COOPERATIEVE RABOBANK FL.R 19-XX 29/06S	2,200,000	EUR	1,965,205	0.08
ENEXIS HOLDING N.V 0.375 21-33 14/04A	10,000,000	EUR	7,972,400	0.34
ING BANK NEDERLAND NV 4.125 23-26 02/10A	5,000,000	EUR	5,124,850	0.22
ING GROEP NV FL.R 20-29 18/02A	18,000,000	EUR	15,642,090	0.67
SANDOZ FINANCE 4.2200 23-30 17/04A	4,000,000	EUR	4,152,520	0.18
			<b>48,089,855</b>	<b>2.05</b>
<b>New Zealand</b>				
WESTPAC SEC NZ 0.4270 21-26 14/12A	6,000,000	EUR	5,521,770	0.24
			<b>5,521,770</b>	<b>0.24</b>
<b>Spain</b>				
CELLNEX FINANCE CO 1.25 21-29 15/01A	5,500,000	EUR	4,923,705	0.21
CELLNEX TELECOM SA 1.75 20-30 23/10A	3,300,000	EUR	2,899,463	0.12
IBERDROLA INTL BV FL.R 20-XX 28/04A	3,100,000	EUR	2,925,424	0.12
			<b>10,748,592</b>	<b>0.46</b>
<b>Sweden</b>				
SECURITAS TREASURY I 4.25 23-27 04/04A	17,000,000	EUR	17,338,130	0.74
SECURITAS TREASURY I 4.375 23-29 06/03A	28,000,000	EUR	29,000,719	1.23
SKANDINAVISKA ENSKIL 3.75 23-28 07/02A	9,000,000	EUR	9,111,465	0.39
SKANDINAVISKA ENSKIL 4.125 23-27 29/06A	31,000,000	EUR	31,949,684	1.36
SKANDINAVISKA ENSKILDA 0.75 22-27 09/08	15,000,000	EUR	13,659,150	0.58
SVENSKA HANDELSBANKE 3.875 23-27 10/05A	41,000,000	EUR	41,860,999	1.78
SWEDBANK AB 2.1000 22-27 25/05A	1,500,000	EUR	1,445,018	0.06
SWEDBANK AB 4.125 23-28 13/11A	27,000,000	EUR	27,986,039	1.19
SWEDBANK AB 4.375 23-30 05/09A	4,000,000	EUR	4,150,900	0.18
VATTENFALL AB 3.75 22-26 18/10A26 18/10A	6,000,000	EUR	6,106,380	0.26
VOLVO TR 2.625 22-26 20/02A	10,000,000	EUR	9,886,100	0.42
VOLVO TREASURY AB 3.875 23-26 29/08A	31,000,000	EUR	31,604,654	1.35
			<b>224,099,238</b>	<b>9.54</b>
<b>Switzerland</b>				
GIVAUDAN FINANCE EUR 4.125 23-33 28/11A	14,333,000	EUR	15,283,278	0.65
NOVARTIS FINANCE SA 0 20-28 23/09A	18,559,000	EUR	16,444,480	0.70
SIKA CAPITAL BV 0.875 19-27 29/04A	5,000,000	EUR	4,676,750	0.20
SIKA CAPITAL BV 3.75 23-26 03/11A	28,500,000	EUR	28,998,037	1.23
SIKA CAPITAL BV 3.75 23-30 03/05A	2,500,000	EUR	2,576,950	0.11
SWISSCOM FINANCE B.V 0.375 20-28 14/05A	13,700,000	EUR	12,251,020	0.52
			<b>80,230,515</b>	<b>3.42</b>
<b>United Kingdom</b>				
CK HUTCHINSON E 0.7500 21-29 02/11A	13,500,000	EUR	11,461,635	0.49
DS SMITH PLC 08750 1 4.375 23-27 27/07A	1,000,000	EUR	1,029,625	0.04
DS SMITH PLC 08750 1 4.5 23-30 27/07A	3,825,000	EUR	3,985,707	0.17
GSK CAPITAL BV 3.0 22-27 28/11A	10,000,000	EUR	10,087,550	0.43
LLOYDS BANK CORPORAT 4.125 23-27 30/05A	29,400,000	EUR	30,115,007	1.28
NATIONAL GRID PLC 3.245 22-34 30/03A	1,500,000	EUR	1,429,425	0.06
NATIONAL GRID PLC 4.275 23-35 16/01A	2,000,000	EUR	2,071,670	0.09
NATIONWIDE BUILDING 4.5 23-26 01/11A	28,000,000	EUR	28,893,899	1.23
NATWEST MARKETS PLC 1.375 22-27 02/03A	7,000,000	EUR	6,592,775	0.28
UNILEVER CAPITAL CORP3.30 23-29 06/06U	12,500,000	EUR	12,803,938	0.55
			<b>108,471,231</b>	<b>4.62</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Corporate

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>United States of America</b>				
ABBOTT IRL FINANCING 0.375 19-27 19/11A	2,500,000	EUR	2,293,438	0.10
AIR PRODUCTS CHEMIC 4.0 23-35 03/03A	19,300,000	EUR	20,424,129	0.87
AMERICAN TOWER 0.45 21-27 21/05A	9,200,000	EUR	8,423,106	0.36
AMERICAN TOWER 4.125 23-27 16/05A	9,000,000	EUR	9,205,290	0.39
AMERICAN TOWER CORP 0.4 21-27 15/02A	7,400,000	EUR	6,751,131	0.29
AMERICAN TOWER CORP 0.875 21-29 21/05A	2,500,000	EUR	2,183,163	0.09
APPLE INC 2.00 15-27 17/09A	10,000,000	EUR	9,793,250	0.42
BANK OF AMERICA CORP 4.134 23-28 12/06A	13,000,000	EUR	13,417,885	0.57
DH EUROPE FIN 0.20 19-26 18/03A	9,900,000	EUR	9,300,852	0.40
DH EUROPE FINANCE II 0.75 19-31 18/09A	6,500,000	EUR	5,490,225	0.23
DIGITAL DUTCH FINCO 1.5 20-30 17/01A	1,000,000	EUR	872,110	0.04
DIGITAL DUTCH FINCO 0.625 20-25 17/01A	9,185,000	EUR	8,708,712	0.37
DIGITAL DUTCH FINCO 1 20-32 23/09A	6,000,000	EUR	4,790,370	0.20
DIGITAL EURO FINCO 1.125 19-28 09/10A	1,000,000	EUR	905,320	0.04
DIGITAL EURO FINCO 2.5 19-26 16/01A	10,300,000	EUR	10,041,110	0.43
DIGITAL INTREPID 0.625 21-31 15/07A	5,000,000	EUR	3,930,275	0.17
DIGITAL INTREPID 1.375 22-32 18/07A8/07A	2,000,000	EUR	1,633,700	0.07
LINDE PLC 0.00 21-26 30/09U	20,000,000	EUR	18,484,500	0.79
MEDTRONIC GLOBAL HOLD 1.125 19-27 07/03A	9,000,000	EUR	8,513,505	0.36
MEDTRONIC GLOBAL HOLD 1.625 19-31 07/03A	11,000,000	EUR	9,985,635	0.43
NATIONAL GRID N 4.6680 23-33 12/09A	4,000,000	EUR	4,276,180	0.18
NESTLE FIN 3.5 23-30 17/01A	28,000,000	EUR	29,198,539	1.24
NESTLE FIN 3.75 23-35 14/11A	2,013,000	EUR	2,153,195	0.09
PROCTER & GAMBLE CO 1.2 18-28 30/10A	11,500,000	EUR	10,748,073	0.46
PROCTER AND GAMBLE 3.25 23-26 02/08A	33,607,000	EUR	33,968,106	1.45
PROCTER AND GAMBLE 3.25 23-31 02/08A	1,500,000	EUR	1,549,013	0.07
PROLOGIS EURO FINANC 4.25 23-43 31/01A	3,000,000	EUR	3,027,420	0.13
PUBLIC STORAGE INC 0.5 21-30 09/09A	11,800,000	EUR	9,781,846	0.42
ROCHE FINANCE EUR 3.312 23-27 04/12A	31,400,000	EUR	32,172,753	1.37
ROCHE FINANCE EUR 3.586 23-36 04/12A	10,500,000	EUR	11,126,063	0.47
ROCHE FINANCE EUROPE 3.204 23-29 27/08A	4,500,000	EUR	4,623,795	0.20
SANOFI SA 0.8750 19-29 21/03A	6,300,000	EUR	5,772,155	0.25
SANOFI SA 1.375 18-30 21/03A	6,000,000	EUR	5,550,630	0.24
STELLANTIS NV 4.2500 23-31 16/06A	32,250,000	EUR	33,515,973	1.43
THERMO FISHER SCIENT 1.40 17-26 23/01A	4,000,000	EUR	3,862,380	0.16
TOYOTA MOTOR CREDIT 0.125 21-27 06/05A	4,000,000	EUR	3,593,960	0.15
TOYOTA MOTOR CREDIT 4.05 23-29 13/09A	16,267,000	EUR	17,087,995	0.73
VERIZON COMM 0.875 19-27 08/04A	6,805,000	EUR	6,368,493	0.27
VERIZON COMMUNICATIO 0.375 21-29 22/03A	11,300,000	EUR	9,835,012	0.42
			<b>383,359,287</b>	<b>16.32</b>
<b>Total bonds</b>			<b>1,888,480,528</b>	<b>80.41</b>
<b>Floating rate notes</b>				
<b>Australia</b>				
AUSTRALIA NEW ZEA BK FL.R 23-33 03/02A	3,250,000	EUR	3,352,326	0.14
			<b>3,352,326</b>	<b>0.14</b>
<b>Austria</b>				
ERSTE GROUP BANK AG FL.R 19-99 31/12S	3,000,000	EUR	2,847,315	0.12
ERSTE GROUP BANK AG FL.R 20-28 16/11A	11,000,000	EUR	9,727,575	0.41
			<b>12,574,890</b>	<b>0.54</b>
<b>Belgium</b>				
BELFIUS BANK SA FL.R 18-XX XX/XXS	3,000,000	EUR	2,583,375	0.11
KBC GROUPE NV FL.R 18-XX XX/XXS	2,600,000	EUR	2,402,088	0.10
KBC GROUPE SA FL.R 23-29 28/11A	9,000,000	EUR	9,252,765	0.39
			<b>14,238,228</b>	<b>0.61</b>
<b>Denmark</b>				
JYSKE BANK DNK FL.R 23-29 10/11A	13,000,000	EUR	13,536,575	0.58
			<b>13,536,575</b>	<b>0.58</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Corporate

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>France</b>				
AXA FL.R 22-43 10/03A	1,000,000	EUR	990,130	0.04
AXA FL.R 23-43 11/07A	6,333,000	EUR	6,797,589	0.29
AXA SA FL.R 22-42 10/07A	2,800,000	EUR	2,307,900	0.10
BNP PARIBAS FL.R 23-31 13/04A	13,900,000	EUR	14,407,003	0.61
BPCE ISSUER FL.R 23-27 19/10S	7,000,000	USD	6,528,253	0.28
CNP ASSURANCES FL.R 15-47 10/06A	2,000,000	EUR	2,022,670	0.09
LA BANQUE POSTALE FL.R 21-32 02/02A	6,500,000	EUR	5,726,533	0.24
LA MONDIALE FL.R 14-XX 17/12A	1,600,000	EUR	1,605,240	0.07
SG FL.R 23-29 28/09A	20,000,000	EUR	20,863,300	0.89
SOGECAP FL.R 23-44 16/05A	5,000,000	EUR	5,407,075	0.23
UNIBAIL RODAMCO SE FL.R 23-99 31/12A	10,600,000	EUR	10,597,933	0.45
UNIBAIL-RODAMCO FL.R 18-XX 25/04A	1,000,000	EUR	882,430	0.04
			<b>78,136,056</b>	<b>3.33</b>
<b>Germany</b>				
ALLIANZ SE FL.R 23-53 25/07A	14,200,000	EUR	15,572,785	0.66
COMMERZBANK AG FL.R 23-33 05/10A	2,000,000	EUR	2,134,000	0.09
DEUTSCHE BOERSE AG FL.R 20-47 16/06A	5,300,000	EUR	4,807,365	0.20
DEUTSCHE BOERSE AG FL.R 22-48 23/06A	7,800,000	EUR	7,079,904	0.30
HANNOVER RUCKVERSICH FL.R 22-43 26/08A	4,600,000	EUR	5,145,468	0.22
MERCK KGAA FL.R 19-79 25/06A	2,000,000	EUR	1,951,940	0.08
VOLKSWAGEN INTL FIN FL.R 18-XX 27/06A	30,000,000	EUR	29,740,649	1.27
VOLKSWAGEN INTL FIN FL.R 20-XX 17/06A	9,100,000	EUR	8,865,948	0.38
VOLKSWAGEN INTL FIN FL.R 23-99 31/12A	5,000,000	EUR	5,444,650	0.23
VOLKSWAGEN INTL FIN FL.R 23-99 31/12A	11,200,000	EUR	12,628,224	0.54
			<b>93,370,933</b>	<b>3.98</b>
<b>Ireland</b>				
AIB GROUP PLC FL.R 22-29 16/02A	9,300,000	EUR	10,010,427	0.43
BANK OF IRELAND GROUP FL.R 23-29 13/11A	3,500,000	EUR	3,641,243	0.16
			<b>13,651,670</b>	<b>0.58</b>
<b>Italy</b>				
ENEL FL.R 23-XX 16/07A	2,000,000	EUR	2,094,640	0.09
ENEL SPA FL.R 19-80 24/05A	17,000,000	EUR	16,728,935	0.71
INTESA SANPAOLO FL.R 20-49 31/12S	1,500,000	EUR	1,394,348	0.06
INTESA SANPAOLO FL.R 20-XX 31/12S	3,000,000	EUR	2,838,540	0.12
TERNA RETE ELETTRICAS FL.R 22-49 31/12	3,000,000	EUR	2,694,099	0.11
UNICREDIT SPA FL.R 17-XX 03/06S	2,000,000	EUR	1,966,010	0.08
			<b>27,716,572</b>	<b>1.18</b>
<b>Netherlands</b>				
COOPERATIVE RABOBANK FL.R 18-XX XX/XXS	5,000,000	EUR	4,829,175	0.21
ING GROEP NV FL.R 21-28 29/09A	5,000,000	EUR	4,443,925	0.19
NN GROUP NV FL.R 22-43 01/03A	3,900,000	EUR	3,989,993	0.17
TENNET HOLDING BV FL.R 17-XX 01/06A	5,000,000	EUR	4,987,800	0.21
			<b>18,250,893</b>	<b>0.78</b>
<b>Norway</b>				
DNB BANK ASA 0.375 22-28 18/01A	9,000,000	EUR	8,254,755	0.35
DNB BANK ASA FL.R 22-27 21/09A	12,000,000	EUR	11,971,200	0.51
DNB BANK ASA FL.R 23-28 19/07A	2,000,000	EUR	2,069,060	0.09
			<b>22,295,015</b>	<b>0.95</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA FL.R 20-30 16/01A	5,000,000	EUR	4,813,100	0.20
BANCO DE BADELL FL.R 23-XX 18/04Q	2,400,000	EUR	2,570,460	0.11
BANCO DE SABADELL SA FL.R 23-29 08/09A	5,500,000	EUR	5,729,680	0.24
IBERDROLA INTL BV FL.R 18-XX XX/XXA	10,000,000	EUR	9,977,450	0.42
REDELA CORPORACION 23-XX 07/08A	3,500,000	EUR	3,571,715	0.15
TELEFONICA EUROPE BV FL.R 18-XX 22/09A	2,000,000	EUR	1,940,440	0.08
TELEFONICA EUROPE BV FL.R 19-XX 14/03A	10,900,000	EUR	10,840,704	0.46
			<b>39,443,549</b>	<b>1.68</b>
<b>Sweden</b>				
TELI CO FL.R 22-82 21/12A	9,000,000	EUR	8,992,800	0.38

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Corporate

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
			<b>8,992,800</b>	<b>0.38</b>
<b>Switzerland</b>				
ADECCO INTL FIN SERV FL.R 21-82 21/03A	15,000,000	EUR	13,065,000	0.56
ARGENTUM NETHERLANDS FL.R 19-49 19/02A	2,000,000	EUR	1,877,750	0.08
ZURICH FIN IRELAND FL.R 20-50 17/09A	14,500,000	EUR	12,652,338	0.54
			<b>27,595,088</b>	<b>1.17</b>
<b>United States of America</b>				
SWISS RE FINANCE UK FL.R 20-52 04/06A	2,100,000	EUR	1,868,675	0.08
			<b>1,868,675</b>	<b>0.08</b>
<b>Total floating rate notes</b>			<b>375,023,270</b>	<b>15.97</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>2,263,503,798</b>	<b>96.38</b>
<b>Total investment portfolio</b>			<b>2,263,503,798</b>	<b>96.38</b>
Acquisition cost			2,186,836,899	



Candriam Sustainable Bond Euro Corporate

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

France	22.23
United States of America	16.40
Germany	13.20
Sweden	9.93
United Kingdom	4.62
Belgium	4.59
Switzerland	4.59
Italy	3.10
Japan	2.95
Netherlands	2.82
Finland	2.37
Spain	2.14
Australia	1.64
Mexico	1.11
Denmark	0.98
Canada	0.95
Norway	0.95
Ireland	0.83
Austria	0.74
New Zealand	0.24
	<b>96.38</b>

**Economic breakdown (in % of net assets)**

Banks and other financial institutions	56.40
Real estate	10.01
Pharmaceuticals	5.19
Communication	5.14
Utilities	4.42
Insurance	2.40
Miscellaneous services	2.10
Miscellaneous consumer goods	1.97
Transportation	1.76
Road vehicles	1.43
Petroleum	1.39
Chemicals	1.35
Building materials	1.12
Electrical engineering	0.55
Office supplies and computing	0.42
Paper and forest products	0.27
Packaging industries	0.21
Electronics and semiconductors	0.16
Bonds of States, Provinces and municipalities	0.05
Banks and other financial institutions	0.04
	<b>96.38</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Short Term

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Australia</b>				
ANZ BANKING GROUP 0.669 21-31 05/05A	5,400,000	EUR	4,956,174	0.23
AUSTR NEW ZEAL BANK 0.25 22-25 17/03A	6,000,000	EUR	5,786,310	0.27
AUSTRALIA NEW ZEA BK 3.652 23-26 20/01A	7,534,000	EUR	7,596,570	0.36
NATL AUSTRALIA BANK 0.25 19-24 20/05A	4,136,000	EUR	4,078,241	0.19
NATL AUSTRALIA BANK 2.125 22-28 24/05A	5,500,000	EUR	5,329,280	0.25
NATL AUSTRALIA BANK 3.2627 23-26 13/02A	4,062,000	EUR	4,083,143	0.19
TELSTRA CORP LTD 1.125 16-26 14/04A	5,000,000	EUR	4,800,475	0.23
WESTPAC BANKING 0.625 17-24 22/11A	6,000,000	EUR	5,831,040	0.28
WESTPAC BANKING CORP 0.375 19-26 02/04A	2,000,000	EUR	1,888,400	0.09
WESTPAC BANKING CORP 0.766 21-31 13/05A	2,500,000	EUR	2,296,125	0.11
			<b>46,645,758</b>	<b>2.21</b>
<b>Austria</b>				
AUSTRIA 0.00 21-25 20/04U	10,000,000	EUR	9,664,100	0.46
AUSTRIA 1.20 15-25 20/10A	5,000,000	EUR	4,891,475	0.23
			<b>14,555,575</b>	<b>0.69</b>
<b>Belgium</b>				
BELFIUS BANQUE SA/NV 0.01 20-25 15/10A	5,000,000	EUR	4,709,075	0.22
BELFIUS BANQUE SA/NV 0.375 20-25 02/09A	5,900,000	EUR	5,592,374	0.26
BELFIUS BANQUE SA/NV 0.375 21-27 08/06A	10,000,000	EUR	9,054,950	0.43
BELFIUS SANV 3.875 23-28 12/06A	6,500,000	EUR	6,659,835	0.32
BELGIUM 0.50 17-24 22/10A	20,000,000	EUR	19,580,999	0.93
BELGIUM 0.80 15-25 22/06A	15,000,000	EUR	14,597,174	0.69
BELGIUM 1.00 16-26 22/06A	17,000,000	EUR	16,459,739	0.78
ELIA SYSTEM OPERATOR 1.375 19-26 14/01A	5,800,000	EUR	5,581,630	0.26
ELIA SYSTEMS OP 1.375 15-24 27/05A	5,000,000	EUR	4,949,225	0.23
KBC GROUPE SA 0.6250 19-25 10/04A	2,000,000	EUR	1,931,940	0.09
PROXIMUS 2.375 14-24 01/04A	8,000,000	EUR	7,970,040	0.38
PROXIMUS SA 1.875 15-25 01/10A	2,500,000	EUR	2,441,763	0.12
			<b>99,528,744</b>	<b>4.71</b>
<b>Canada</b>				
CANADIAN IMPERIAL BA 0.375 19-24 03/05A	4,062,000	EUR	4,013,865	0.19
NATL BANK OF CANADA 3.75 23-28 25/01A	6,736,000	EUR	6,824,141	0.32
RBC TORONTO 0.25 19-24 02/05A	4,000,000	EUR	3,952,380	0.19
TORONTO DOMINION BK 0.375 19-24 25/04A	8,667,000	EUR	8,571,923	0.41
			<b>23,362,309</b>	<b>1.11</b>
<b>Chile</b>				
CHILE 1.625 14-25 30/01A	6,000,000	EUR	5,873,820	0.28
			<b>5,873,820</b>	<b>0.28</b>
<b>Denmark</b>				
VESTAS WIND SYSTEMS A 4.125 23-26 15/06A	11,809,000	EUR	12,016,602	0.57
			<b>12,016,602</b>	<b>0.57</b>
<b>European Union</b>				
BANQUE EUROPE INVEST 0.125 15-25 15/04A	6,000,000	EUR	5,794,980	0.27
BEI 0.00 20-25 25/03U	2,000,000	EUR	1,930,020	0.09
EURO FI 1.5 22-25 15/12A	7,000,000	EUR	6,852,545	0.32
EURO UNIO BILL 0 20-25 04/11A	5,500,000	EUR	5,256,048	0.25
EURO UNIO BILL 0 21-26 04/03A	2,000,000	EUR	1,901,520	0.09
EUROPEAN FIN STABILITY 0.375 17-24 11/10A	2,000,000	EUR	1,956,740	0.09
EUROPEAN STABILITY 0 21-26 15/12A	2,784,000	EUR	2,594,507	0.12
EUROPEAN UNION 0.8 22-25 04/07A	14,000,000	EUR	13,585,529	0.64
			<b>39,871,889</b>	<b>1.89</b>
<b>Finland</b>				
NORDEA BANK ABP 0.375 19-26 28/05A	7,000,000	EUR	6,583,045	0.31
NORDEA MORTGAGE BANK 2.625 22-25 01/12A	2,000,000	EUR	1,990,480	0.09
STORA ENSO OYJ 4.0 23-26 01/06A	10,389,000	EUR	10,515,902	0.50

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Short Term

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
			<b>19,089,427</b>	<b>0.90</b>
<b>France</b>				
BANQUE FEDERATIVE DU 0.1 20-27 08/10A	20,000,000	EUR	17,932,999	0.85
BFCM 1 22-25 23/05A	3,000,000	EUR	2,899,275	0.14
BFCM 3.00 15-25 11/09A	7,000,000	EUR	6,953,975	0.33
BNP PARIBAS 1.125 19-24 28/08A	3,500,000	EUR	3,440,255	0.16
BNP PARIBAS SA 1 18-24 17/04A	6,500,000	EUR	6,448,260	0.31
BNP PARIBAS SA FL.R 20-27 14/10A	6,000,000	EUR	5,539,410	0.26
BPCE 0.125 19-24 04/12A	12,100,000	EUR	11,740,993	0.56
BPCE 3.50 23-28 25/01A	6,900,000	EUR	6,982,559	0.33
BPCE S.A. 0.25 20-26 15/01A	1,000,000	EUR	940,540	0.04
CAISSE DEPOTS CONS 0.01 20-25 15/09A	2,500,000	EUR	2,377,750	0.11
CAPGEMINI SE 0.625 20-25 23/06A	12,000,000	EUR	11,528,340	0.55
COMPAGNIE DE SAINT G 3.75 23-26 29/11A	6,700,000	EUR	6,815,140	0.32
COMPAGNIE DE SAINT-GO 1.625 22-25 10/08A	9,200,000	EUR	8,964,986	0.42
CREDIT AGRICOLE 0.375 19-25 21/10A	13,500,000	EUR	12,873,195	0.61
CREDIT AGRICOLE 0.50 19-24 24/06A	4,500,000	EUR	4,428,833	0.21
CREDIT MUTUEL ARKEA 1.25 17-24 31/05A	4,200,000	EUR	4,156,677	0.20
CREDIT MUTUEL ARKEA 1.375 19-25 17/01A	9,000,000	EUR	8,796,600	0.42
CREDIT MUTUEL ARKEA 1.625 19-26 15/04A	3,000,000	EUR	2,888,475	0.14
CREDIT MUTUEL ARKEA 3.375 22-27 19/09A	4,000,000	EUR	4,019,100	0.19
DANONE 1.25 15-24 30/05A	2,300,000	EUR	2,276,655	0.11
DANONE SA 0 21-25 01/06A	7,200,000	EUR	6,801,876	0.32
DANONE SA 1.125 15-25 14/01A	6,500,000	EUR	6,341,888	0.30
DASSAULT SYSTEM 0.00 19-24 16/09U	4,000,000	EUR	3,898,060	0.18
DASSAULT SYSTEM 0.1250 19-26 16/09A	800,000	EUR	746,360	0.04
EDENRED SA 1.375 15-25 10/03A	7,300,000	EUR	7,120,311	0.34
EDENRED SA 3.625 23-26 13/12A	5,700,000	EUR	5,783,135	0.27
FRANCE 0.50 15-26 25/05A	10,000,000	EUR	9,576,150	0.45
FRANCE 3.50 10-26 25/04A	10,000,000	EUR	10,258,450	0.49
ICADE SA 1.125 16-25 17/11A	11,000,000	EUR	10,479,370	0.50
KERING 1.2500 22-25 05/05A	6,000,000	EUR	5,834,310	0.28
KERING SA 3.625 23-27 05/09A	3,000,000	EUR	3,069,990	0.15
KERING SA 3.75 23-25 05/09A	3,000,000	EUR	3,024,105	0.14
KLEPIERRE 1.875 16-26 19/02A	2,000,000	EUR	1,948,030	0.09
L OREAL 2.875 23-28 19/05A	7,500,000	EUR	7,547,550	0.36
L OREAL S A 0.875 22-26 29/06A	5,500,000	EUR	5,250,658	0.25
L OREAL S A 3.125 23-25 19/05A	5,600,000	EUR	5,593,504	0.26
L OREAL S A 3.375 23-27 23/01A	7,000,000	EUR	7,119,595	0.34
LA BANQUE POSTALE 0.25 19-26 12/07A	2,000,000	EUR	1,861,460	0.09
LA POSTE 1.125 15-25 04/06A	2,000,000	EUR	1,939,230	0.09
LEGRAND SA 0.6250 19-28 24/06A	3,100,000	EUR	2,837,089	0.13
LEGRAND SA 0.75 17-24 06/07A	6,800,000	EUR	6,695,858	0.32
SODEXO 0.5 20-24 17/07A	2,700,000	EUR	2,696,328	0.13
SODEXO 0.75 20-25 27/04A	14,680,000	EUR	14,188,953	0.67
UNIBAIL-RODAMCO 2.5 14-24 26/02A	6,000,000	EUR	5,987,880	0.28
			<b>268,604,157</b>	<b>12.72</b>
<b>Germany</b>				
ADIDAS AG 0.00 20-24 09/09U	10,700,000	EUR	10,434,961	0.49
ADIDAS AG 3.0 22-25 21/11A	2,500,000	EUR	2,504,013	0.12
DEUTSCHE BOERSE 3.875 23-26 28/09A	6,400,000	EUR	6,542,048	0.31
DEUTSCHE BOERSE AG 0.00 21-26 22/02U	7,000,000	EUR	6,589,065	0.31
GERMANY 0.00 20-25 10/10U	12,000,000	EUR	11,524,500	0.55
INFINEON TECHNO 1.1250 20-26 24/06A	9,000,000	EUR	8,570,295	0.41
INFINEON TECHNOLOGIES 0.625 22-25 17/02A	8,000,000	EUR	7,739,320	0.37
KFW 1.25 22-27 30/06A	6,000,000	EUR	5,770,050	0.27
LEG IMMOBILIEN 0.3750 22-26 17/01A	3,900,000	EUR	3,652,448	0.17
MERCEDES BENZ INTL FI 3.5 23-26 30/05A	12,000,000	EUR	12,136,980	0.57
MERCK FIN SERVI 0.1250 20-25 16/07A	12,000,000	EUR	11,426,160	0.54

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Short Term

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
NRW.BANK 0.25 22-27 16/03A	5,000,000	EUR	4,657,675	0.22
O2 TELEFONICA DE FIN 1.75 18-25 05/07A	500,000	EUR	486,770	0.02
SAP SE 0.75 18-24 10/12A	1,900,000	EUR	1,851,142	0.09
SAP SE 1.00 18-26 13/03A	6,500,000	EUR	6,274,255	0.30
SIEMENS FIN NV 0.375 20-26 05/06A	5,000,000	EUR	4,722,325	0.22
SIEMENS FINANCIERING 0.00 19-24 05/09U	5,000,000	EUR	4,875,750	0.23
SIEMENS FINANCIERING 0.25 20-24 05/06A	1,500,000	EUR	1,477,845	0.07
SIEMENS FINANCIERING 0.3 19-24 28/02A	4,553,000	EUR	4,527,025	0.21
SIEMENS FINANCIERING 2.25 22-25 10/03A	1,000,000	EUR	987,170	0.05
VOLKSWAGEN BANK 1.2500 18-24 10/06A	2,000,000	EUR	1,976,260	0.09
VOLKSWAGEN BANK GMBH 1.25 17-25 15/12A	2,000,000	EUR	1,923,130	0.09
VOLKSWAGEN INT FIN 3.125 22-25 28/03A	6,600,000	EUR	6,564,228	0.31
VOLKSWAGEN INTL FIN 4.125 22-25 15/11A	4,200,000	EUR	4,253,403	0.20
VONOVIA SE 0.0 21-25 01/12A	2,000,000	EUR	1,866,310	0.09
VONOVIA SE 1.375 22-26 28/01A	6,000,000	EUR	5,739,390	0.27
VONOVIA SE 4.75 22-27 23/05A	1,600,000	EUR	1,661,392	0.08
			<b>140,733,910</b>	<b>6.67</b>
<b>Ireland</b>				
AIB GROUP PLC 2.25 18-25 03/07A	2,000,000	EUR	1,966,390	0.09
SMURFIT KAPPA 2.875 18-26 15/01S	10,500,000	EUR	10,353,630	0.49
			<b>12,320,020</b>	<b>0.58</b>
<b>Italy</b>				
ACEA SPA 0.00 21-25 28/09U	5,000,000	EUR	4,716,475	0.22
ASSICURAZ GENERALI 4.125 14-26 04/05A	8,000,000	EUR	8,100,480	0.38
BUONI POLIENNAL 1.2000 22-25 15/08S	15,000,000	EUR	14,585,549	0.69
CASSA DEPOSITI 1.50 17-24 21/06A	3,000,000	EUR	2,965,485	0.14
ENEL FINANCE INTL 1 17-24 16/09A	8,000,000	EUR	7,844,520	0.37
ENEL FINANCE INTL 1.125 18-26 16/09A	2,000,000	EUR	1,903,340	0.09
ENEL FINANCE INTL 1.375 16-26 01/06A	3,000,000	EUR	2,876,505	0.14
ENEL FINANCE INTL 1.5 19-25 21/07A	9,000,000	EUR	8,747,370	0.41
INTESA SANPAOLO 0.75 21-28 16/03A	9,500,000	EUR	8,561,828	0.41
INTESA SANPAOLO 2.125 20-25 26/05A	2,500,000	EUR	2,450,463	0.12
INTESA SANPAOLO 4.00 23-26 19/05A	13,835,000	EUR	14,041,556	0.67
ITALY 0.35 19-25 01/02S	10,000,000	EUR	9,700,250	0.46
ITALY 1.45 25 15-03S	23,000,000	EUR	22,519,989	1.07
ITALY 2.5 18-25 15/11S	14,000,000	EUR	13,916,279	0.66
ITALY 3.4 22-28 01/04S	8,000,000	EUR	8,155,240	0.39
ITALY 3.4 23-25 28/03S	10,000,000	EUR	10,029,050	0.48
ITALY 3.75 14-24 01/09S	9,030,000	EUR	9,044,945	0.43
ITALY 4.50 10-26 01/03S	18,000,000	EUR	18,630,539	0.88
ITALY BUONI POL TESO 3.5 22-26 15/01S	46,000,000	EUR	46,602,599	2.21
ITALY BUONI POLIENNA 3.85 23-26 15/09S	10,000,000	EUR	10,274,000	0.49
ITALY BUONI POLIENNALI 3.80 23-26 15/04S	43,000,000	EUR	43,948,364	2.08
MEDIOBANCA DI C 4.8750 23-27 13/09A	4,000,000	EUR	4,116,140	0.19
UNICREDIT SPA FL.R 22-27 15/11A	5,000,000	EUR	5,301,200	0.25
			<b>279,032,166</b>	<b>13.22</b>
<b>Japan</b>				
MIZUHO FINANCIAL GRP 0.214 20-25 07/10A	7,000,000	EUR	6,653,465	0.32
MIZUHO FINANCIAL GRP 0.956 17-24 16/10A	1,000,000	EUR	978,110	0.05
TOYOTA MOTOR FI 4.0000 23-27 02/04A	6,540,000	EUR	6,745,748	0.32
TOYOTA MOTOR FINANCE 3.375 23-26 13/01A	8,910,000	EUR	8,944,615	0.42
			<b>23,321,938</b>	<b>1.10</b>
<b>Netherlands</b>				
ABN AMRO BANK 0.5 19-26 15/04A	8,000,000	EUR	7,576,960	0.36
ABN AMRO BANK 0.875 18-25 22/04A	6,500,000	EUR	6,287,385	0.30
ABN AMRO BANK 1.25 20-25 28/05A	5,100,000	EUR	4,944,960	0.23
ABN AMRO BANK 2.375 22-27 01/06A	9,000,000	EUR	8,766,810	0.42
ABN AMRO BANK 3.875 23-26 21/12A	1,900,000	EUR	1,940,109	0.09
ASML HOLDING NV 1.375 16-26 07/07S	5,500,000	EUR	5,309,233	0.25

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Short Term

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
ASML HOLDING NV 3.5 23-25 06/12A	12,740,000	EUR	12,845,615	0.61
DSM KONINKLIJKE 1.00 15-25 09/04A	4,500,000	EUR	4,376,363	0.21
ING BANK NEDERLAND NV 4.125 23-26 02/10A	4,500,000	EUR	4,612,365	0.22
ING GROUP NV 1.125 18-25 14/02A	2,000,000	EUR	1,948,410	0.09
KON AHOLD DELHAIZE 0.25 19-25 26/06A	7,000,000	EUR	6,721,085	0.32
KONINKLIJKE AHOLD 1.125 18-26 19/03A	3,000,000	EUR	2,893,335	0.14
KONINKLIJKE DSM NV 2.375 14-24 03/04A	2,000,000	EUR	1,992,780	0.09
KPN NV 0.625 16-25 09/04A	6,000,000	EUR	5,790,510	0.27
NN GROUP NV 4.375 14-XX 13/06A	2,000,000	EUR	1,999,230	0.09
RABOBANK 0.25 19-26 30/10A	21,000,000	EUR	19,588,904	0.93
RABOBANK 0.625 19-24 27/02A	1,000,000	EUR	995,090	0.05
SANDOZ FINANCE BV 3.97 23-27 17/04A	6,045,000	EUR	6,170,132	0.29
TENNET HOLDING BV 0.75 17-25 26/06A	9,000,000	EUR	8,765,280	0.42
TENNET HOLDING BV 1.00 16-26 13/06A	6,500,000	EUR	6,301,003	0.30
TENNET HOLDING BV 1.625 22-26 17/11A	4,000,000	EUR	3,923,220	0.19
WOLTERS KLUWER 3.0 22-26 23/09A	7,250,000	EUR	7,268,959	0.34
			<b>131,017,738</b>	<b>6.21</b>
<b>New Zealand</b>				
BNZ INTL FDG LONDON 0.375 19-24 14/09A	3,800,000	EUR	3,709,655	0.18
WESTPAC SECURITIES 1.099 22-26 24/03A	4,108,000	EUR	3,903,422	0.18
			<b>7,613,077</b>	<b>0.36</b>
<b>Norway</b>				
DNB BOLIGKREDITT AS 0.625 18-25 19/06A	2,000,000	EUR	1,928,980	0.09
TELENOR ASA 0.7500 19-26 31/05A	2,000,000	EUR	1,895,060	0.09
TELNOR ASA REGS 2.50 13-25 22/05A	10,300,000	EUR	10,184,692	0.48
			<b>14,008,732</b>	<b>0.66</b>
<b>Portugal</b>				
EDP FINANCE 0.375 19-26 16/09A	1,000,000	EUR	932,695	0.04
EDP FINANCE 1.125 16-24 12/02A	1,900,000	EUR	1,894,110	0.09
EDP FINANCE 1.875 18-25 12/10A	10,000,000	EUR	9,780,150	0.46
EDP FINANCE 2.00 15-25 22/04A	3,000,000	EUR	2,946,450	0.14
ENERGIAS DE PORTUGAL 3.875 23-28 26/06A	4,500,000	EUR	4,630,478	0.22
			<b>20,183,883</b>	<b>0.96</b>
<b>Romania</b>				
ROMANIA 2.0 19-26 08/12A	12,000,000	EUR	11,292,240	0.53
			<b>11,292,240</b>	<b>0.53</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA 1.00 19-26 21/06A	5,000,000	EUR	4,752,225	0.23
BANCO DE SABADELL SA 0.875 19-25 22/07A	3,000,000	EUR	2,888,370	0.14
BBVA 3.375 22-27 20/09A	2,000,000	EUR	2,020,130	0.10
BBVA SA 0.375 19-24 02/10A0 19-24 02/10A	3,000,000	EUR	2,925,825	0.14
BBVA SA 1.375 18-25 14/05A 18-25 14/05A	9,000,000	EUR	8,733,330	0.41
IBERDROLA FINANZAS 0.875 20-25 14/04A	8,300,000	EUR	8,011,036	0.38
IBERDROLA FINANZAS 1.00 16-24 07/03A	7,400,000	EUR	7,362,704	0.35
IBERDROLA FINANZAS 1.00 17-25 07/03A	4,200,000	EUR	4,083,681	0.19
IBERDROLA INTL BV FL.R 20-XX 28/04A	4,000,000	EUR	3,774,740	0.18
INSTITUTO DE CREDITO 0.25 20-24 13/05A	1,718,000	EUR	1,698,243	0.08
SPAIN 0 22-25 31/05A	40,000,000	EUR	38,393,999	1.82
SPAIN 0.00 20-25 31/01U	37,000,000	EUR	35,811,744	1.70
SPAIN 1.60 5-25 30/04A	5,000,000	EUR	4,911,600	0.23
SPAIN 2.15 15-25 31/10A	12,000,000	EUR	11,883,840	0.56
SPAIN 2.75 14-24 31/10A	38,000,000	EUR	37,822,349	1.79
SPAIN 2.8 23-26 31/05A	30,000,000	EUR	30,127,949	1.43
SPAIN 4.65 10-25 30/07A	38,000,000	EUR	39,032,459	1.85
TELEFONICA EMISIONES 1.069 19-24 05/02A	6,000,000	EUR	5,985,060	0.28
TELEFONICA EMISIONES 1.46 16-26 13/04A	4,000,000	EUR	3,866,020	0.18
TELEFONICA EMISIONES 1.528 17-25 17/01A	4,000,000	EUR	3,916,280	0.19
			<b>258,001,584</b>	<b>12.22</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Short Term

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Sweden</b>				
SKANDINAVISKA ENSKIL 3.75 23-28 07/02A	2,440,000	EUR	2,470,219	0.12
SKANDINAVISKA ENSKIL 4.00 22-26 09/11A	14,500,000	EUR	14,765,204	0.70
SKANDINAVISKA ENSKIL 4.375 23-28 06/11A	5,633,000	EUR	5,848,941	0.28
SVENSKA HANDELSBANKE 3.875 23-27 10/05A	4,500,000	EUR	4,594,500	0.22
SVENSKA HANDELSBANKEN 0.125 19-24 18/06A	2,000,000	EUR	1,965,800	0.09
			<b>29,644,664</b>	<b>1.40</b>
<b>Switzerland</b>				
ADECCO INTL FIN SERV 1 16-24 02/12A	2,000,000	EUR	1,952,020	0.09
SIKA CAPITAL BV 3.75 23-26 03/11A	8,421,000	EUR	8,568,157	0.41
			<b>10,520,177</b>	<b>0.50</b>
<b>United Kingdom</b>				
ASTRAZENECA PLC 0.75 16-24 12/05A	5,500,000	EUR	5,440,545	0.26
GLAXOSMITHKLINE 1.375 14-24 02/12A	5,000,000	EUR	4,901,250	0.23
GLAXOSMITHKLINE CAP 1.000 17-26 12/09A	1,000,000	EUR	954,535	0.05
GSK CAPITAL BV 3.0 22-27 28/11A	6,744,000	EUR	6,803,044	0.32
LLOYDS BANKING GROUP FL.R 19-25 12/11A	2,000,000	EUR	1,943,300	0.09
NATIONAL GRID ELEC 0.19 20-25 20/01A01A	5,000,000	EUR	4,826,825	0.23
NATWEST MARKETS PLC 0.125 21-26 18/06A	3,167,000	EUR	2,936,965	0.14
NATWEST MARKETS PLC 1 19-24 28/05A	1,000,000	EUR	988,470	0.05
RECKITT BENCK TREA SE 3.625 23-28 14/09A	5,630,000	EUR	5,826,262	0.28
RECKITT BENCKISER TR 0.375 20-26 19/05A	2,000,000	EUR	1,888,330	0.09
RELAX CAPITAL INC 1.30 15-25 12/05A	8,500,000	EUR	8,261,575	0.39
RELX FINANCE BV 0.00 20-24 18/03U	7,000,000	EUR	6,941,760	0.33
RELX FINANCE BV 1.375 16-26 12/05A	4,000,000	EUR	3,867,220	0.18
RENTOKIL INITIAL PLC 0.8750 19-26 30/05A	14,300,000	EUR	13,546,319	0.64
UNILEVER 0.5 18-25 04/09A	6,000,000	EUR	5,835,810	0.28
UNILEVER FINANCE 0.7500 22-26 28/02A	2,000,000	EUR	1,913,290	0.09
UNILEVER FINANCE NET 1.25 20-25 25/03A	2,000,000	EUR	1,951,610	0.09
VODAFONE GROUP 0.90 19-26 24/11A	2,000,000	EUR	1,898,790	0.09
VODAFONE GROUP PLC 1.875 14-25 11/09A	10,500,000	EUR	10,244,535	0.49
VODAFONE GROUP PLC 2.2 16-26 28/02A	8,000,000	EUR	7,857,480	0.37
			<b>98,827,915</b>	<b>4.68</b>
<b>United States of America</b>				
APPLE 0.875 17-25 24/05A	3,000,000	EUR	2,907,870	0.14
APPLE INC 1.625 14-26 10/11A	4,700,000	EUR	4,572,583	0.22
BECTON DICKINSON 1.208 19-26 04/06A	14,000,000	EUR	13,378,610	0.63
BRISTOL MYERS SQUIBB 1.00 15-25 15/05A	4,500,000	EUR	4,369,883	0.21
DANAHER CORP 1.70 20-24 30/03A	4,000,000	EUR	3,977,180	0.19
DH EUROPE FIN 0.20 19-26 18/03A	11,000,000	EUR	10,334,280	0.49
FIDELITY NATIONAL INF 0.625 19-25 03/12A	10,500,000	EUR	9,985,605	0.47
KELLANOVA 1.00 16-24 17/05A	4,000,000	EUR	3,958,360	0.19
KELLANOVA 1.25 15-25 10/03A	3,000,000	EUR	2,925,345	0.14
LINDE 1.0 22-27 31/03A	4,000,000	EUR	3,786,320	0.18
MANPOWERGROUP INC 1.75 18-26 22/06A	6,000,000	EUR	5,812,680	0.28
NESTLE FIN 3.5 23-27 13/12A	6,526,000	EUR	6,744,784	0.32
NESTLE FINANCE 0.00001 20-25 3/12A	10,963,000	EUR	10,412,493	0.49
NESTLE FINANCE INTL 0.875 22-27 29/03A	2,000,000	EUR	1,897,290	0.09
PRAXAIR 1.625 14-25 01/12A	11,500,000	EUR	11,184,958	0.53
PROCTER & GAMBLE CO 4.875 07-27 11/05A	5,000,000	EUR	5,326,825	0.25
PROCTER AND GAMBLE 3.25 23-26 02/08A	8,842,000	EUR	8,937,007	0.42
PROCTER AND GAMBLE CO 0.625 18-24 30/10A	8,500,000	EUR	8,290,433	0.39
PROLOGIS 3.00 14-26 02/06A	5,300,000	EUR	5,248,882	0.25
ROCHE FINANCE EUR 3.312 23-27 04/12A	6,191,000	EUR	6,343,361	0.30
SANOFI SA 0.625 16-24 05/04A	2,000,000	EUR	1,984,540	0.09
SANOFI SA 0.875 22-23 04/06A	9,800,000	EUR	9,511,635	0.45
SCHNEIDER ELECTRIC S 3.25 23-28 12/06A	4,000,000	EUR	4,086,740	0.19
SCHNEIDER ELECTRIC S 3.375 23-25 06/04A	7,900,000	EUR	7,906,952	0.37
SCHNEIDER ELECTRIC SE 0.25 16-24 09/09A	8,000,000	EUR	7,819,200	0.37

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Short Term

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
SCHNEIDER ELECTRIC SE 0.875 15-25 11/03A	2,000,000	EUR	1,949,010	0.09
STRYKER 3.375 23-28 11/12A	7,221,000	EUR	7,323,683	0.35
STRYKER CORP 0.25 19-24 03/12A	2,000,000	EUR	1,937,420	0.09
THERMO FISHER SCIENT 0.1250 19-25 01/03A	7,000,000	EUR	6,733,510	0.32
THERMO FISHER SCIENT 0.75 16-24 12/09A	9,000,000	EUR	8,810,370	0.42
THERMO FISHER SCIENT 2.00 14-25 15/04A	2,000,000	EUR	1,960,310	0.09
THERMO FISHER SCIENT 3.2 22-26 21/01A	6,375,000	EUR	6,389,886	0.30
TYCO ELECTRONICS GRO 0 20-25 14/02A	3,849,000	EUR	3,704,836	0.18
VERIZON COMMUNICATION 0.875 16-25 02/04A	1,800,000	EUR	1,744,533	0.08
VERIZON COMMUNICATION 1.375 17-26 27/10A	4,500,000	EUR	4,309,245	0.20
VERIZON COMMUNICATION 3.25 14-26 17/02A	6,000,000	EUR	6,040,470	0.29
			<b>212,607,089</b>	<b>10.07</b>
<b>Total bonds</b>			<b>1,778,673,414</b>	<b>84.26</b>
<b>Floating rate notes</b>				
<b>Australia</b>				
ANZ BANKING GROUP FL.R 19-29 21/11A	2,500,000	EUR	2,415,638	0.11
WESTPAC BANKING CORP FL.R 21-24 18/11Q	1,341,000	USD	1,211,574	0.06
			<b>3,627,212</b>	<b>0.17</b>
<b>Belgium</b>				
KBC GROUPE FL.R 22-27 23/11A	2,000,000	EUR	2,049,140	0.10
KBC GROUPE FL.R 23-26 06/06A	4,100,000	EUR	4,146,371	0.20
KBC GROUPE SA FL.R 19-29 03/12A	3,000,000	EUR	2,877,465	0.14
KBC GROUPE SA FL.R 20-27 16/06A	9,500,000	EUR	8,861,363	0.42
KBC GROUPE SA FL.R 21-27 01/03A27 01/03A	9,500,000	EUR	8,889,103	0.42
			<b>26,823,442</b>	<b>1.27</b>
<b>Canada</b>				
BANK OF MONTREAL FL.R 23-25 06/06Q	4,003,000	EUR	4,014,569	0.19
BANK OF NOVA SCOTIA FL.R 21-24 19/04Q	2,516,000	USD	2,278,726	0.11
BANK OF NOVA SCOTIA FL.R 23-25 02/05Q	9,067,000	EUR	9,085,633	0.43
TORONTO DOMINION BANK FL.R 23-25 20/01Q	4,851,000	EUR	4,862,109	0.23
			<b>20,241,037</b>	<b>0.96</b>
<b>Denmark</b>				
JYSKE BANK DNK FL.R 21-26 02/09A	12,929,000	EUR	12,149,640	0.58
			<b>12,149,640</b>	<b>0.58</b>
<b>France</b>				
AXA SA FL.R 14-XX 08/10A	5,400,000	EUR	5,353,263	0.25
BNP PARIBAS SA FL.R 19-26 04/06A	16,800,000	EUR	16,070,963	0.76
BPCE FL.R 22-28 14/01A	6,800,000	EUR	6,212,820	0.29
CNP ASSURANCES FL.R 14-45 05/06A	2,000,000	EUR	1,998,160	0.09
COMPAGNIE DE SAINT G FL.R 23-24 18/07Q	4,600,000	EUR	4,601,771	0.22
CREDIT AGRICOLE SA FL.R 20-26 22/04A	2,000,000	EUR	1,930,130	0.09
CREDIT AGRICOLE SA FL.R 20-30 05/06A	6,000,000	EUR	5,802,180	0.27
CREDIT AGRICOLE SA FL.R 22-26 12/10A	7,000,000	EUR	7,061,460	0.33
CREDIT AGRICOLE SA FL.R 23-25 07/03Q	4,600,000	EUR	4,607,981	0.22
LA BANQUE POSTALE FL.R 20-26 17/06A	10,000,000	EUR	9,556,000	0.45
LA BANQUE POSTALE FL.R 20-31 26/01A	1,000,000	EUR	934,050	0.04
SOCIETE GENERALE SA FL.R 21-27 02/12A	9,000,000	EUR	8,258,175	0.39
			<b>72,386,953</b>	<b>3.43</b>
<b>Germany</b>				
ALLIANZ SE FL.R 15-45 07/07A	7,000,000	EUR	6,799,835	0.32
COMMERZBANK AG FL.R 20-26 24/03A	10,000,000	EUR	9,606,950	0.46
COMMERZBANK AG FL.R 22-27 14/09A	6,000,000	EUR	5,880,540	0.28
MERCK KGAA FL.R 20-80 09/09A	2,000,000	EUR	1,862,530	0.09
SIEMENS FINANCIE FL.R 23-25 18/12Q	2,500,000	EUR	2,504,425	0.12
			<b>26,654,280</b>	<b>1.26</b>
<b>Ireland</b>				
AIB GROUP PLC FL.R 22-26 04/07A26 04/07A	8,700,000	EUR	8,703,176	0.41
BANK OF IRELAND GRP FL.R 21-27 10/03A	9,000,000	EUR	8,372,205	0.40
			<b>17,075,381</b>	<b>0.81</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Short Term

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Italy</b>				
ASSICURAZ GENERALI FL.R 14-XX 21/11A	100,000	EUR	99,912	0.00
INTESA SANPAOLO FL.R 23-25 16/11Q	9,324,000	EUR	9,346,844	0.44
INTESA SANPAOLO FL.R 23-28 08/03A	3,143,000	EUR	3,255,174	0.15
UNICREDIT SPA FL.R 19-25 03/07A	4,000,000	EUR	3,949,040	0.19
UNICREDIT SPA FL.R 20-26 20/01A	9,500,000	EUR	9,227,920	0.44
			<b>25,878,890</b>	<b>1.23</b>
<b>Netherlands</b>				
ING GROEP NV FL.R 21-25 29/11A	6,600,000	EUR	6,376,260	0.30
ING GROUP NV FL.R 19-25 03/09A	3,600,000	EUR	3,509,496	0.17
ING GROUP NV FL.R 22-26 23/05A	13,000,000	EUR	12,721,475	0.60
			<b>22,607,231</b>	<b>1.07</b>
<b>Norway</b>				
DNB BANK ASA FL.R 22-27 21/09A	10,000,000	EUR	9,976,000	0.47
DNB BANK ASA FL.R 23-27 16/02A	8,775,000	EUR	8,807,643	0.42
			<b>18,783,643</b>	<b>0.89</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA FL.R 19-29 22/02A	5,000,000	EUR	4,983,600	0.24
BANCO DE SABADELL SA FL.R 20-27 11/09A	4,700,000	EUR	4,463,896	0.21
BANCO DE SABADELL SA FL.R 22-26 24/03A	7,000,000	EUR	6,865,369	0.33
BBVA FL.R 22-25 26/11Q	1,000,000	EUR	1,013,225	0.05
IBERDROLA INTL BV FL.R 19-XX 12/02A	3,500,000	EUR	3,465,963	0.16
			<b>20,792,053</b>	<b>0.98</b>
<b>Sweden</b>				
SWEDBANK AB FL.R 21-27 20/05A	14,000,000	EUR	12,942,230	0.61
			<b>12,942,230</b>	<b>0.61</b>
<b>Switzerland</b>				
SIKA CAPITAL BV FL.R 23-24 01/11Q	4,572,000	EUR	4,574,080	0.22
			<b>4,574,080</b>	<b>0.22</b>
<b>United Kingdom</b>				
LLOYDS BANKING GROUP FL.R 20-26 01/04A	5,000,000	EUR	4,986,700	0.24
NATWEST GROUP PLC FL.R 19-25 15/11A	7,500,000	EUR	7,295,175	0.35
NATWEST MKTS FL.R 22-25 27/08Q	2,000,000	EUR	2,019,080	0.10
			<b>14,300,955</b>	<b>0.68</b>
<b>United States of America</b>				
BANK OF NY MELL FL.R 21-24 26/04Q	2,423,000	USD	2,191,920	0.10
PROLOGIS EURO FINANCE FL.R 22-24 08/02Q	2,433,000	EUR	2,434,022	0.12
			<b>4,625,942</b>	<b>0.22</b>
<b>Total floating rate notes</b>			<b>303,462,969</b>	<b>14.38</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>2,082,136,383</b>	<b>98.63</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>Supranational</b>				
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	1	EUR	1,089	0.00
			<b>1,089</b>	<b>0.00</b>
<b>Total Shares/Units in investment funds</b>			<b>1,089</b>	<b>0.00</b>
<b>Total Undertakings for Collective Investment</b>			<b>1,089</b>	<b>0.00</b>
<b>Total investment portfolio</b>			<b>2,082,137,472</b>	<b>98.63</b>
Acquisition cost			2,067,416,473	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Euro Short Term

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

France	16.15
Italy	14.44
Spain	13.21
United States of America	10.29
Germany	7.93
Netherlands	7.28
Belgium	5.99
United Kingdom	5.36
Australia	2.38
Canada	2.07
Sweden	2.02
European Union	1.89
Norway	1.55
Ireland	1.39
Denmark	1.14
Japan	1.10
Portugal	0.96
Finland	0.90
Switzerland	0.72
Austria	0.69
Romania	0.53
New Zealand	0.36
Chile	0.28
Supranational	0.00
	<b>98.63</b>

**Economic breakdown (in % of net assets)**

Banks and other financial institutions	45.56
Bonds of States, Provinces and municipalities	24.59
Communication	3.74
Pharmaceuticals	3.05
Electronics and semiconductors	2.76
Electrical engineering	2.23
Supranational Organisations	1.89
Real estate	1.85
Utilities	1.70
Miscellaneous consumer goods	1.62
Internet and internet services	1.44
Insurance	1.15
Foods and non alcoholic drinks	1.06
Building materials	0.97
Miscellaneous services	0.87
Chemicals	0.83
Retail trade and department stores	0.74
Textiles and garments	0.61
Paper and forest products	0.50
Banks and other financial institutions	0.42
Machine and apparatus construction	0.37
Office supplies and computing	0.35
Graphic art and publishing	0.34
Investments funds	0.00
	<b>98.63</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Australia</b>				
AUSTRALIA NEW ZEA BK 3.652 23-26 20/01A	500,000	EUR	504,153	0.15
TELSTRA CORPORATION 1 20-30 23/04A	904,000	EUR	809,555	0.25
			<b>1,313,708</b>	<b>0.40</b>
<b>Austria</b>				
AUSTRIA 0.9 22-32 20/02A	1,754,000	EUR	1,543,450	0.47
AUSTRIA 0.00 21-31 20/02U	1,054,000	EUR	887,036	0.27
AUSTRIA 0.50 17-27 20/04A	209,000	EUR	197,318	0.06
AUSTRIA 0.75 16-26 20/10A	800,000	EUR	766,380	0.23
AUSTRIA 1.85 22-49 23/05A	488,000	EUR	399,062	0.12
AUSTRIA 2.40 13-34 23/05A	144,000	EUR	141,060	0.04
			<b>3,934,306</b>	<b>1.20</b>
<b>Belgium</b>				
BELFIUS SANV 3.875 23-28 12/06A	1,600,000	EUR	1,639,344	0.50
BELGIUM 0.1000 20-30 22/06A	1,000,000	EUR	867,190	0.27
BELGIUM 0.80 17-27 22/06A	400,000	EUR	381,012	0.12
BELGIUM 1.0 20-30 28/05S	1,100,000	USD	820,223	0.25
BELGIUM 1.25 18-33 22/04A	560,000	EUR	501,528	0.15
BELGIUM 1.7 19-50 22/06A	500,000	EUR	372,585	0.11
PROXIMUS SA 4.125 23-33 17/11A	900,000	EUR	961,254	0.29
PROXIMUS SADP 0.7500 21-36 17/11A	400,000	EUR	290,704	0.09
			<b>5,833,840</b>	<b>1.79</b>
<b>Bulgaria</b>				
BULGARIA GOVERNMENT I 4.875 23-36 13/05A	2,211,000	EUR	2,372,900	0.73
			<b>2,372,900</b>	<b>0.73</b>
<b>Canada</b>				
CANADA 1.50 15-26 01/06S	1,768,000	CAD	1,156,610	0.35
CANADA 2.1 21-31 27/05S	1,000,000	CAD	620,304	0.19
CANADA 2.25 22-29 01/12S	1,500,000	CAD	985,468	0.30
CANADA 2.75 14-48 01/12S	1,830,000	CAD	1,189,808	0.36
CANADA 2.75 23-33 01/06S	500,000	CAD	333,304	0.10
CANADA 2.7500 22-24 01/08S	1,000,000	CAD	678,367	0.21
CANADA 2.8 16-48 02/06S	1,357,000	CAD	755,322	0.23
CANADA 5.00 04-37 01/06S	36,000	CAD	29,752	0.01
CANADA 5.6 04-35 02/06S	990,000	CAD	786,903	0.24
NATL BANK OF CANADA 3.75 23-28 25/01A	821,000	EUR	831,743	0.25
PROVINCE OF QUEBEC 2.25 19-24 22/02S	1,200,000	CAD	820,698	0.25
QUEBEC (PROV OF) 2.75 17-27 12/04S	1,100,000	USD	951,816	0.29
			<b>9,140,095</b>	<b>2.80</b>
<b>Chile</b>				
CHILE 0.83 19-31 02/07A	500,000	EUR	414,480	0.13
CHILE 3.1000 21-41 07/05S	2,000,000	USD	1,379,613	0.42
			<b>1,794,093</b>	<b>0.55</b>
<b>Czech Republic</b>				
CZECH REPUBLIC 1.20 20-31 13/03A	20,000,000	CZK	683,922	0.21
			<b>683,922</b>	<b>0.21</b>
<b>Denmark</b>				
DENMARK GOVERNMENT BON 2.25 23-33 15/11A	9,473,684	DKK	1,272,524	0.39
			<b>1,272,524</b>	<b>0.39</b>
<b>Estonia</b>				
ESTONIA 0.125 20-30 10/06A	185,000	EUR	154,092	0.05
			<b>154,092</b>	<b>0.05</b>
<b>European Union</b>				
BANQUE DE DEVELOPPEME 0.875 21-26 22/09S	2,600,000	USD	2,154,118	0.66
BANQUE EUROP INVEST 0 21-31 14/01A	1,000,000	EUR	840,970	0.26
BANQUE EUROP INVEST 1 19-42 14/11A	800,000	EUR	576,008	0.18
BANQUE EUROPEAN DINV 1.625 14-25 04/02A	500,000	CHF	539,564	0.17

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
BANQUE EUROPEENNE DIN0.875 18-25 30/01A	7,000,000	SEK	611,246	0.19
BEI 0.01 20-35 15/11A	60,000	EUR	43,598	0.01
BEI 1.25 21-31 14/02S	2,400,000	USD	1,815,703	0.56
BEI 2.2500 19-24 24/06S	4,000,000	USD	3,570,525	1.09
EUROP FIN STABILITY 1.25 17-33 24/05A	453,000	EUR	401,607	0.12
EUROP.INVEST.BK 2.15 07-27 18/01S	840,000,000	JPY	5,732,101	1.75
EUROPEAN BANK FOR RE 4.25 21-28 07/02A	60,000,000,000	IDR	3,308,674	1.01
EUROPEAN STABILITY 0.5 19-29 05/03A	200,000	EUR	181,589	0.06
EUROPEAN UNION 0.00 21-31 04/07U	1,000,000	EUR	829,360	0.25
EUROPEAN UNION 0.4 21-37 04/02A	872,000	EUR	645,747	0.20
EUROPEAN UNION 2.0 22-27 04/10A	1,277,000	EUR	1,258,503	0.39
			<b>22,509,313</b>	<b>6.89</b>
<b>Finland</b>				
FINLAND 0.125 21-52 15/04A	100,000	EUR	49,266	0.02
FINLAND 1.125 18-34 15/04A	240,000	EUR	208,598	0.06
NOKIA OYJ 4.375 23-31 21/08A	933,000	EUR	940,063	0.29
OP CORPORATE BA 0.6250 22-27 27/07A	909,000	EUR	826,722	0.25
			<b>2,024,649</b>	<b>0.62</b>
<b>France</b>				
AXA 3.625 23-33 10/01A	823,000	EUR	873,734	0.27
BANQUE FED CRED 4.1250 23-30 18/09A	1,300,000	EUR	1,366,014	0.42
BFCM EMTN 4.00 22-29 21/11A	800,000	EUR	829,340	0.25
BPCE 2.875 16-26 22/04A	500,000	EUR	495,470	0.15
CA 4.0 23-33 18/01A	1,000,000	EUR	1,053,105	0.32
CAISSE D'AMORT 1.0000 20-30 21/10S	1,100,000	USD	811,624	0.25
CAPGEMINI SE 1.125 20-30 23/06A	600,000	EUR	536,352	0.16
CIE DE SAINT GOBAIN 1.125 18-26 23/03A	1,000,000	EUR	959,140	0.29
CREDIT AGRICOLE 0.375 19-25 21/10A	700,000	EUR	667,499	0.20
CREDIT AGRICOLE LDN 1.875 16-26 20/12A	400,000	EUR	385,452	0.12
DANONE 3.47 23-31 22/05A	2,100,000	EUR	2,160,428	0.66
EDENRED SA 1.375 20-29 18/06A	300,000	EUR	276,695	0.08
EDENRED SA 1.875 17-27 30/03A	300,000	EUR	289,749	0.09
FRANCE 0.5 20-44 25/06A	2,055,000	EUR	1,286,687	0.39
FRANCE 1.75 16-39 25/06A	1,400,000	EUR	1,217,468	0.37
GECINA 0.875 22-33 25/01A	500,000	EUR	413,910	0.13
L OREAL S A 3.375 23-27 23/01A	2,100,000	EUR	2,135,879	0.65
LA BANQUE POSTALE FL.R 19-XX 20/05S	400,000	EUR	359,566	0.11
LA POSTE 2.625 22-28 14/09A	1,500,000	EUR	1,484,625	0.45
PRAEMIA HEALTHCARE 375 20-30 17/09A	600,000	EUR	495,381	0.15
REGIE AUTONOME TRANS 0.875 17-27 25/05A	200,000	EUR	188,683	0.06
SNCF RESEAU 1.875 17-34 30/03A	400,000	EUR	362,120	0.11
SOCIETE GENERALE SFH 0.125 19-29 18/07A	2,000,000	EUR	1,735,440	0.53
SOCIETE NATIONA 3.1250 22-27 02/11A	500,000	EUR	506,925	0.16
SPIE SA 2.625 19-26 18/06A	1,000,000	EUR	979,437	0.30
VEOLIA ENVIRONNEMENT 0.8 20-32 15/06A	500,000	EUR	418,225	0.13
			<b>22,288,948</b>	<b>6.82</b>
<b>Germany</b>				
BUNDESREPUBLIK DEUTS 2.30 23-33 15/02A	6,500,000	EUR	6,668,252	2.04
EMD FINANCE LLC 3.25 15-25 19/03S	500,000	USD	441,832	0.14
GERMANY 0.00 21-31 15/08U	2,500,000	EUR	2,165,213	0.66
GERMANY 0.00 21-50 15/08U	1,350,000	EUR	755,393	0.23
GERMANY 0.0000 20-30 15/08U	1,200,000	EUR	1,062,072	0.33
HENKEL AG & CO KGAA 2.625 22-27 13/09A	700,000	EUR	696,987	0.21
KFW 0.00 20-30 17/09U	1,300,000	EUR	1,103,518	0.34
KFW 0.00 21-31 15/09U	4,500,000	EUR	3,728,723	1.14
KFW 0.0500 19-34 29/09A	2,007,000	EUR	1,526,885	0.47
KFW 0.25 17-25 30/06A	1,000,000	EUR	963,850	0.29
KFW 1.0000 21-26 01/10S	3,600,000	USD	2,998,887	0.92
KFW 1.625 19-24 03/04A	4,000,000	NOK	353,751	0.11

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
KFW 3.2000 17-28 15/03S	500,000	AUD	297,435	0.09
KRED.ANST.WIEDERAUFB. 2.60 07-37 20/06S	100,000,000	JPY	795,233	0.24
KREDITANSTALT FUER 2.9 23-26 24/02A	25,000,000	CNH	3,200,421	0.98
KREDITANSTALT FUER W 0.875 19-26 15/09A	1,000,000	GBP	1,065,207	0.33
KREDITANSTALT FUER WI 1.125 21-25 08/08A	5,000,000	NOK	425,848	0.13
KREDITANSTALT FUER2.75 22-25 03/03A	10,000,000	CNH	1,274,765	0.39
NRW BANK 0.875 15-25 10/11A	200,000	EUR	193,194	0.06
SIEMENS FIN NV 2.15 21-31 11/03S	1,000,000	USD	773,720	0.24
SIEMENS FINANCI 2.35 16-26 15/10S	1,000,000	USD	854,805	0.26
VOLKSWAGEN INTL FIN 4.125 22-25 15/11A	500,000	EUR	506,358	0.15
VONOVIA FINANCE BV 2.125 18-30 22/03A	200,000	EUR	179,376	0.05
VONOVIA SE 0.375 21-27 16/06A	400,000	EUR	358,084	0.11
VONOVIA SE 1.375 22-26 28/01A	900,000	EUR	860,909	0.26
VONOVIA SE 4.75 22-27 23/05A	300,000	EUR	311,511	0.10
VW GROUP OF AMER FIN 1.25 20-25 24/11S	778,000	USD	654,417	0.20
			<b>34,216,646</b>	<b>10.47</b>
<b>Hungary</b>				
HUNGARY 2.125 21-31 22/09S	600,000	USD	439,241	0.13
HUNGARY 2.5 18-24 24/10A	100,000,000	HUF	252,268	0.08
HUNGARY 6.125 23-28 22/05S	1,500,000	USD	1,414,174	0.43
			<b>2,105,683</b>	<b>0.64</b>
<b>Ireland</b>				
IRELAND 1.35 18-31 18/03A	900,000	EUR	846,851	0.26
IRELAND 5.40 09-25 13/03A	50,000	EUR	51,425	0.02
SMURFIT KAPPA TSY 0.5000 21-29 22/09A	741,000	EUR	635,207	0.19
			<b>1,533,483</b>	<b>0.47</b>
<b>Italy</b>				
BUONI POLIENNAL 1.50 21-45 30/04S	1,375,000	EUR	872,011	0.27
ENEL FI 4.5 23-43 20/02A	663,000	EUR	685,300	0.21
INTESA SANPAOLO 4.00 23-26 19/05A	1,201,000	EUR	1,218,931	0.37
INTESA SANPAOLO 5.25 14-24 12/01S	300,000	USD	271,506	0.08
ITALY 4 19-49 17/10S	350,000	USD	240,849	0.07
ITALY 4.4 22-33 01/05S	1,000,000	EUR	1,066,760	0.33
ITALY 4.75 13-28 01/09S	150,000	EUR	161,659	0.05
ITALY BTP 6.50 97-27 01/11S	850,000	EUR	962,162	0.29
ITALY BUONI POLIENNA 4.35 23-33 01/11S	1,000,000	EUR	1,060,375	0.32
UNICREDIT SPA 2.125 16-26 24/10A	797,000	EUR	777,470	0.24
UNICREDIT SPA 2.569 20-26 22/09S	350,000	USD	298,272	0.09
			<b>7,615,295</b>	<b>2.33</b>
<b>Japan</b>				
JAPAN (30 YEAR) 1.8000 23-53 20/09S	80,000,000	JPY	531,549	0.16
JAPAN (30 YEAR) 1.2000 23-53 20/06S	170,000,000	JPY	979,189	0.30
JAPAN 0.005 22-24 01/05S	775,000,000	JPY	4,978,786	1.52
JAPAN 0.005 22-24 01/10S	950,000,000	JPY	6,103,486	1.87
JAPAN 0.1 19-24 20/03S	640,000,000	JPY	4,111,926	1.26
JAPAN 0.1 19-24 20/06S	710,000,000	JPY	4,563,718	1.40
JAPAN 0.10 19-24 20/09S	530,000,000	JPY	3,407,367	1.04
JAPAN 0.4 20-40 20/06S	297,800,000	JPY	1,686,806	0.52
JAPAN 1.5 14-44 20/12S	144,700,000	JPY	940,166	0.29
JAPAN 1.6 15-45 20/06S	95,000,000	JPY	626,322	0.19
JAPAN 40 YEAR ISSUE 1.3 23-63 20/03S	160,000,000	JPY	892,997	0.27
TOYOTA MOTOR FINANCE 3.375 23-26 13/01A	1,000,000	EUR	1,003,885	0.31
			<b>29,826,197</b>	<b>9.13</b>
<b>Netherlands</b>				
ABN AMRO BANK 0.6 20-27 15/01A	600,000	EUR	554,199	0.17
ABN AMRO BANK 3.625 23-26 10/01A	500,000	EUR	503,993	0.15
ASML HOLDING NV 1.375 16-26 07/07S	300,000	EUR	289,595	0.09
BNG BANK NV 2.45 22-32 21/07S	1,000,000	AUD	518,676	0.16
ING GROEP NV 20-26 01/07S	1,335,000	USD	1,137,823	0.35

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
NEDERLANDSE WATERSCHAP 3.45 18-28 17/07S	1,000,000	AUD	595,460	0.18
NETHERLANDS 0.00 21-31 15/07U	400,000	EUR	339,664	0.10
NETHERLANDS 0.50 19-40 15/01A	1,000,000	EUR	741,240	0.23
NETHERLANDS 2.75 14-47 15/01A	250,000	EUR	261,788	0.08
SANDOZ FINANCE BV 3.97 23-27 17/04A	1,209,000	EUR	1,234,026	0.38
TENNET HOLDING BV 1.375 18-28 05/06A	500,000	EUR	479,260	0.15
WOLTERS KLUWER 1.50 17-27 22/03A	1,000,000	EUR	957,235	0.29
			<b>7,612,959</b>	<b>2.33</b>
<b>Norway</b>				
KBN 1.25 20-30 02/07S	2,000,000	NZD	931,303	0.29
NORWAY 1.25 21-31 17/09A	12,000,000	NOK	925,519	0.28
NORWAY 2.125 22-32 18/05A	12,000,000	NOK	980,933	0.30
NORWAY 3.0 23-33 15/08A	12,000,000	NOK	1,046,643	0.32
			<b>3,884,398</b>	<b>1.19</b>
<b>Poland</b>				
POLAND 2.50 15-26 25/07A	2,750,000	PLN	596,637	0.18
POLAND 5.5 23-53 04/04S	500,000	USD	473,444	0.14
POLAND 5.75 22-32 16/11S	1,000,000	USD	980,039	0.30
POLAND 6.00 22-33 25/10A	2,000,000	PLN	488,391	0.15
			<b>2,538,511</b>	<b>0.78</b>
<b>Portugal</b>				
ENERGIAS DE PORTUGAL 3.875 23-28 26/06A	600,000	EUR	617,397	0.19
			<b>617,397</b>	<b>0.19</b>
<b>Romania</b>				
ROMANIA 2.00 20-32 28/01A	1,125,000	EUR	872,162	0.27
ROMANIA 3.75 22-34 07/02A	483,000	EUR	416,805	0.13
			<b>1,288,967</b>	<b>0.39</b>
<b>Slovakia</b>				
SLOVAKIA 3.625 23-33 08/06A	71,420	EUR	73,995	0.02
			<b>73,995</b>	<b>0.02</b>
<b>Spain</b>				
BANCO DE SABADELL SA 0.875 19-25 22/07A	700,000	EUR	673,953	0.21
IBERDROLA FINANZAS 3.375 22-32 22/11A	600,000	EUR	613,137	0.19
IBERDROLA INTL BV 6.75 06-36 15/07S	1,100,000	USD	1,161,644	0.36
RED ELECTRICA FIN 0.375 20-28 24/07A	1,000,000	EUR	906,395	0.28
SPAIN 0.00 21-28 31/01U	1,477,000	EUR	1,334,573	0.41
SPAIN 0.1 21-31 30/04A	1,309,000	EUR	1,082,589	0.33
SPAIN 1 21-42 30/07A	1,135,000	EUR	760,217	0.23
SPAIN 1.00 20-50 31/10A	728,000	EUR	410,013	0.13
SPAIN 1.30 16-26 31/10A	800,000	EUR	773,356	0.24
TELEFONICA EMISIONES 1.957 19-39 01/07A	500,000	EUR	402,995	0.12
			<b>8,118,872</b>	<b>2.48</b>
<b>Supranational</b>				
BANQUE INTERNATIONAL 3.3 18-28 14/08S	3,000,000	AUD	1,785,370	0.55
INTL BK FOR RECONS 0.0 22-52 30/09U	400,000,000	MXN	1,728,151	0.53
INTL BK RECON DEVEL 1.625 21-28 10/05S	10,000,000	NZD	5,097,390	1.56
			<b>8,610,911</b>	<b>2.64</b>
<b>Sweden</b>				
SKANDINAVISKA ENSKIL 4.375 23-28 06/11A	1,127,000	EUR	1,170,204	0.36
SWEDBANK AB 3.75 22-25 14/11A	595,000	EUR	600,203	0.18
SWEDEN 2.25 11-32 01/06A	5,590,000	SEK	511,943	0.16
			<b>2,282,350</b>	<b>0.70</b>
<b>Switzerland</b>				
ADECCO INTL FIN SERV 1.25 19-29 20/11A	400,000	EUR	363,740	0.11
NOVARTIS CAP 3.00 15-25 20/11S	650,000	USD	572,864	0.18
SIKA CAPITAL BV 3.75 23-26 03/11A	1,848,000	EUR	1,880,294	0.58
SWITZERLAND 2.50 06-36 08/03A	500,000	CHF	655,265	0.20
			<b>3,472,163</b>	<b>1.06</b>
<b>United Kingdom</b>				
ASTRAZENECA 4.0 18-29 17/08S	550,000	USD	492,247	0.15

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
ASTRAZENECA FINANCE 4.875 23-33 03/03S	500,000	USD	469,006	0.14
GLAXOSMITHKLINE 3.8750 18-28 15/05S	1,000,000	USD	892,500	0.27
RECKITT BENCKISER TR 0.375 20-26 19/05A	953,000	EUR	899,789	0.28
RELAX CAPITAL INC 4.00 19-29 18/03S	1,800,000	USD	1,600,740	0.49
RELX FINANCE BV 3.75 23-31 12/06A	795,000	EUR	827,973	0.25
UNITED KINGDOM 0.25 20-31 31/07S	1,150,000	GBP	1,049,319	0.32
UNITED KINGDOM 0.25 21-25 31/01S	1,800,000	GBP	1,988,319	0.61
UNITED KINGDOM 0.625 19-25 07/06S	500,000	GBP	549,833	0.17
UNITED KINGDOM 0.625 20-50 22/10S	1,215,000	GBP	618,422	0.19
UNITED KINGDOM 0.8750 21-33 31/07S	2,130,000	GBP	1,925,419	0.59
UNITED KINGDOM 1.50 16-47 22/07S	1,345,373	GBP	941,893	0.29
UNITED KINGDOM 3.25 12-44 22/01S	985,000	GBP	1,001,346	0.31
UNITED KINGDOM 3.25 23-33 31/01S	1,600,000	GBP	1,806,548	0.55
UNITED KINGDOM 6.00 98-28 07/12S	700,000	GBP	904,022	0.28
			<b>15,967,376</b>	<b>4.89</b>
<b>United States of America</b>				
AMGEN 5.25 23-25 02/03S	1,000,000	USD	907,745	0.28
AMGEN INC 2.2 20-27 21/02S	500,000	USD	421,052	0.13
AMGEN INC 3.125 15-25 01/05S	614,000	USD	542,084	0.17
AVANTOR FUNDING INC 2.625 20-25 06/11S	1,000,000	EUR	980,724	0.30
BANK OF NY MELL 3.3000 17-29 23/08S	1,200,000	USD	1,018,341	0.31
BANQUE INTERAMER DEV 2.00 16-26 02/06S	520,000	USD	446,739	0.14
BQUE INTERAMERICAINE 3.1 17-28 22/02S	3,000,000	AUD	1,775,465	0.54
BRISTOL MYERS 5.9 23-33 15/11S	1,000,000	USD	986,439	0.30
COLGATE PALMOLIVE CO 4.8 23-26 02/03S	688,000	USD	630,324	0.19
CROWN EUROPEAN HLDG 3.375 15-25 15/05S	1,000,000	EUR	993,792	0.30
DH EUROPE FIN 0.45 19-28 18/03A	210,000	EUR	189,957	0.06
DH EUROPE FINANCE II 0.75 19-31 18/09A	500,000	EUR	422,325	0.13
EBAY INC 2.7 20-30 11/03S	900,000	USD	725,495	0.22
EBAY INC 3.45 14-24 01/08S	1,500,000	USD	1,340,060	0.41
ELI LILLY & CO 0.625 19-31 01/11A	790,000	EUR	678,736	0.21
ELI LILLY & CO 3.3750 19-29 15/03S	1,000,000	USD	871,543	0.27
EQUINIX INC 1.5500 20-28 15/03S	1,840,000	USD	1,466,103	0.45
FIDELITY NATIONAL INFO 5.10 22-32 15/07S	1,000,000	USD	926,787	0.28
GENERAL MILLS INC 3.907 23-29 13/04A	521,000	EUR	538,529	0.16
INTEL CORP 2.45 19-29 15/11S	400,000	USD	326,340	0.10
INTEL CORP 3.4 20-25 25/03S	500,000	USD	445,170	0.14
INTER AMERICAN DEV BANK 4.375 14-44 24/0	1,000,000	USD	895,170	0.27
INTER AMERICAN DEVEL 3.875 11-41 28/10S	100,000	USD	83,879	0.03
INTL FIN CORP 6.30 14-24 25/11S	150,000,000	INR	1,624,605	0.50
IQVIA INC 1.75 21-26 03/03S	1,000,000	EUR	963,430	0.29
KELLANOVA 3.25 16-26 01/04S	800,000	USD	701,862	0.21
KELLOGG CO 0.5 21-29 20/05A	708,000	EUR	614,618	0.19
MANPOWERGROUP INC 1.75 18-26 22/06A	1,000,000	EUR	968,780	0.30
MASTERCARD INC 3.3000 20-27 26/03S	700,000	USD	614,871	0.19
METLIFE INC 5.7 05-35 15/06S	1,000,000	USD	974,304	0.30
PRAXAIR INC 1.1 20-30 10/08S	2,000,000	USD	1,502,775	0.46
PROCTER AND GAMBLE 3.25 23-26 02/08A	2,137,000	EUR	2,159,962	0.66
PROLOGIS EURO FINANCE 0.375 20-28 06/02A	800,000	EUR	714,936	0.22
ROCHE FINANCE EUR 3.586 23-36 04/12A	1,448,000	EUR	1,534,337	0.47
ROCHE HOLDINGS INC 3 15-25 10/11S	200,000	USD	176,308	0.05
SCHNEIDER ELECTRIC S 3.375 23-25 06/04A	500,000	EUR	500,440	0.15
SHIRE ACQ INV IR 3.20 16-26 23/09S	1,000,000	USD	871,412	0.27
STRYKER 3.375 23-28 11/12A	633,000	EUR	642,001	0.20
THERMO FISHER SCIEN 1.95 17-29 24/07A	600,000	EUR	570,357	0.17
THERMO FISHER SCIENT 0.50 19-28 01/03A	368,000	EUR	334,884	0.10
THERMO FISHER SCIENT 1.40 17-26 23/01A	169,000	EUR	163,186	0.05
THERMO FISHER SCIENT 5.30 13-44 01/02S	300,000	USD	283,808	0.09

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
THERMO FISHER SCIENTIFI 2.8 21-41 15/10S	700,000	USD	482,177	0.15
TOYOTA MOTOR CR 5.5500 23-30 20/11S	1,000,000	USD	954,257	0.29
TOYOTA MOTOR CREDIT 0.25 20-26 16/01A	400,000	EUR	373,754	0.11
TOYOTA MOTOR CREDIT 0.8 20-25 16/10S	276,000	USD	233,789	0.07
TYCO ELECTRONICS GRO 3.125 17-27 15/08S	400,000	USD	345,282	0.11
UNITED STATES 0.375 20-25 30/04S	3,310,400	USD	2,836,938	0.87
UNITED STATES 0.50 20-25 31/03S	3,383,800	USD	2,913,182	0.89
UNITED STATES 0.75 21-28 31/01S	1,600,000	USD	1,277,441	0.39
UNITED STATES 1.125 20-25 28/02S	5,444,600	USD	4,735,017	1.45
UNITED STATES 1.25 20-50 15/05S	1,400,000	USD	685,469	0.21
UNITED STATES 1.625 19-29 15/08S	3,259,300	USD	2,627,122	0.80
UNITED STATES 1.875 17-24 31/08S	316,700	USD	280,795	0.09
UNITED STATES 2.25 16-46 15/08S	44,900	USD	28,967	0.01
UNITED STATES 2.250 21-41 15/05S	825,700	USD	570,710	0.17
UNITED STATES 2.50 15-45 15/02S	1,045,800	USD	718,254	0.22
UNITED STATES 2.75 12-42 15/08S	1,152,300	USD	847,711	0.26
UNITED STATES 3 15-45 15/11S	700,000	USD	522,493	0.16
UNITED STATES 3.375 23-33 15/05S	3,500,000	USD	3,042,925	0.93
UNITED STATES 3.50 09-39 15/02S	1,400,000	USD	1,201,823	0.37
UNITED STATES 3.75 13-43 15/11S	200,000	USD	169,511	0.05
UNITED STATES 4.375 08-38 15/02S	730,000	USD	695,537	0.21
UNITED STATES 5.00 23-25 31/08S	2,500,000	USD	2,284,598	0.70
UNITED STATES TR NO 4.0 23-28 30/06S	6,000,000	USD	5,458,317	1.67
UNITED STATES TREASU 4.125 23-28 31/07S	6,300,000	USD	5,763,091	1.76
UNITED STATES TREASU 4.5 23-33 15/11S	200,000	USD	190,176	0.06
US TREASURY N/B 3.8750 23-33 15/08S	1,000,000	USD	904,698	0.28
US TREASURY N/B 4.3750 23-28 31/08S	6,000,000	USD	5,548,702	1.70
VERIZON COMM 4.329 18-28 21/09S	500,000	USD	447,769	0.14
VERIZON COMMUN 2.85 21-41 03/09S	500,000	USD	335,208	0.10
VERIZON COMMUNICATION 4.125 17-27 16/03S	250,000	USD	223,014	0.07
VERIZON COMMUNICATIONS 2.5 20-30 16/05S	1,000,000	CAD	613,961	0.19
VISA INC 2.0000 20-50 15/08S	1,300,000	USD	730,631	0.22
ZIMMER BIOMET HOLDINGS 3.25 23-28 01/12S	750,000	USD	699,327	0.21
			<b>82,272,321</b>	<b>25.18</b>
<b>Total bonds</b>			<b>285,359,914</b>	<b>87.33</b>
<b>Floating rate notes</b>				
<b>Australia</b>				
AUSTRALIA NEW ZEA BK FL.R 23-33 03/02A	404,000	EUR	416,720	0.13
			<b>416,720</b>	<b>0.13</b>
<b>Belgium</b>				
KBC GROUPE FL.R 22-27 23/11A	1,200,000	EUR	1,229,484	0.38
KBC GROUPE SA FL.R 17-29 18/09A	400,000	EUR	390,162	0.12
KBC GROUPE SA FL.R 19-99 31/12S	1,400,000	EUR	1,400,987	0.43
			<b>3,020,633</b>	<b>0.92</b>
<b>Denmark</b>				
JYSKE BANK DNK FL.R 21-26 02/09A	292,000	EUR	274,398	0.08
			<b>274,398</b>	<b>0.08</b>
<b>Finland</b>				
NORDEA BANK ABP FL.R 23-34 23/02A	504,000	EUR	524,089	0.16
			<b>524,089</b>	<b>0.16</b>
<b>France</b>				
BNP PARIBAS FL.R 23-31 13/04A	1,500,000	EUR	1,554,713	0.48
BPCE FL.R 22-28 14/01A	500,000	EUR	456,825	0.14
BPCE SA FL.R 23-35 25/01A	600,000	EUR	618,144	0.19
CNP ASSURANCES FL.R 23-52 18/07A	400,000	EUR	414,858	0.13
CREDIT AGRICOLE SA FL.R 20-30 05/06A	1,000,000	EUR	967,030	0.30
CREDIT MUTUEL ARKEA FL.R 20-29 11/06A	500,000	EUR	454,383	0.14
			<b>4,465,953</b>	<b>1.37</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Germany</b>				
CMZB FRANCFORT FL.R 23-30 18/01A	900,000	EUR	943,614	0.29
			<b>943,614</b>	<b>0.29</b>
<b>Italy</b>				
INTESA SANPAOLO FL.R 23-34 20/02A	365,000	EUR	386,134	0.12
UNICREDIT SPA FL.R 19-29 23/09A	1,000,000	EUR	977,770	0.30
			<b>1,363,904</b>	<b>0.42</b>
<b>Netherlands</b>				
ING GROUP NV FL.R 19-30 13/11A	600,000	EUR	562,860	0.17
TENNET HOLDING BV FL.R 17-XX 01/06A	700,000	EUR	698,292	0.21
			<b>1,261,152</b>	<b>0.39</b>
<b>Norway</b>				
DNB BANK ASA FL.R 23-27 16/02A	1,132,000	EUR	1,136,211	0.35
			<b>1,136,211</b>	<b>0.35</b>
<b>Portugal</b>				
ENERGIAS DE PORTUGAL FL.R 23-83 23/04A	300,000	EUR	312,009	0.10
			<b>312,009</b>	<b>0.10</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA FL.R 20-30 16/01A	1,000,000	EUR	962,620	0.29
BANCO DE SABADELL SA FL.R 22-26 24/03A	700,000	EUR	686,537	0.21
BBVA FL.R 23-31 13/01A	700,000	EUR	735,984	0.23
BBVA FL.R 23-XX 21/09Q	200,000	EUR	217,113	0.07
			<b>2,602,254</b>	<b>0.80</b>
<b>Total floating rate notes</b>			<b>16,320,937</b>	<b>4.99</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>301,680,851</b>	<b>92.32</b>
<b>Other transferable securities</b>				
<b>Bonds</b>				
<b>Canada</b>				
PROVINCE DE QUEBEC 5.35 04-25 01/06S	500,000	CAD	347,930	0.11
			<b>347,930</b>	<b>0.11</b>
<b>New Zealand</b>				
WESTPAC NEW ZEA 1.4390 21-26 24/02S	2,000,000	NZD	1,063,833	0.33
			<b>1,063,833</b>	<b>0.33</b>
<b>Total bonds</b>			<b>1,411,763</b>	<b>0.43</b>
<b>Total Other transferable securities</b>			<b>1,411,763</b>	<b>0.43</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>Supranational</b>				
CANDRIAM SUSTAINABLE BOND EURO CORPORATE I C	630	EUR	225,175	0.07
CANDRIAM SUSTAINABLE BOND GLOBAL CONVERTIBLE Z C	1,800	EUR	1,902,546	0.58
CANDRIAM SUSTAINABLE BOND IMPACT Z C	3,600	EUR	3,166,632	0.97
			<b>5,294,353</b>	<b>1.62</b>
<b>Total Shares/Units in investment funds</b>			<b>5,294,353</b>	<b>1.62</b>
<b>Total Undertakings for Collective Investment</b>			<b>5,294,353</b>	<b>1.62</b>
<b>Total investment portfolio</b>			<b>308,386,967</b>	<b>94.38</b>
Acquisition cost			328,903,057	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United States of America	25.18
Germany	10.76
Japan	9.13
France	8.19
European Union	6.89
United Kingdom	4.89
Supranational	4.26
Spain	3.28
Canada	2.90
Italy	2.75
Netherlands	2.72
Belgium	2.71
Norway	1.54
Austria	1.20
Switzerland	1.06
Finland	0.78
Poland	0.78
Bulgaria	0.73
Sweden	0.70
Hungary	0.64
Chile	0.55
Australia	0.53
Denmark	0.47
Ireland	0.47
Romania	0.39
New Zealand	0.33
Portugal	0.28
Czech Republic	0.21
Estonia	0.05
Slovakia	0.02
	<b>94.38</b>

**Economic breakdown (in % of net assets)**

Bonds of States, Provinces and municipalities	42.17
Banks and other financial institutions	24.03
Supranational Organisations	11.00
Pharmaceuticals	2.82
Investments funds	1.62
Communication	1.54
Real estate	1.47
Miscellaneous consumer goods	1.36
Foods and non alcoholic drinks	1.23
Electronics and semiconductors	0.89
Insurance	0.69
Miscellaneous services	0.68
Retail trade and department stores	0.63
Electrical engineering	0.61
Building materials	0.59
Chemicals	0.46
Internet and internet services	0.45
Utilities	0.41
Other	0.36
Packaging industries	0.30
Graphic art and publishing	0.29
Healthcare	0.29
Transportation	0.21
Road vehicles	0.20
Biotechnology	0.05
	<b>94.38</b>

Any differences in the percentage of Net Assets are the result of roundings.





Candriam Sustainable Bond Global Convertible

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>New Zealand</b>				
XERO INVESTMENTS CV 0 20-25 02/12U	250,000	USD	202,411	0.87
			<b>202,411</b>	<b>0.87</b>
<b>People's Republic of China</b>				
LENOVO GROUP LTD CV 2.5 22-29 26/08S/08S	200,000	USD	245,837	1.05
MEITUAN CV 0.00 21-27 27/04U0 21-27 27/04U	700,000	USD	580,655	2.49
NIO CV 3.875 23-29 15/10S	100,000	USD	96,213	0.41
NIO INC CV 4.625 23-30 15/10S	100,000	USD	97,136	0.42
			<b>1,019,841</b>	<b>4.38</b>
<b>South Korea</b>				
SK HYNIX CV 1.75 23-30 11/04Q	400,000	USD	505,717	2.17
			<b>505,717</b>	<b>2.17</b>
<b>Spain</b>				
AMADEUS IT GROUP SA CV 1.5 20-25 09/04S	600,000	EUR	739,892	3.17
CELLNEX TELECOM SA CV 0.50 19-28 05/07A	600,000	EUR	641,171	2.75
			<b>1,381,063</b>	<b>5.92</b>
<b>Switzerland</b>				
STMICROELECTRONIC CV 0.0001 17-27 04/08S	400,000	USD	436,978	1.87
			<b>436,978</b>	<b>1.87</b>
<b>United States of America</b>				
AKAMAI TECHNO CV 0.375 19-27 01/09S	750,000	USD	759,470	3.26
AKAMAI TECHNOLOG CV 1.125 23-29 15/02S	200,000	USD	196,216	0.84
ALNYLAM PHARMAC CV 1.000 22-27 15/09S	200,000	USD	178,811	0.77
BENTLEY SYSTEMS INC 0.375 21-27 01/07S	500,000	USD	406,498	1.74
BIOMARIN PHARMA CV 0.599 17-24 01/08S	250,000	USD	223,090	0.96
BLOOM ENERGY CV 3.0 23-28 01/06S	220,000	USD	215,061	0.92
CERIDIAN HCM HOLD CV 0.25 21-26 15/03S	300,000	USD	244,409	1.05
ENPHASE ENERGY INC CV 0.00 21-26 01/03U	200,000	USD	166,141	0.71
ETSY INC CV 0.25 21-28 15/06S	150,000	USD	108,789	0.47
EXACT SCIENCES CV 0.375 19-27 15/03S	300,000	USD	264,017	1.13
GUIDEWIRE SOFTWARE CV 1.25 18-25 15/03S	100,000	USD	99,949	0.43
HALOZYME THERAPEUT CV 0.25 22-27 01/03SS	100,000	USD	78,113	0.34
HALOZYME THERAPEUT CV 22-28 15/08S	200,000	USD	168,533	0.72
INSMED INC CV 0.750 21-28 01/06S	100,000	USD	103,878	0.45
INSULET CORP CV 0.375 20-26 01/09S	235,000	USD	244,418	1.05
INTEGER HOLDINGS CORP CV 23-28 15/02S	100,000	USD	116,296	0.50
JAZZ INVEST I LTD CV 1.5 17-24 15/08S	300,000	USD	263,693	1.13
LIBERTY MEDIA GROUP CV 2.25 22-27 15/08S	100,000	USD	91,928	0.39
OKTA INC 0.125 19-25 01/09S	350,000	USD	292,320	1.25
ON SEMICONDUCTOR 0.5 23-29 01/03S	600,000	USD	572,818	2.46
ORMAT TECHNOLOGIES 2.50 22-27 15/07S	210,000	USD	196,080	0.84
PALO ALTO NETWORKS CV 0.375 20-25 01/06S	100,000	USD	268,357	1.15
QIAGEN NV CV 1 18-24 13/11S	400,000	USD	372,418	1.60
RIVIAN AUTOMOTIVE 3.625 23-30 15/10S	250,000	USD	278,663	1.20
RIVIAN AUTOMOTIVE CV 4.625 23-29 15/03S	250,000	USD	318,138	1.36
SCHNEIDER ELECTRIC CV 0.00 20-26 15/06U	2,300	EUR	450,633	1.93
SEAGATE HDD CAYMAN 3.5 23-28 01/06S	300,000	USD	327,922	1.41
SHOCKWAVE MEDICAL INCV 23-28 15/08S	100,000	USD	88,231	0.38
SPLUNK INC CV 1.125 18-25 15/09S	600,000	USD	599,296	2.57
TYLER TECHNOLOGIES 0.25 21-26 15/03S	350,000	USD	320,925	1.38
VAIL RESORTS IN CV 0.00 20-26 01/01U	500,000	USD	404,164	1.73
VENTAS REALTY LP CV 3.75 23-26 01/06S	250,000	USD	239,728	1.03
WELLTOWER OP LLC CV 2.75 23-28 15/05S	350,000	USD	350,059	1.50
WESTERN DIGITAL CORP CV 1.5 18-24 01/02S	450,000	USD	405,507	1.74
WESTERN DIGITAL CV 3.0 23-28 15/11S	300,000	USD	332,962	1.43
WOLFSPEED INC 1.75 20-26 01/05S	100,000	USD	103,404	0.44
WORKIVA INC CV 1.25 23-28 15/08S	300,000	USD	277,175	1.19
ZILLOW GROUP INC 2.75 20-25 15/05S	200,000	USD	200,174	0.86
ZSCALER INC CV 0.125 21-25 01/07S	450,000	USD	618,982	2.66

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Sustainable Bond Global Convertible

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
			10,947,266	46.96
<b>Total convertible bonds</b>			<b>21,049,222</b>	<b>90.30</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>22,756,813</b>	<b>97.63</b>
<b>Total investment portfolio</b>			<b>22,756,813</b>	<b>97.63</b>
Acquisition cost			22,195,351	



Candriam Sustainable Bond Global Convertible

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United States of America	51.46
France	12.87
Spain	7.22
Germany	5.32
People's Republic of China	4.38
Japan	3.13
Italy	2.30
South Korea	2.17
Mexico	2.15
Hong Kong	2.04
Switzerland	1.87
Canada	1.83
New Zealand	0.87
	<b>97.63</b>

**Economic breakdown (in % of net assets)**

Internet and internet services	26.35
Banks and other financial institutions	13.30
Electronics and semiconductors	10.62
Office supplies and computing	5.63
Real estate	5.41
Utilities	5.18
Pharmaceuticals	5.07
Communication	4.90
Biotechnology	4.75
Road vehicles	3.39
Hotels and restaurants	3.18
Retail trade and department stores	2.00
Machine and apparatus construction	1.98
Electrical engineering	1.93
Transportation	1.68
Textiles and garments	1.10
Miscellaneous services	0.77
Graphic art and publishing	0.39
	<b>97.63</b>



Candriam Sustainable Bond Global High Yield

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Belgium</b>				
TELENET FIN LUX NOTES 5.5 17-28 01/03S	20,200,000	USD	17,097,723	1.24
			<b>17,097,723</b>	<b>1.24</b>
<b>Canada</b>				
PRIMO WATER HOLD INC 21-29 30/04S	16,677,000	USD	13,910,347	1.01
			<b>13,910,347</b>	<b>1.01</b>
<b>France</b>				
ILIAD HOLDING 6.500 21-26 15/10S	7,678,000	USD	6,937,019	0.50
ILIAD SA 5.375 23-29 15/02A	11,700,000	EUR	12,028,770	0.87
ILIAD SA 5.3750 22-27 14/06A	4,600,000	EUR	4,715,000	0.34
ILIAD SA 5.625 23-30 15/02A	7,000,000	EUR	7,233,800	0.52
			<b>30,914,589</b>	<b>2.24</b>
<b>Germany</b>				
NIDDA HEALTHCARE HOLDI 7.5 22-26 21/08S	27,000,000	EUR	27,775,926	2.01
ZF FINANCE GMBH 5.75 23-26 03/08A	7,500,000	EUR	7,743,750	0.56
ZF NA CAPITAL 6.8750 23-28 14/04S	10,000,000	USD	9,380,971	0.68
ZF NA CAPITAL 7.1250 23-30 14/04S	15,000,000	USD	14,472,376	1.05
			<b>59,373,023</b>	<b>4.29</b>
<b>Italy</b>				
TELECOM ITALIA SPA 5.303 14-24 30/05S	34,564,000	USD	31,143,114	2.25
			<b>31,143,114</b>	<b>2.25</b>
<b>Portugal</b>				
EDP SA 1.7 20-80 20/07A	14,000,000	EUR	13,368,040	0.97
			<b>13,368,040</b>	<b>0.97</b>
<b>Spain</b>				
IBERDROLA INTL BV FL.R 20-XX 28/04A	12,500,000	EUR	11,177,688	0.81
LORCA TELECOM BONDCO 4 20-27 30/09S	10,000,000	EUR	9,749,900	0.71
			<b>20,927,588</b>	<b>1.51</b>
<b>Sweden</b>				
VERISURE HOLDING AB 3.875 20-26 15/07S	7,693,000	EUR	7,539,909	0.55
VERISURE MIDHOLDING 5.25 21-29 25/01S	7,000,000	EUR	6,667,500	0.48
			<b>14,207,409</b>	<b>1.03</b>
<b>United Kingdom</b>				
VMED O2 UK FIN I PLC 4.5 21-31 15/07SS	12,000,000	GBP	11,942,365	0.86
VMED O2 UK FINA 4.7500 21-31 15/07S	25,000,000	USD	20,201,104	1.46
VMED O2 UK FINANCING 4.0 20-29 31/01S	7,780,000	GBP	7,934,424	0.57
			<b>40,077,893</b>	<b>2.90</b>
<b>United States of America</b>				
ACADIA HEALTHCARE CO 5.00 20-29 15/04S	10,205,000	USD	8,868,681	0.64
ACADIA HEALTHCARE CO 5.50 20-28 01/07S	5,000,000	USD	4,457,740	0.32
ARAMARK SERVICES INC 5 17-25 01/04S1/04S	9,500,000	USD	8,536,045	0.62
AVANTOR FUNDING INC 2.625 20-25 06/11S	30,445,000	EUR	29,737,458	2.15
AVANTOR FUNDING INC 3.8750 21-29 01/11S	7,001,000	USD	5,755,425	0.42
AXALTA COATING SYSTE 7.25 23-31 15/02S	7,000,000	USD	6,645,663	0.48
BALL CORP 6.875 22-28 15/03S	17,500,000	USD	16,458,412	1.19
CATALENT PHARMA 2.375 20-28 01/03S	27,374,000	EUR	23,781,163	1.72
CCO HLDG LLC/CAPITAL 5.375 19-29 01/06S	18,000,000	USD	15,359,212	1.11
CCO HOLD 4.75 22-32 01/02S	35,000,000	USD	27,944,236	2.02
CENTENE CORP 4.2500 19-27 15/12S	16,016,000	USD	13,981,831	1.01
CHARLES RIVER LABO 3.75 21-29 15/03S/03S	10,995,000	USD	9,114,520	0.66
CHART INDUSTRIE 7.5000 22-30 01/01S	21,000,000	USD	19,870,717	1.44
CHARTER COMMUNICATI 6.15 23-26 10/11S	12,097,000	USD	11,206,631	0.81
COTY INC 5.0000 21-26 15/04S	10,115,000	USD	9,012,088	0.65
COTY/HFC PRESTI 4.7500 21-29 15/01S	10,000,000	USD	8,634,500	0.62
COTY/HFC PRESTI 6.6250 23-30 15/07S	11,520,000	USD	10,713,450	0.77
CROWN AMERICAS LLC 5.25 23-30 01/04S	10,000,000	USD	8,915,349	0.64
CROWN AMERICAS LLC4.7519-26 01/02S	19,209,000	USD	17,223,965	1.25

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global High Yield

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
CROWN EUROPEAN HLDG 3.375 15-25 15/05S	10,000,000	EUR	9,912,500	0.72
CROWN EUROPEAN HLDG 4.7500 23-29 15/03S	10,000,000	EUR	10,210,300	0.74
DARLING INGREDI 6.0000 22-30 15/06S	28,000,000	USD	25,366,152	1.83
ENCOMPASS HEALTH 4.625 20-31 01/04S	12,000,000	USD	9,996,110	0.72
HCA INC 5.375 15-25 01/02S	7,000,000	USD	6,335,803	0.46
HILTON DOMESTIC 3.620 21-32 15/02S	10,000,000	USD	7,900,320	0.57
HILTON DOMESTIC 4.0 20-31 01/05S	5,000,000	USD	4,145,772	0.30
HILTON DOMESTIC 5.75 20-28 01/05S	10,000,000	USD	9,056,072	0.65
IMS HEALTH INC 5.00 16-26 15/10S	8,000,000	USD	7,172,924	0.52
IQVIA INC 2.25 21-29 03/03S	7,283,000	EUR	6,663,945	0.48
IQVIA INC 2.875 17-25 15/09S	15,540,000	EUR	15,290,583	1.11
IQVIA INC 2.875 20-28 24/06S	2,863,000	EUR	2,723,606	0.20
IQVIA INC 6.25 23-29 01/02S	14,614,000	USD	13,817,648	1.00
IRON MOUNTAIN INC 7.0000 23-29 15/02S	20,000,000	USD	18,610,021	1.35
JAZZ SECURITIES DAC 4.375 21-29 15/01S	36,864,000	USD	31,082,854	2.25
LEVI STRAUSS & CO 3.375 17-27 15/03S	15,000,000	EUR	14,723,190	1.06
LEVI STRAUSS & CO 3.50 21-31 01/03S	3,000,000	USD	2,351,439	0.17
MOZART DEBT MERGER 3.875 21-29 01/04S	5,335,000	USD	4,366,640	0.32
NEXTERA ENERGY 7.2500 23-29 15/01S	31,041,000	USD	29,434,506	2.13
NORTONLIFELOCK INC 6.75 -27 30/09S	24,574,000	USD	22,631,461	1.64
OI EUROPEAN GROUP 2.8750 19-25 15/02S	11,826,000	EUR	11,675,810	0.84
OWENSBROCKWAY GLASS 7.25 23-31 15/05S	18,000,000	USD	16,521,088	1.19
PERRIGO FINANCE 4.375 16-26 15/03S	6,000,000	USD	5,251,779	0.38
POST HOLDINGS INC 5.625 17-28 15/01S	12,500,000	USD	11,213,428	0.81
PRA HEALTH SCIENCES 2.875 21-26 15/07S7S	18,824,000	USD	15,923,451	1.15
PRIME SECURITY SERVIC 5.75 19-26 15/04S	27,203,000	USD	24,759,323	1.79
STAR PARENT INC9.00 23-30 01/10S	28,463,000	USD	27,154,137	1.96
SUMMIT MATERIAL 7.2500 23-31 15/01S	17,672,000	USD	16,966,816	1.23
TENET HEALTHCAR 6.7500 23-31 15/05S	10,000,000	USD	9,252,252	0.67
TENET HEALTHCARE CORP 4.875 19-26 01/01S	8,000,000	USD	7,160,510	0.52
TENET HEALTHCARE CORP 5.125 19-27 01/11S	35,000,000	USD	30,972,967	2.24
UNITED RENTALS NORTH AM 6.0 22-29 15/12S	20,000,000	USD	18,361,925	1.33
			<b>703,222,418</b>	<b>50.86</b>
<b>Total bonds</b>			<b>944,242,144</b>	<b>68.29</b>
<b>Floating rate notes</b>				
<b>France</b>				
ACCOR FL.R 23-XX 11/04A	10,000,000	EUR	10,875,000	0.79
VEOLIA ENVIRONNEMEN FL.R 23-XX 22/02A	14,000,000	EUR	14,725,550	1.06
VEOLIA ENVIRONNEMENT FL.R 20-XX 20.04A	25,000,000	EUR	23,574,200	1.70
			<b>49,174,750</b>	<b>3.56</b>
<b>Italy</b>				
ENEL SPA FL.R 21-XX 08/09A	25,692,000	EUR	20,401,246	1.48
ENEL SPA FL.R 23-XX 16/07A	15,796,000	EUR	16,836,562	1.22
			<b>37,237,808</b>	<b>2.69</b>
<b>Portugal</b>				
ENERGIAS DE PORTUGA FL.R 21-82 14/03A	30,000,000	EUR	26,947,500	1.95
			<b>26,947,500</b>	<b>1.95</b>
<b>Spain</b>				
IBERDROLA FINANZAS FL.R 29-XX 25/07A	10,000,000	EUR	10,094,850	0.73
IBERDROLA INTL BV FL.R 19-XX 12/02A	15,000,000	EUR	14,854,125	1.07
TELEFONICA EUROPE BV FL.R 19-XX 14/03A	20,000,000	EUR	19,834,000	1.43
TELEFONICA EUROPE BV FL.R 23-99 31/12A	20,000,000	EUR	21,332,800	1.54
			<b>66,115,775</b>	<b>4.78</b>
<b>United Kingdom</b>				
VODAFONE GROUP PLC FL.R 18-78 03/10A	27,892,000	USD	25,189,154	1.82
VODAFONE GROUP PLC FL.R 21-81 04/06S	12,921,000	USD	10,759,169	0.78
VODAFONE GROUP PLC FL.R 21-81 04/06S	11,500,000	USD	8,937,509	0.65
			<b>44,885,832</b>	<b>3.25</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global High Yield

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>United States of America</b>				
PERRIGO FINANCE FL.R 20-30 15/06S	9,000,000	USD	7,410,844	0.54
			<b>7,410,844</b>	<b>0.54</b>
<b>Total floating rate notes</b>			<b>231,772,509</b>	<b>16.76</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,176,014,653</b>	<b>85.05</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>Supranational</b>				
CANDRIAM SUSTAINABLE MONEY MARKET EURO V C	76,388	EUR	80,272,000	5.81
			<b>80,272,000</b>	<b>5.81</b>
<b>Total Shares/Units in investment funds</b>			<b>80,272,000</b>	<b>5.81</b>
<b>Total Undertakings for Collective Investment</b>			<b>80,272,000</b>	<b>5.81</b>
<b>Total investment portfolio</b>			<b>1,256,286,653</b>	<b>90.86</b>
Acquisition cost			1,237,271,762	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Global High Yield

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United States of America	51.40
Spain	6.30
United Kingdom	6.14
Supranational	5.81
France	5.79
Italy	4.95
Germany	4.29
Portugal	2.92
Belgium	1.24
Sweden	1.03
Canada	1.01
	<b>90.86</b>

**Economic breakdown (in % of net assets)**

Banks and other financial institutions	26.02
Healthcare	12.51
Communication	12.31
Utilities	10.21
Investments funds	5.81
Internet and internet services	3.37
Miscellaneous services	2.97
Electrical engineering	2.69
Packaging industries	2.65
Pharmaceuticals	2.37
Biotechnology	1.81
Machine and apparatus construction	1.44
Real estate	1.35
Textiles and garments	1.23
Building materials	1.19
Transportation	0.84
Foods and non alcoholic drinks	0.81
Hotels and restaurants	0.79
Chemicals	0.48
	<b>90.86</b>



Candriam Sustainable Bond Impact

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Australia</b>				
WESTPAC BANKING CORP 0.766 21-31 13/05A	300,000	EUR	275,535	0.65
			<b>275,535</b>	<b>0.65</b>
<b>Belgium</b>				
AEDIFICA SA 0.75 21-31 09/09A	200,000	EUR	159,632	0.38
BELGIUM 1.25 18-33 22/04A	1,500,000	EUR	1,343,377	3.16
COFINIMMO SA 0.875 20-30 02/12A	200,000	EUR	162,710	0.38
COMMUNAUTE FLAMANDE 1.375 18-33 21/11A	400,000	EUR	347,704	0.82
KBC GROUPE SA 3 22-30 25/08A	300,000	EUR	292,833	0.69
PROXIMUS SA 4.125 23-33 17/11A	200,000	EUR	213,612	0.50
PROXIMUS SADP 0.7500 21-36 17/11A	400,000	EUR	290,704	0.68
REGION WALLONNE 0.25 19-26 03/05A	300,000	EUR	282,915	0.67
			<b>3,093,487</b>	<b>7.28</b>
<b>Canada</b>				
CANADA 1.85 20-27 01/02S	600,000	CAD	390,286	0.92
PROVINCE OF QUEBEC 1.85 20-27 13/02S	600,000	CAD	390,912	0.92
			<b>781,198</b>	<b>1.84</b>
<b>Chile</b>				
CHILE 2.55 21-33 27/07S	700,000	USD	525,280	1.24
			<b>525,280</b>	<b>1.24</b>
<b>European Union</b>				
COUNCIL OF EUROPE 1.00 22-29 13/04A	400,000	EUR	372,128	0.88
EUROPEAN UNION 0.4 21-37 04/02A	750,000	EUR	555,401	1.31
			<b>927,529</b>	<b>2.18</b>
<b>Finland</b>				
NOKIA OYJ 4.375 23-31 21/08A	235,000	EUR	236,779	0.56
NORDEA BANK ABP 0.5 21-31 19/03A	650,000	EUR	543,836	1.28
OP CORPORATE BA 0.6250 22-27 27/07A	182,000	EUR	165,526	0.39
			<b>946,141</b>	<b>2.23</b>
<b>France</b>				
AGENCE FRANCE L 0.00 20-27 20/09U	400,000	EUR	362,250	0.85
AIR LIQUIDE FINANCE 0.375 21-31 27/05A	800,000	EUR	677,004	1.59
BFCM EMTN 4.00 22-29 21/11A	500,000	EUR	518,338	1.22
BNP PARIBAS SA FL.R 20-27 14/10A	700,000	EUR	646,265	1.52
BPIFRANCE 3.125 23-33 25/05A	200,000	EUR	206,402	0.49
CADES 1.5 22-32 25/05A	200,000	EUR	183,311	0.43
CREDIT AGRICOLE 0.125 20-27 09/12A	800,000	EUR	710,415	1.67
DANONE 1.00 18-25 26/03A	600,000	EUR	583,293	1.37
FONCIERE DES REGIONS 1.125 15-21 31/01S	300,000	EUR	247,710	0.58
FRANCE 0.1 20-49 02/07A	600,000	EUR	507,042	1.19
FRANCE 1.75 16-39 25/06A	1,000,000	EUR	869,619	2.05
GECINA 0.875 22-33 25/01A	300,000	EUR	248,346	0.58
GROUPAMA ASSURANCES 0.75 21-28 07/07A	200,000	EUR	177,707	0.42
LA BANQUE POSTALE 0.75 21-31 23/06A	500,000	EUR	410,983	0.97
LA POSTE 2.625 22-28 14/09A	300,000	EUR	296,925	0.70
LA POSTE SA 1.45 18-28 30/11A	400,000	EUR	372,690	0.88
LEGRAND SA 0.375 21-31 06/10A	800,000	EUR	670,184	1.58
PRAEMIA HEALTHCARE 375 20-30 17/09A	300,000	EUR	247,691	0.58
SOCIETE GENERALE SA FL.R 20-28 22/09A	600,000	EUR	545,412	1.28
SOCIETE NATIONA 3.1250 22-27 02/11A	400,000	EUR	405,540	0.95
UNION NAT. INTERPRO. 0.00 20-30 19/11U	400,000	EUR	337,624	0.79
VERALLIA FRANCE SA 1.875 21-31 10/11A	200,000	EUR	176,240	0.41
			<b>9,400,991</b>	<b>22.12</b>
<b>Germany</b>				
GERMANY 0.00 21-50 15/08U	1,700,000	EUR	951,234	2.24
GERMANY 1.3 22-27 15/10A	700,000	EUR	685,317	1.61

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Impact

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
HENKEL AG & CO KGAA 2.625 22-27 13/09A	200,000	EUR	199,139	0.47
LAND HESSEN 2.875 23-33 04/07A	200,000	EUR	205,292	0.48
MERCEDESSENZ GROUP 0.75 20-30 10/09A	300,000	EUR	260,690	0.61
MUENCHENER RUECK FL.R 20-41 26/05A	200,000	EUR	166,381	0.39
VOLKSWAGEN INTL FIN 1.25 20-32 23/09A	300,000	EUR	250,385	0.59
VONOVIA SE 0.625 21-31 24/03A	300,000	EUR	236,970	0.56
VONOVIA SE 4.75 22-27 23/05A	100,000	EUR	103,837	0.24
			<b>3,059,245</b>	<b>7.20</b>
<b>Ireland</b>				
IRELAND 1.35 18-31 18/03A	1,500,000	EUR	1,411,417	3.32
SMURFIT KAPPA TSY 0.5000 21-29 22/09A	400,000	EUR	342,892	0.81
			<b>1,754,309</b>	<b>4.13</b>
<b>Italy</b>				
ASSICURAZ GENERALI 2.429 20-31 14/07A	400,000	EUR	350,418	0.82
BUONI POLIENNAL 1.50 21-45 30/04S	1,700,000	EUR	1,078,122	2.54
CASSA DEPOSITI E PREST 2.0 20-27 20/04A	800,000	EUR	772,099	1.82
ENEL FINANCE INTL 0.5 21-30 17/06A	500,000	EUR	419,943	0.99
INTESA SANPAOLO 4.00 23-26 19/05A	294,000	EUR	298,389	0.70
INTESA SANPAOLO 4.75 22-27 06/09A	300,000	EUR	311,424	0.73
TERNA SPA 0.75 20-32 24/07A	450,000	EUR	368,192	0.87
			<b>3,598,587</b>	<b>8.47</b>
<b>Latvia</b>				
LATVIA 0.25 21-30 23/01A	519,000	EUR	437,361	1.03
			<b>437,361</b>	<b>1.03</b>
<b>Luxembourg</b>				
LUXEMBOURG 0.00 20-32 14/09U	300,000	EUR	244,083	0.57
			<b>244,083</b>	<b>0.57</b>
<b>Mexico</b>				
MEXICO 1.35 20-27 18/09A	450,000	EUR	421,184	0.99
			<b>421,184</b>	<b>0.99</b>
<b>Netherlands</b>				
ABN AMRO BANK 0.5 21-29 23/09A	400,000	EUR	340,428	0.80
ING GROUP NV 0.875 21-32 09/06A	500,000	EUR	449,958	1.06
NEDERLANDSE WATERS BK 0.25 22-32 19/01A	400,000	EUR	332,160	0.78
NETHERLANDS 0.50 19-40 15/01A	1,900,000	EUR	1,408,355	3.31
RABOBANK 1.106 21-27 24/02S 21-27 24/02S	550,000	USD	455,995	1.07
			<b>2,986,896</b>	<b>7.03</b>
<b>Portugal</b>				
EDP FINANCE BV 1.875 22-29 21/09A	400,000	EUR	374,164	0.88
			<b>374,164</b>	<b>0.88</b>
<b>Slovenia</b>				
SLOVENIA 0.125 21-31 01/07A	400,000	EUR	329,586	0.78
			<b>329,586</b>	<b>0.78</b>
<b>Spain</b>				
IBERDROLA FINANZAS 3.375 22-32 22/11A	300,000	EUR	306,569	0.72
INSTITUTO DE CREDITO 2.65 22-28 31/01A	200,000	EUR	199,367	0.47
SPAIN 0.827 20-27 30/07A	400,000	EUR	374,288	0.88
SPAIN 1 21-42 30/07A	1,900,000	EUR	1,272,610	2.99
TELEFONICA EUROPE BV FL.R 21-XX 12/05A2A	200,000	EUR	174,245	0.41
			<b>2,327,079</b>	<b>5.48</b>
<b>United Kingdom</b>				
ASTRAZENECA PLC 0.375 21-29 03/06A	400,000	EUR	352,500	0.83
VODAFONE GROUP 0.90 19-26 24/11A	300,000	EUR	284,819	0.67
			<b>637,319</b>	<b>1.50</b>
<b>United States of America</b>				
AMGEN INC 2.00 16-26 25/02A	400,000	EUR	391,012	0.92
CITIGROUP INC 1.281 21-25 03/11S	300,000	USD	261,457	0.62
COLGATE-PALMOLIVE CO 0.3 21-29 10/11A	300,000	EUR	262,820	0.62
DIGITAL INTREPID 0.625 21-31 15/07A	200,000	EUR	157,211	0.37
HCA INC 5.375 18-26 01/09S	200,000	USD	182,134	0.43

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Impact

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
KELLOGG CO 0.5 21-29 20/05A	300,000	EUR	260,432	0.61
MET LIFE GLOB F 0.9500 20-25 02/07S	350,000	USD	298,889	0.70
MORGAN STANLEY 0.8640 20-25 21/10S	600,000	USD	521,894	1.23
PROLOGIS EURO FINANCE 0.375 20-28 06/02A	300,000	EUR	268,101	0.63
SANOFI SA 1.2500 22-29 06/04A	300,000	EUR	279,506	0.66
STELLANTIS NV 4.375 23-30 14/03A	282,000	EUR	298,308	0.70
THERMO FISHER SCIENT 0.00 21-25 18/11U	300,000	EUR	283,100	0.67
TOYOTA MOTOR CREDIT 2.15 20-30 13/02S	500,000	USD	399,706	0.94
VERIZON COMMUNICATION 3.875 19-29 08/02S	500,000	USD	439,268	1.03
XYLEM INC 1.9500 20-28 30/01S	600,000	USD	491,700	1.16
			<b>4,795,538</b>	<b>11.28</b>
<b>Total bonds</b>			<b>36,915,512</b>	<b>86.86</b>
<b>Floating rate notes</b>				
<b>Australia</b>				
ANZ BANKING GROUP FL.R 19-29 21/11A	450,000	EUR	434,815	1.02
AUSTRALIA NEW ZEA BK FL.R 23-33 03/02A	162,000	EUR	167,101	0.39
			<b>601,916</b>	<b>1.42</b>
<b>Belgium</b>				
KBC GROUPE SA FL.R 20-27 16/06A	300,000	EUR	279,833	0.66
			<b>279,833</b>	<b>0.66</b>
<b>France</b>				
AXA SA FL.R 21-41 07/04A	500,000	EUR	414,040	0.97
BPCE FL.R 22-28 14/01A	400,000	EUR	365,460	0.86
CNP ASSURANCES FL.R 19-50 27/07A	200,000	EUR	173,966	0.41
CREDIT MUTUEL ARKEA FL.R 20-29 11/06A	500,000	EUR	454,383	1.07
			<b>1,407,849</b>	<b>3.31</b>
<b>Germany</b>				
EVONIK INDUSTRIES FL.R 21-81 02/12A	200,000	EUR	177,831	0.42
			<b>177,831</b>	<b>0.42</b>
<b>Ireland</b>				
AIB GROUP PLC FL.R 20-31 30/09A	200,000	EUR	192,010	0.45
			<b>192,010</b>	<b>0.45</b>
<b>Italy</b>				
UNICREDIT SPA FL.R 21-29 05/07A	400,000	EUR	356,080	0.84
			<b>356,080</b>	<b>0.84</b>
<b>Netherlands</b>				
TENNET HOLDING BV FL.R 20-XX 22/10A	200,000	EUR	194,504	0.46
			<b>194,504</b>	<b>0.46</b>
<b>Norway</b>				
DNB BANK ASA FL.R 23-27 16/02A	500,000	EUR	501,860	1.18
			<b>501,860</b>	<b>1.18</b>
<b>Portugal</b>				
ENERGIAS DE PORTUGAL FL.R 19-79 30/04A	200,000	EUR	200,315	0.47
			<b>200,315</b>	<b>0.47</b>
<b>Spain</b>				
BANCO DE SABADELL SA FL.R 20-27 11/09A	100,000	EUR	94,977	0.22
BANCO DE SABADELL SA FL.R 21-28 16/06A	100,000	EUR	90,353	0.21
			<b>185,330</b>	<b>0.44</b>
<b>Sweden</b>				
SWEDBANK AB FL.R 21-27 20/05A	400,000	EUR	369,778	0.87
TELIA COMPANY AB FL.R 20-81 11/02A	200,000	EUR	186,264	0.44
			<b>556,042</b>	<b>1.31</b>
<b>Total floating rate notes</b>			<b>4,653,570</b>	<b>10.95</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>41,569,082</b>	<b>97.81</b>
<b>Total investment portfolio</b>			<b>41,569,082</b>	<b>97.81</b>
Acquisition cost			46,344,065	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Bond Impact

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

France	25.43
United States of America	11.28
Italy	9.31
Belgium	7.94
Germany	7.62
Netherlands	7.49
Spain	5.91
Ireland	4.58
Finland	2.23
European Union	2.18
Australia	2.06
Canada	1.84
United Kingdom	1.50
Portugal	1.35
Sweden	1.31
Chile	1.24
Norway	1.18
Latvia	1.03
Mexico	0.99
Slovenia	0.78
Luxembourg	0.57
	<b>97.81</b>

**Economic breakdown (in % of net assets)**

Banks and other financial institutions	37.81
Bonds of States, Provinces and municipalities	30.68
Communication	4.30
Real estate	3.94
Insurance	3.02
Utilities	2.49
Pharmaceuticals	2.41
Miscellaneous services	2.37
Supranational Organisations	2.18
Foods and non alcoholic drinks	1.99
Electrical engineering	1.58
Road vehicles	1.32
Miscellaneous consumer goods	1.09
Transportation	0.95
Healthcare	0.43
Other	0.43
Chemicals	0.42
Packaging industries	0.41
	<b>97.81</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Defensive Asset Allocation

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>France</b>				
COVIVIO SA 1.625 20-30 23/06A	900,000	EUR	799,907	0.43
			<b>799,907</b>	<b>0.43</b>
<b>Germany</b>				
VONOVIA SE 0.625 21-31 24/03A	1,000,000	EUR	789,900	0.42
			<b>789,900</b>	<b>0.42</b>
<b>Italy</b>				
INTESA SANPAOLO 0.75 19-24 04/12A	800,000	EUR	778,852	0.41
			<b>778,852</b>	<b>0.41</b>
<b>United States of America</b>				
STELLANTIS NV 4.375 23-30 14/03A	800,000	EUR	846,264	0.45
			<b>846,264</b>	<b>0.45</b>
<b>Total bonds</b>			<b>3,214,923</b>	<b>1.71</b>
<b>Floating rate notes</b>				
<b>France</b>				
AXA SA FL.R 21-41 07/04A	1,000,000	EUR	828,080	0.44
BNP PARIBAS SA FL.R 19-26 04/06A	800,000	EUR	765,284	0.41
			<b>1,593,364</b>	<b>0.85</b>
<b>Netherlands</b>				
TENNET HOLDING BV FL.R 20-XX 22/10A	800,000	EUR	778,017	0.41
			<b>778,017</b>	<b>0.41</b>
<b>Spain</b>				
BANCO DE SABADELL SA FL.R 21-28 16/06A	900,000	EUR	813,173	0.43
			<b>813,173</b>	<b>0.43</b>
<b>Total floating rate notes</b>			<b>3,184,554</b>	<b>1.70</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>6,399,477</b>	<b>3.41</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>Emerging Markets</b>				
CANDRIAM SUSTAINABLE BOND EMERGING MARKETS Z C	7,125	USD	7,427,183	3.96
CANDRIAM SUSTAINABLE EQUITY EMERGING MARKETS Z C	2,472	EUR	5,284,117	2.81
			<b>12,711,300</b>	<b>6.77</b>
<b>European Union</b>				
CANDRIAM FUND SUSTAINABLE EUROPEAN EQUITIES FOSSIL FREE Z C	397	EUR	975,604	0.52
CANDRIAM SUSTAINABLE EQUITY EUROPE SMALL & MID CAPS Z C	679	EUR	1,929,616	1.03
CANDRIAM SUSTAINABLE EQUITY EUROPE Z C	2,300	EUR	3,956,315	2.11
CANDRIAM SUSTAINABLE EQUITY QUANT EUROPE Z C	1,599	EUR	7,500,655	3.99
INDEXIQ FACTORS SUSTAINABLE SOVEREIGN EURO BOND UCITS ETF D	458,218	EUR	10,674,188	5.68
			<b>25,036,378</b>	<b>13.33</b>
<b>Japan</b>				
CANDRIAM SUSTAINABLE EQUITY JAPAN Z C	1,262	JPY	1,747,830	0.93
			<b>1,747,830</b>	<b>0.93</b>
<b>Supranational</b>				
CANDRIAM FUND SUSTAINABLE EURO CORPORATE BONDS FOSSIL FREE Z C	2,024	EUR	3,001,268	1.60
CANDRIAM SUSTAINABLE BOND EURO CORPORATE Z C	25,200	EUR	25,934,669	13.81
CANDRIAM SUSTAINABLE BOND EURO SHORT TERM Z C	34,551	EUR	34,908,256	18.59
CANDRIAM SUSTAINABLE BOND EURO Z C	36,766	EUR	35,546,839	18.93
CANDRIAM SUSTAINABLE BOND GLOBAL HIGH YIELD Z C	2,366	EUR	2,820,485	1.50
CANDRIAM SUSTAINABLE BOND GLOBAL Z C	15,275	EUR	15,065,426	8.02
CANDRIAM SUSTAINABLE EQUITY CIRCULAR ECONOMY Z C	443	USD	570,937	0.30
CANDRIAM SUSTAINABLE EQUITY CLIMATE ACTION Z C	874	USD	1,292,066	0.69
CANDRIAM SUSTAINABLE EQUITY WORLD Z C	3,005	EUR	984,438	0.52
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	4,164	EUR	4,535,217	2.42

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Defensive Asset Allocation

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
			<b>124,659,601</b>	<b>66.39</b>
<b>United States of America</b>				
CANDRIAM SUSTAINABLE EQUITY US Z C	12,967	USD	13,214,674	7.04
			<b>13,214,674</b>	<b>7.04</b>
<b>Total Shares/Units in investment funds</b>			<b>177,369,783</b>	<b>94.46</b>
<b>Total Undertakings for Collective Investment</b>			<b>177,369,783</b>	<b>94.46</b>
<b>Total investment portfolio</b>			<b>183,769,260</b>	<b>97.87</b>
Acquisition cost			183,786,133	



Candriam Sustainable Defensive Asset Allocation

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

Supranational	66.39
European Union	13.33
United States of America	7.49
Emerging Markets	6.77
France	1.27
Japan	0.93
Spain	0.43
Germany	0.42
Italy	0.41
Netherlands	0.41
	<b>97.87</b>

**Economic breakdown (in % of net assets)**

Investments funds	94.46
Banks and other financial institutions	1.67
Real estate	0.85
Road vehicles	0.45
Insurance	0.44
	<b>97.87</b>



Candriam Sustainable Equity Children

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Australia</b>				
IDP EDUCATION	95,668	AUD	1,307,532	1.97
			<b>1,307,532</b>	<b>1.97</b>
<b>Belgium</b>				
FAGRON	87,500	EUR	1,605,471	2.42
ONTEX GROUP NV	90,000	EUR	756,078	1.14
			<b>2,361,549</b>	<b>3.57</b>
<b>France</b>				
ESSILORLUXOTTICA SA	13,806	EUR	2,769,545	4.18
VEOLIA ENVIRONNEMENT SA	22,415	EUR	707,166	1.07
			<b>3,476,711</b>	<b>5.25</b>
<b>Ireland</b>				
KERRY GROUP -A-	16,455	EUR	1,429,804	2.16
			<b>1,429,804</b>	<b>2.16</b>
<b>Japan</b>				
HOYA CORP	13,500	JPY	1,687,739	2.55
LITALICO INC	26,000	JPY	380,281	0.57
PIGEON CORP	35,100	JPY	404,330	0.61
UNI CHARM	20,700	JPY	748,536	1.13
			<b>3,220,886</b>	<b>4.86</b>
<b>Netherlands</b>				
UNIVERSAL MUSIC GROUP N.V.	49,341	EUR	1,406,762	2.12
			<b>1,406,762</b>	<b>2.12</b>
<b>Nigeria</b>				
AIRTEL AFRICA PLC	1,125,410	GBP	1,867,897	2.82
			<b>1,867,897</b>	<b>2.82</b>
<b>Sweden</b>				
ACADEMEDIA AB	144,168	SEK	739,591	1.12
AUTOLIV	8,766	USD	965,926	1.46
			<b>1,705,517</b>	<b>2.58</b>
<b>Switzerland</b>				
SIG GROUP PREFERENTIAL SHARE	83,316	CHF	1,915,540	2.89
SONOVA HOLDING NAM-AKT	3,645	CHF	1,188,402	1.79
			<b>3,103,942</b>	<b>4.69</b>
<b>United Kingdom</b>				
COMPASS GROUP	55,066	GBP	1,506,414	2.27
INFORMA PLC	208,147	GBP	2,072,829	3.13
INTERTEK GROUP PLC	32,956	GBP	1,783,798	2.69
NOMAD FOODS LTD	69,661	USD	1,180,754	1.78
PEARSON PLC	188,676	GBP	2,319,075	3.50
TRAINLINE - REGISTERED SHS	210,000	GBP	861,463	1.30
WISE PLC	153,248	GBP	1,707,408	2.58
			<b>11,431,741</b>	<b>17.26</b>
<b>United States of America</b>				
ACADIA HEALTHCARE CO INC	11,019	USD	856,837	1.29
ADVANCED DRAINAGE	18,910	USD	2,659,502	4.02
AKAMAI TECHNOLOGIES	11,187	USD	1,323,981	2.00
AMERICAN WATER WORKS CO INC	10,401	USD	1,372,828	2.07
AMERICAN TOWER CORP	3,068	USD	662,320	1.00
BADGER METER INC	10,971	USD	1,693,593	2.56
COLGATE-PALMOLIVE CO	13,021	USD	1,037,904	1.57
COOPER COMPANIES INC	4,950	USD	1,873,278	2.83
DELL TECHNOLOGIES PREFERENTIAL SHARE	21,356	USD	1,633,734	2.47
DENTSPLY SIRONA INC	30,769	USD	1,095,069	1.65
DEXCOM INC	18,344	USD	2,276,307	3.44
GEN DIGITAL INC	81,767	USD	1,865,923	2.82
GRAND CANYON EDUCATION INC	9,303	USD	1,228,368	1.85

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Children

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
HCA INC	6,241	USD	1,689,314	2.55
HURON CONSULTING GROUP INC	7,470	USD	767,916	1.16
MICROSOFT CORP	8,029	USD	3,019,224	4.56
ORTHOPEDIATRICS CORP	14,398	USD	468,079	0.71
PENTAIR PLC	12,000	USD	872,520	1.32
SCHOLASTIC CORP	17,714	USD	667,818	1.01
STRIDE - REGISTERED SHS	44,439	USD	2,638,343	3.98
TETRA TECH INC	8,863	USD	1,479,501	2.23
TRACTOR SUPPLY CO	6,097	USD	1,311,038	1.98
			<b>32,493,397</b>	<b>49.07</b>
<b>Total Shares</b>			<b>63,805,738</b>	<b>96.35</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>63,805,738</b>	<b>96.35</b>
<b>Total investment portfolio</b>			<b>63,805,738</b>	<b>96.35</b>
Acquisition cost			60,114,035	



Candriam Sustainable Equity Children

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United States of America	49.07
United Kingdom	17.26
France	5.25
Japan	4.86
Switzerland	4.69
Belgium	3.57
Nigeria	2.82
Sweden	2.58
Ireland	2.16
Netherlands	2.12
Australia	1.97
	<b>96.35</b>

**Economic breakdown (in % of net assets)**

Banks and other financial institutions	16.83
Pharmaceuticals	15.04
Internet and internet services	13.11
Healthcare	12.94
Graphic art and publishing	7.64
Environmental services and recycling	6.25
Machine and apparatus construction	3.88
Miscellaneous consumer goods	3.31
Utilities	3.14
Textiles and garments	2.69
Electronics and semiconductors	2.55
Hotels and restaurants	2.27
Foods and non alcoholic drinks	2.16
Retail trade and department stores	1.98
Road vehicles	1.46
Miscellaneous services	1.12
	<b>96.35</b>



Candriam Sustainable Equity Circular Economy

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Austria</b>				
VERBUND AG	94,305	EUR	8,755,826	2.00
			<b>8,755,826</b>	<b>2.00</b>
<b>Belgium</b>				
COLRUYT	99,496	EUR	4,484,257	1.02
			<b>4,484,257</b>	<b>1.02</b>
<b>Canada</b>				
LOOP INDUSTRIES INC	413,327	USD	1,562,376	0.36
WEST FRASER TIMBER CO	75,535	CAD	6,493,704	1.48
			<b>8,056,080</b>	<b>1.84</b>
<b>Finland</b>				
UPM KYMMENE CORP	142,106	EUR	5,346,650	1.22
			<b>5,346,650</b>	<b>1.22</b>
<b>France</b>				
CIE GENERALE DES ETABLISSEMENTS MICHELIN	184,509	EUR	6,615,928	1.51
EDENRED SA	170,514	EUR	10,197,718	2.32
L'OREAL SA	13,328	EUR	6,634,819	1.51
VEOLIA ENVIRONNEMENT SA	225,578	EUR	7,116,716	1.62
VERALLIA SASU	130,648	EUR	5,031,006	1.15
			<b>35,596,187</b>	<b>8.12</b>
<b>Japan</b>				
ARE HOLDINGS, INC	227,200	JPY	3,144,185	0.72
DAISEKI CO LTD	218,840	JPY	6,077,164	1.39
			<b>9,221,349</b>	<b>2.10</b>
<b>Netherlands</b>				
ASML HOLDING NV	9,854	EUR	7,420,455	1.69
			<b>7,420,455</b>	<b>1.69</b>
<b>People's Republic of China</b>				
GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.	3,594,400	CNY	4,054,482	0.92
			<b>4,054,482</b>	<b>0.92</b>
<b>Spain</b>				
BEFESA SA	168,369	EUR	6,546,806	1.49
			<b>6,546,806</b>	<b>1.49</b>
<b>Sweden</b>				
BOLIDEN - REG SHS	157,033	SEK	4,900,536	1.12
ESSITY AB REGISTERED -B-	302,911	SEK	7,514,274	1.71
			<b>12,414,810</b>	<b>2.83</b>
<b>Switzerland</b>				
DSM FIRMENICH	110,010	EUR	11,180,074	2.55
GIVAUDAN SA - REG SHS	2,672	CHF	11,061,053	2.52
			<b>22,241,127</b>	<b>5.07</b>
<b>United Kingdom</b>				
ASHTREAD GROUP	72,092	GBP	5,019,608	1.14
DS SMITH HOLDING	1,131,919	GBP	4,434,136	1.01
UNILEVER	249,086	GBP	12,066,018	2.75
			<b>21,519,762</b>	<b>4.91</b>
<b>United States of America</b>				
ADOBE INC	26,050	USD	15,541,430	3.54
ADVANCED DRAINAGE	37,893	USD	5,329,272	1.21
AMERICAN WATER WORKS CO INC	111,046	USD	14,656,962	3.34
ASPEN TECHNOLOGY INCÃ	16,867	USD	3,713,270	0.85
AUTODESK INC	44,814	USD	10,911,313	2.49
BALL CORP	116,672	USD	6,710,973	1.53
BENTLEY SYSTEMS --- REGISTERED SHS -B-	139,045	USD	7,255,368	1.65
BEST BUY CO INC	56,412	USD	4,415,931	1.01
CHART INDUSTRIES INC	18,880	USD	2,573,910	0.59
CISCO SYSTEMS INC	190,460	USD	9,622,039	2.19

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Circular Economy

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
CROWN HOLDINGS INC	75,966	USD	6,995,709	1.59
DARLING INGREDIENT INC	170,648	USD	8,505,096	1.94
DELL TECHNOLOGIES PREFERENTIAL SHARE	93,369	USD	7,142,729	1.63
DOVER CORP	56,080	USD	8,625,665	1.97
ECOLAB INC	75,954	USD	15,065,476	3.43
FIRST SOLAR INC	60,400	USD	10,405,712	2.37
GRAPHIC PACKAGING	554,002	USD	13,656,149	3.11
LKQ CORP	212,255	USD	10,143,666	2.31
MICROSOFT CORP	49,439	USD	18,591,042	4.24
MNTRS ENVIRON - REG SHS	99,907	USD	3,210,012	0.73
NESTLE SA PREFERENTIAL SHARE	101,128	CHF	11,716,623	2.67
NIKE INC	45,329	USD	4,921,370	1.12
PROCTER & GAMBLE CO	56,098	USD	8,220,601	1.87
PTC INC	66,030	USD	11,552,609	2.63
TETRA TECH INC	77,589	USD	12,951,932	2.95
WASTE CONNECTIONS	92,873	CAD	13,935,799	3.18
WASTE MANAGEMENT	109,202	USD	19,558,078	4.46
ZEBRA TECHNOLOGIES -A-	29,604	USD	8,091,661	1.84
ZURN ELKAY WATER SOLUTIONS CORPORATION.	220,652	USD	6,489,375	1.48
			<b>280,509,772</b>	<b>63.95</b>
<b>Total Shares</b>			<b>426,167,563</b>	<b>97.16</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>426,167,563</b>	<b>97.16</b>
<b>Total investment portfolio</b>			<b>426,167,563</b>	<b>97.16</b>
Acquisition cost			402,456,383	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Sustainable Equity Circular Economy

### Geographical and economic breakdown of investments as at December 31, 2023

#### Geographical breakdown (in % of net assets)

United States of America	63.95
France	8.12
Switzerland	5.07
United Kingdom	4.91
Sweden	2.83
Japan	2.10
Austria	2.00
Canada	1.84
Netherlands	1.69
Spain	1.49
Finland	1.22
Belgium	1.02
People's Republic of China	0.92
	<b>97.16</b>

#### Economic breakdown (in % of net assets)

Environmental services and recycling	15.41
Internet and internet services	14.91
Banks and other financial institutions	12.77
Utilities	8.90
Electronics and semiconductors	6.83
Chemicals	5.96
Foods and non alcoholic drinks	5.42
Machine and apparatus construction	5.18
Packaging industries	3.69
Pharmaceuticals	3.23
Paper and forest products	2.70
Road vehicles	2.31
Office supplies and computing	2.19
Retail trade and department stores	2.03
Miscellaneous consumer goods	1.87
Tires and rubber	1.51
Coal mining and steel industry & Chemicals	1.12
Textiles and garments	1.12
	<b>97.16</b>



Candriam Sustainable Equity Climate Action

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Canada</b>				
NORTHLAND POWER INC	1,021,334	CAD	18,643,535	1.52
			<b>18,643,535</b>	<b>1.52</b>
<b>Denmark</b>				
ORSTED	326,214	DKK	18,093,629	1.48
			<b>18,093,629</b>	<b>1.48</b>
<b>France</b>				
AIR LIQUIDE SA	155,196	EUR	30,193,530	2.47
CIE DE SAINT-GOBAIN	186,297	EUR	13,718,160	1.12
DASSAULT SYST.	247,663	EUR	12,101,853	0.99
			<b>56,013,543</b>	<b>4.58</b>
<b>Germany</b>				
INFINEON TECHNOLOGIES - REG SHS	580,574	EUR	24,242,314	1.98
			<b>24,242,314</b>	<b>1.98</b>
<b>Netherlands</b>				
ASML HOLDING NV	48,356	EUR	36,413,998	2.98
CORBION	227,230	EUR	4,864,566	0.40
			<b>41,278,564</b>	<b>3.38</b>
<b>Norway</b>				
AKER CARBON - REGISTERED SHS	1,493,345	NOK	1,996,870	0.16
			<b>1,996,870</b>	<b>0.16</b>
<b>People's Republic of China</b>				
CONTEMPORARY AMPEREX TECHN-A	743,601	CNY	17,117,436	1.40
WUXI LEAD INTELLIGENT EQUIPMENT-A-	2,547,152	CNY	9,194,197	0.75
XINYI SOLAR HOLDINGS LTD	16,679,116	HKD	9,740,151	0.80
			<b>36,051,784</b>	<b>2.95</b>
<b>Spain</b>				
EDP RENOVAVEIS SA	1,247,774	EUR	25,534,000	2.09
IBERDROLA SA	935,791	EUR	12,270,275	1.00
			<b>37,804,275</b>	<b>3.09</b>
<b>Sweden</b>				
HEXAGON - REG SHS -B-	1,521,152	SEK	18,256,204	1.49
			<b>18,256,204</b>	<b>1.49</b>
<b>Switzerland</b>				
DSM FIRMENICH	241,584	EUR	24,551,650	2.01
SIKA - REGISTERED SHS	76,298	CHF	24,812,460	2.03
			<b>49,364,110</b>	<b>4.04</b>
<b>United Kingdom</b>				
CERES POWER HOLDINGS PLC	1,405,387	GBP	3,274,939	0.27
CRODA INTL - REG SHS	188,962	GBP	12,164,575	0.99
SPIRAX-SARCO ENGIN	144,904	GBP	19,404,725	1.59
			<b>34,844,239</b>	<b>2.85</b>
<b>United States of America</b>				
ADVANCED DRAINAGE	85,493	USD	12,023,736	0.98
AIR PRODUCTS & CHEMICALS INC	125,159	USD	34,268,534	2.80
AMERICAN WATER WORKS CO INC	233,881	USD	30,869,953	2.52
AMERESCO INC	537,962	USD	17,037,257	1.39
ANSYS INC	50,915	USD	18,476,035	1.51
APTIV PLC	339,953	USD	30,500,583	2.49
AUTODESK INC	75,371	USD	18,351,331	1.50
BALL CORP	537,033	USD	30,890,138	2.53
CADENCE DESIGN SYSTEMS INC	84,408	USD	22,990,207	1.88
CROWN HOLDINGS INC	192,261	USD	17,705,315	1.45
DANAHER CORP	104,804	USD	24,245,357	1.98
DARLING INGREDIENT INC	516,232	USD	25,729,003	2.10
EQUINIX INC	22,865	USD	18,415,242	1.51
FIRST SOLAR INC	71,871	USD	12,381,936	1.01

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Climate Action

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
HANNON ARMSTRONG SUSTAINABLE INFRA.	647,009	USD	17,844,508	1.46
JOHNSON CONTROLS INTL	106,101	USD	6,115,662	0.50
LINDE PLC	41,687	EUR	17,078,747	1.40
MASTEC INC	199,001	USD	15,068,356	1.23
MICROSOFT CORP	150,707	USD	56,671,859	4.64
NEXTERA ENERGY	506,739	USD	30,779,327	2.52
NEXTERA ENERGY PARTNERS LP	199,830	USD	6,076,830	0.50
ON SEMICONDUCTOR CORP	214,959	USD	17,955,525	1.47
POWER INTEGRATIONS INC	71,819	USD	5,897,058	0.48
PTC INC	35,105	USD	6,141,971	0.50
QUANTA SERVICES - REG SHS	58,383	USD	12,599,051	1.03
SCHNEIDER ELECTRIC SE	122,000	EUR	24,498,000	2.00
SHOALS TECH GRP - REG SHS -A-	381,949	USD	5,935,487	0.49
SUNRUN INC	306,497	USD	6,016,536	0.49
SYNOPSIS	65,565	USD	33,760,074	2.76
TETRA TECH INC	174,107	USD	29,063,682	2.38
THERMO FISHER SCIENT SHS	68,861	USD	36,550,730	2.99
TOPBUILD	47,042	USD	17,605,939	1.44
TRANE TECH - REG SHS	106,675	USD	26,018,033	2.13
TRIMBLE	573,496	USD	30,509,987	2.50
UNIVERSAL DISPLAY	33,858	USD	6,475,681	0.53
VERALTO CORPORATION	75,070	USD	6,175,258	0.51
WASTE CONNECTIONS	366,230	USD	54,667,152	4.47
WASTE MANAGEMENT	137,705	USD	24,662,966	2.02
XYLEM INC	161,571	USD	18,477,260	1.51
			<b>826,530,306</b>	<b>67.60</b>
<b>Total Shares</b>			<b>1,163,119,373</b>	<b>95.13</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,163,119,373</b>	<b>95.13</b>
<b>Total investment portfolio</b>			<b>1,163,119,373</b>	<b>95.13</b>
Acquisition cost			1,079,191,071	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Climate Action

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United States of America	67.60
France	4.58
Switzerland	4.04
Netherlands	3.38
Spain	3.09
People's Republic of China	2.95
United Kingdom	2.85
Germany	1.98
Canada	1.52
Sweden	1.49
Denmark	1.48
Norway	0.16
	<b>95.13</b>

**Economic breakdown (in % of net assets)**

Utilities	15.97
Electronics and semiconductors	14.97
Internet and internet services	13.78
Environmental services and recycling	11.94
Machine and apparatus construction	8.59
Chemicals	8.30
Banks and other financial institutions	5.36
Electrical engineering	4.78
Real estate	2.97
Building materials	2.56
Packaging industries	2.53
Road vehicles	2.49
Miscellaneous consumer goods	0.50
Foods and non alcoholic drinks	0.40
	<b>95.13</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Brazil</b>				
BANCO DO BRASIL SA	4,721,000	BRL	48,657,696	2.09
EQUATORIAL ENERGIA SA	4,334,907	BRL	28,812,266	1.24
LOCALIZA RENT A CAR SA	1,593,887	BRL	18,862,568	0.81
MERCADOLIBRE	23,460	USD	33,533,065	1.44
NU HLDG - REG SHS -A-	3,153,000	USD	23,850,529	1.02
RAIA DROGASIL SA	3,309,300	BRL	18,103,796	0.78
TELEF BRASIL	3,360,000	BRL	33,411,187	1.43
WEG SA	1,675,000	BRL	11,503,898	0.49
			<b>216,735,005</b>	<b>9.31</b>
<b>Greece</b>				
ALPHA SERVICES AND HOLDINGS S.A	9,490,000	EUR	14,149,590	0.61
			<b>14,149,590</b>	<b>0.61</b>
<b>Hong Kong</b>				
HONG KONG EXCHANGES AND CLEARING LTD	374,000	HKD	11,593,680	0.50
			<b>11,593,680</b>	<b>0.50</b>
<b>India</b>				
APOLLO HOSPITALS	636,000	INR	39,460,124	1.69
AXIS BANK	4,533,000	INR	54,312,887	2.33
BHARTI AIRTEL LTD(DEMATERIALIZED)	4,105,380	INR	46,061,129	1.98
CHOLAMANDALAM INVESTMENT AND FINANCE CO	1,246,750	INR	17,078,646	0.73
HDFC BANK - REGISTERED SHS	976,653	INR	18,145,262	0.78
ICICI BANK	3,121,000	INR	33,808,976	1.45
INFOSYS TECHNOLOGIES DEMATERIALIZED	946,396	INR	15,871,868	0.68
KPIT TECHNOLOGIES LTD	1,880,000	INR	31,068,393	1.33
POWER GRID INDIA	16,700,000	INR	43,057,471	1.85
SHRIRAM FINANCE LIMITED	1,643,200	INR	36,716,136	1.58
SIEMENS DEMATERIALIZED	935,000	INR	40,903,690	1.76
TATA GLOBAL BEVERAGES	3,144,000	INR	37,140,653	1.60
TORRENT PHARMACEUTICALS DEMATERIALIZED	1,158,000	INR	29,020,205	1.25
TVS MOTOR - DEMATERIALIZED	1,922,000	INR	42,322,110	1.82
			<b>484,967,550</b>	<b>20.83</b>
<b>Indonesia</b>				
BANK CENTRAL ASIA DEP	80,235,500	IDR	44,261,991	1.90
			<b>44,261,991</b>	<b>1.90</b>
<b>Mexico</b>				
AMERICA MOVIL SAB DE CV	21,862,330	MXN	18,193,550	0.78
FOMENTO ECONOMICO UNITS 1 SH-B- 4 SHS-D-	3,942,000	MXN	46,624,451	2.00
GRUPO FINANCIERO BANORTE -O-	5,109,000	MXN	46,743,572	2.01
			<b>111,561,573</b>	<b>4.79</b>
<b>People's Republic of China</b>				
AIRTAC INTL	361,000	TWD	10,775,068	0.46
ALIBABA GROUP	8,342,379	HKD	72,950,223	3.13
ALIBABA HEALTH INFORMATION	25,799,000	HKD	12,652,712	0.54
BYD COMPANY LTD -H-	1,614,527	HKD	40,039,164	1.72
HUNDSUN TECH-A-	2,484,793	CNY	9,102,130	0.39
JD.COM INC - CL A	966,990	HKD	12,583,151	0.54
JIANGSU HENGRUI PHARMACEUTICALS CO	6,256,546	CNY	36,043,353	1.55
KANZHUN LTD SHS A SPONSORED US DEPOSITAR	1,622,000	USD	23,923,217	1.03
LI AUTO INC	897,000	HKD	15,262,301	0.66
MEITUAN - SHS 114A/REG S	1,881,940	HKD	17,828,080	0.77
MINISO GROUP HOLDING LTD-ADR	524,000	USD	9,584,962	0.41
NARI TECHNOLOGY -A-	12,853,193	CNY	36,540,053	1.57
NETEASE INC	1,765,530	HKD	28,712,786	1.23
NONGFU SPRING - REG SHS -H-	7,719,808	HKD	40,316,160	1.73
PICC PROPERTY AND CASUALTY -H-	23,740,000	HKD	25,482,592	1.09

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
PROYA COSMETICS CO	1,395,282	CNY	17,664,947	0.76
SZ INNOVANCE TECHNOLOGY -A-	2,879,378	CNY	23,156,196	0.99
TAL EDUCAT GR -A- ADR REPR 1/3 SH -A-	2,000,000	USD	21,328,513	0.92
VIPSHOP HOLDINGS ADR 1/5 REPR	2,948,500	USD	46,738,988	2.01
WUXI APP TEC CO LTD A	1,924,774	CNY	17,837,599	0.77
WUXI BIOLOGICS	1,320,000	HKD	4,519,398	0.19
YADEA GROUP HOLDINGS LTD	6,790,377	HKD	10,776,132	0.46
ZTO EXPRESS CAYMAN ADR	593,000	USD	11,184,736	0.48
			<b>545,002,461</b>	<b>23.41</b>
<b>Poland</b>				
DINA POLSKA S.A.	211,117	PLN	22,454,698	0.96
POWSZECHNY ZAKLAD UBEZPIECZEN	2,245,000	PLN	24,540,695	1.05
			<b>46,995,393</b>	<b>2.02</b>
<b>South Africa</b>				
SANLAM LTD	11,075,000	ZAR	39,169,522	1.68
SHOPRITE HOLDINGS LTD (SHP)	1,844,000	ZAR	24,531,576	1.05
			<b>63,701,098</b>	<b>2.74</b>
<b>South Korea</b>				
HANWHA GALLERIA CORP	1	KRW	1	0.00
KB FINANCIAL GROUP INC	1,107,000	KRW	41,920,078	1.80
NAVER	132,300	KRW	20,743,644	0.89
SAMSUNG BIOLOGICS CO LTD	48,600	KRW	25,853,959	1.11
SAMSUNG FIRE AND MARINE INSURANCE	240,556	KRW	44,284,234	1.90
SAMSUNG SDI CO LTD	28,170	KRW	9,306,921	0.40
SK HYNIX INC	793,500	KRW	78,592,404	3.38
			<b>220,701,241</b>	<b>9.48</b>
<b>Taiwan</b>				
ACCTON TECHNOLOGY CORPORATION	3,153,000	TWD	48,732,324	2.09
CHAILEASE HOLDING COMPANY LTD	2,714,114	TWD	15,480,210	0.66
DELTA ELECTRONIC INCS	2,806,000	TWD	25,996,607	1.12
E.SUN FINANCIAL HOLDING	60,523,546	TWD	46,146,156	1.98
MEDIA TEK INCORPORATION	2,217,000	TWD	66,500,239	2.86
QUANTA COMPUTER INC	3,013,000	TWD	19,989,731	0.86
TAIWAN SEMICONDUCTOR CO	12,516,000	TWD	219,336,906	9.42
			<b>442,182,173</b>	<b>18.99</b>
<b>Thailand</b>				
HOME PRODUCT CENTER PCL	36,477,700	THB	11,264,047	0.48
MINOR INTL -UNITS- NON-VOTING DEPOS.REC.	20,582,700	THB	16,025,275	0.69
			<b>27,289,322</b>	<b>1.17</b>
<b>Turkey</b>				
BIM BIRLESIK MAGAZALAR	1,869,710	TRY	17,574,342	0.75
HACI OMER SABANCI HOLDING AS	4,990,000	TRY	9,357,823	0.40
			<b>26,932,165</b>	<b>1.16</b>
<b>Total Shares</b>			<b>2,256,073,242</b>	<b>96.90</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>2,256,073,242</b>	<b>96.90</b>
<b>Other transferable securities</b>				
<b>Rights</b>				
<b>Brazil</b>				
LOCA RENT A CAR 05/02/24 RIGHT	5,718	BRL	21,279	0.00
			<b>21,279</b>	<b>0.00</b>
<b>Total Rights</b>			<b>21,279</b>	<b>0.00</b>
<b>Total Other transferable securities</b>			<b>21,279</b>	<b>0.00</b>
<b>Total investment portfolio</b>			<b>2,256,094,521</b>	<b>96.90</b>
Acquisition cost			2,170,711,328	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Emerging Markets

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

People's Republic of China	23.41
India	20.83
Taiwan	18.99
South Korea	9.48
Brazil	9.31
Mexico	4.79
South Africa	2.74
Poland	2.02
Indonesia	1.90
Thailand	1.17
Turkey	1.16
Greece	0.61
Hong Kong	0.50
	<b>96.90</b>

**Economic breakdown (in % of net assets)**

Banks and other financial institutions	20.84
Electronics and semiconductors	14.92
Internet and internet services	8.00
Pharmaceuticals	6.03
Electrical engineering	5.73
Insurance	5.73
Foods and non alcoholic drinks	5.05
Machine and apparatus construction	4.86
Communication	4.19
Road vehicles	3.75
Miscellaneous services	3.13
Utilities	3.09
Office supplies and computing	2.95
Retail trade and department stores	2.49
Biotechnology	2.07
Tobacco and alcoholic drinks	2.00
Healthcare	0.92
Hotels and restaurants	0.69
Transportation	0.48
	<b>96.90</b>



Candriam Sustainable Equity EMU

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Belgium</b>				
AEDIFICA SA	49,753	EUR	3,166,778	0.70
KBC GROUPE SA	294,715	EUR	17,305,665	3.82
WAREHOUSES DE PAUW SCA - REGISTERED SHS	245,573	EUR	6,998,831	1.55
			<b>27,471,274</b>	<b>6.07</b>
<b>Finland</b>				
NESTE	147,969	EUR	4,766,081	1.05
			<b>4,766,081</b>	<b>1.05</b>
<b>France</b>				
AIR LIQUIDE SA	51,416	EUR	9,055,386	2.00
AXA SA	260,858	EUR	7,692,702	1.70
BIOMERIEUX SA	94,014	EUR	9,457,808	2.09
BUREAU VERITAS SA	411,818	EUR	9,418,278	2.08
CAPGEMINI SE	15,059	EUR	2,842,386	0.63
CIE DE SAINT-GOBAIN	36,964	EUR	2,464,020	0.54
CIE GENERALE DES ETABLISSEMENTS MICHELIN	55,822	EUR	1,811,982	0.40
DANONE SA	58,919	EUR	3,457,367	0.76
DASSAULT SYST.	458,635	EUR	20,287,719	4.48
ESSILORLUXOTTICA SA	72,608	EUR	13,185,613	2.91
KERING	8,285	EUR	3,305,715	0.73
L'OREAL SA	21,223	EUR	9,564,145	2.11
PUBLICIS GROUPE	29,411	EUR	2,470,524	0.55
SARTORIUS STEDIM BIOTECH	28,464	EUR	6,817,128	1.51
VEOLIA ENVIRONNEMENT SA	179,806	EUR	5,135,259	1.13
			<b>106,966,032</b>	<b>23.63</b>
<b>Germany</b>				
ADIDAS AG - REG SHS	14,966	EUR	2,756,139	0.61
ALLIANZ SE PREFERENTIAL SHARE	46,848	EUR	11,334,874	2.50
BEIERSDORF AG	157,656	EUR	21,393,919	4.73
CARL ZEISS MEDITEC AG	71,671	EUR	7,083,962	1.57
DEUTSCHE BOERSE AG - REG SHS	17,042	EUR	3,178,333	0.70
DEUTSCHE TELEKOM AG - REG SHS	295,213	EUR	6,420,883	1.42
DUERR AG	148,345	EUR	3,171,616	0.70
GRAND CITY PROPERTIES	278,391	EUR	2,834,020	0.63
HANNOVER RUECK SE	20,829	EUR	4,505,313	1.00
INFINEON TECHNOLOGIES - REG SHS	118,129	EUR	4,465,276	0.99
MERCEDES-BENZ GROUP	63,409	EUR	3,966,233	0.88
MUENCHENER RUECK - REG SHS	13,398	EUR	5,025,590	1.11
NEMETSCHEK	53,017	EUR	4,160,774	0.92
SIEMENS AG PREFERENTIAL SHARE	54,427	EUR	9,248,236	2.04
SIEMENS HEALTHINEERS	85,167	EUR	4,479,784	0.99
SYMRISE AG	65,685	EUR	6,544,853	1.45
			<b>100,569,805</b>	<b>22.22</b>
<b>Ireland</b>				
KERRY GROUP -A-	204,461	EUR	16,082,902	3.55
KINGSPAN GROUP	147,130	EUR	11,534,992	2.55
			<b>27,617,894</b>	<b>6.10</b>
<b>Italy</b>				
ENEL SPA	705,728	EUR	4,749,549	1.05
FINECOBANK	1,092,669	EUR	14,843,908	3.28
INTESA SANPAOLO	4,400,320	EUR	11,632,246	2.57
MONCLER SPA	33,262	EUR	1,852,693	0.41
TECHNOGYM SPA (ITA)	512,395	EUR	4,644,861	1.03
			<b>37,723,257</b>	<b>8.33</b>
<b>Netherlands</b>				
ALFEN NV	98,646	EUR	5,946,381	1.31

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity EMU

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
ASML HOLDING NV	37,112	EUR	25,299,251	5.59
			<b>31,245,632</b>	<b>6.90</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA ARGENTARIA SA	510,016	EUR	4,195,392	0.93
BANKINTER SA - REG SHS	816,050	EUR	4,729,826	1.05
EDP RENOVAVEIS SA	270,102	EUR	5,003,640	1.11
IBERDROLA SA	542,428	EUR	6,438,620	1.42
INDITEX SHARE FROM SPLIT	57,865	EUR	2,281,617	0.50
			<b>22,649,095</b>	<b>5.00</b>
<b>Switzerland</b>				
DSM FIRMENICH	127,175	EUR	11,700,100	2.59
			<b>11,700,100</b>	<b>2.59</b>
<b>United Kingdom</b>				
RELX PLC	65,528	EUR	2,347,213	0.52
UNILEVER	226,781	GBP	9,945,481	2.20
			<b>12,292,694</b>	<b>2.72</b>
<b>United States of America</b>				
SANOFI	152,605	EUR	13,697,825	3.03
SCHNEIDER ELECTRIC SE	69,501	EUR	12,633,892	2.79
STELLANTIS NV-BEARER AND REGISTERED SHS	193,005	EUR	4,082,056	0.90
			<b>30,413,773</b>	<b>6.72</b>
<b>Total Shares</b>			<b>413,415,637</b>	<b>91.34</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>413,415,637</b>	<b>91.34</b>
<b>Total investment portfolio</b>			<b>413,415,637</b>	<b>91.34</b>
Acquisition cost			383,709,380	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity EMU

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

France	23.63
Germany	22.22
Italy	8.33
Netherlands	6.90
United States of America	6.72
Ireland	6.10
Belgium	6.07
Spain	5.00
United Kingdom	2.72
Switzerland	2.59
Finland	1.05
	<b>91.34</b>

**Economic breakdown (in % of net assets)**

Pharmaceuticals	18.93
Banks and other financial institutions	16.25
Electronics and semiconductors	6.58
Foods and non alcoholic drinks	6.51
Insurance	6.31
Internet and internet services	6.03
Electrical engineering	4.83
Utilities	3.61
Chemicals	3.45
Building materials	3.09
Real estate	2.87
Miscellaneous services	2.08
Road vehicles	1.78
Communication	1.42
Retail trade and department stores	1.23
Environmental services and recycling	1.11
Graphic art and publishing	1.06
Petroleum	1.05
Miscellaneous consumer goods	1.03
Textiles and garments	1.02
Machine and apparatus construction	0.70
Tires and rubber	0.40
	<b>91.34</b>



Candriam Sustainable Equity Europe

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Belgium</b>				
AEDIFICA SA	74,466	EUR	4,739,761	0.37
KBC GROUPE SA	791,695	EUR	46,488,330	3.62
WAREHOUSES DE PAUW SCA - REGISTERED SHS	270,848	EUR	7,719,168	0.60
			<b>58,947,259</b>	<b>4.59</b>
<b>Denmark</b>				
CHRISTIAN HANSEN	93,125	DKK	7,073,180	0.55
GENMAB AS	48,317	DKK	13,967,729	1.09
NOVO NORDISK - BEARER AND/OR - REG SHS	438,323	DKK	41,047,855	3.20
VESTAS WIND SYSTEMS - BEARER AND/OR SHS	473,669	DKK	13,616,820	1.06
			<b>75,705,584</b>	<b>5.89</b>
<b>Finland</b>				
NESTE	270,332	EUR	8,707,394	0.68
			<b>8,707,394</b>	<b>0.68</b>
<b>France</b>				
AIR LIQUIDE SA	75,336	EUR	13,268,176	1.03
AXA SA	427,552	EUR	12,608,508	0.98
BIOMERIEUX SA	168,122	EUR	16,913,073	1.32
BUREAU VERITAS SA	263,511	EUR	6,026,497	0.47
CAPGEMINI SE	22,081	EUR	4,167,789	0.32
CIE DE SAINT-GOBAIN	64,927	EUR	4,328,034	0.34
CIE GENERALE DES ETABLISSEMENTS MICHELIN	102,622	EUR	3,331,110	0.26
DANONE SA	94,815	EUR	5,563,744	0.43
DASSAULT SYST.	711,885	EUR	31,490,233	2.45
ESSILORLUXOTTICA SA	140,015	EUR	25,426,724	1.98
KERING	10,098	EUR	4,029,102	0.31
L'OREAL SA	31,162	EUR	14,043,155	1.09
PUBLICIS GROUPE	42,006	EUR	3,528,504	0.27
SARTORIUS STEDIM BIOTECH	39,748	EUR	9,519,646	0.74
VEOLIA ENVIRONNEMENT SA	258,814	EUR	7,391,728	0.58
			<b>161,636,023</b>	<b>12.59</b>
<b>Germany</b>				
ADIDAS AG - REG SHS	22,735	EUR	4,186,878	0.33
ALLIANZ SE PREFERENTIAL SHARE	80,613	EUR	19,504,315	1.52
BEIERSDORF AG	273,909	EUR	37,169,451	2.89
CARL ZEISS MEDITEC AG	107,977	EUR	10,672,447	0.83
DEUTSCHE BOERSE AG - REG SHS	30,930	EUR	5,768,445	0.45
DEUTSCHE TELEKOM AG - REG SHS	432,139	EUR	9,399,023	0.73
DUERR AG	251,503	EUR	5,377,134	0.42
GRAND CITY PROPERTIES	475,880	EUR	4,844,458	0.38
HANNOVER RUECK SE	34,410	EUR	7,442,883	0.58
INFINEON TECHNOLOGIES - REG SHS	175,285	EUR	6,625,773	0.52
MERCEDES-BENZ GROUP	111,886	EUR	6,998,469	0.54
MUENCHENER RUECK - REG SHS	20,010	EUR	7,505,751	0.58
NEMETSCHEK	90,543	EUR	7,105,815	0.55
SIEMENS AG PREFERENTIAL SHARE	76,863	EUR	13,060,561	1.02
SIEMENS HEALTHINEERS	139,593	EUR	7,342,592	0.57
SYMRISE AG	63,018	EUR	6,279,114	0.49
			<b>159,283,109</b>	<b>12.40</b>
<b>Hong Kong</b>				
PRUDENTIAL PLC	502,936	GBP	5,149,210	0.40
			<b>5,149,210</b>	<b>0.40</b>
<b>Ireland</b>				
KERRY GROUP -A-	369,180	EUR	29,039,699	2.26
KINGSPAN GROUP	272,764	EUR	21,384,698	1.67
			<b>50,424,397</b>	<b>3.93</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Europe

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Italy</b>				
ENEL SPA	1,057,923	EUR	7,119,822	0.55
FINCOBANK	2,634,678	EUR	35,792,101	2.79
INTESA SANPAOLO	7,576,716	EUR	20,029,049	1.56
MONCLER SPA	60,372	EUR	3,362,720	0.26
TECHNOGYM SPA (ITA)	855,882	EUR	7,758,570	0.60
			<b>74,062,262</b>	<b>5.77</b>
<b>Netherlands</b>				
ALFEN NV	142,483	EUR	8,588,875	0.67
ASML HOLDING NV	54,268	EUR	36,994,496	2.88
			<b>45,583,371</b>	<b>3.55</b>
<b>Norway</b>				
TOMRA SYSTEMS ASA	1,336,519	NOK	14,707,249	1.15
			<b>14,707,249</b>	<b>1.15</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA ARGENTARIA SA	720,410	EUR	5,926,093	0.46
BANKINTER SA - REG SHS	1,208,870	EUR	7,006,611	0.55
EDP RENOVAVEIS SA	387,366	EUR	7,175,955	0.56
IBERDROLA SA	860,531	EUR	10,214,503	0.80
			<b>30,323,162</b>	<b>2.36</b>
<b>Sweden</b>				
ASSA ABLOY -B- NEW I	236,810	SEK	6,175,248	0.48
HEXAGON - REG SHS -B-	1,889,914	SEK	20,533,133	1.60
			<b>26,708,381</b>	<b>2.08</b>
<b>Switzerland</b>				
ABB LTD PREFERENTIAL SHARE	213,880	CHF	8,580,966	0.67
DSM FIRMENICH	180,930	EUR	16,645,560	1.30
LONZA GROUP	24,062	CHF	9,154,275	0.71
NOVARTIS AG PREFERENTIAL SHARE	278,366	CHF	25,411,340	1.98
SGS LTD	73,718	CHF	5,751,859	0.45
SIG GROUP PREFERENTIAL SHARE	513,664	CHF	10,690,974	0.83
TECAN GROUP NAM.AKT	63,706	CHF	23,530,860	1.83
			<b>99,765,834</b>	<b>7.77</b>
<b>United Kingdom</b>				
ASTRAZENECA PLC	255,451	GBP	31,247,829	2.43
BIG YELLOW GROUP PLC	466,724	GBP	6,581,694	0.51
COMPASS GROUP	1,619,696	GBP	40,111,564	3.12
CRODA INTL - REG SHS	124,903	GBP	7,278,982	0.57
HALMA PLC	660,765	GBP	17,416,044	1.36
INTERTEK GROUP PLC	194,648	GBP	9,537,539	0.74
JOHNSON MATTHEY	331,631	GBP	6,496,378	0.51
LSE GROUP	49,098	GBP	5,254,571	0.41
PRIMARY HEALTH PROPERTIES PLC REIT	4,720,992	GBP	5,655,057	0.44
RECKITT BENCKISER GROUP PLC	604,031	GBP	37,780,255	2.94
RELX PLC	288,599	EUR	10,337,616	0.80
RENTOKIL INITIAL PLC	1,905,572	GBP	9,693,337	0.75
SPIRAX-SARCO ENGIN	134,251	GBP	16,274,961	1.27
UNILEVER	43,240	GBP	1,896,290	0.15
UNILEVER	668,592	GBP	29,319,135	2.28
UNITE GROUP PLC	523,263	GBP	6,304,155	0.49
			<b>241,185,407</b>	<b>18.78</b>
<b>United States of America</b>				
GSK REG SHS	571,435	GBP	9,563,153	0.74
NESTLE SA PREFERENTIAL SHARE	491,791	CHF	51,580,662	4.02
ROCHE HOLDING LTD	146,377	CHF	38,495,403	3.00
SANOFI	282,025	EUR	25,314,564	1.97
SCHNEIDER ELECTRIC SE	71,200	EUR	12,942,736	1.01
STELLANTIS NV-BEARER AND REGISTERED SHS	265,746	EUR	5,620,528	0.44
			<b>143,517,046</b>	<b>11.17</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Europe

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Total Shares</b>			<b>1,195,705,688</b>	<b>93.10</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,195,705,688</b>	<b>93.10</b>
<b>Total investment portfolio</b>			<b>1,195,705,688</b>	<b>93.10</b>
Acquisition cost			1,178,834,613	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Europe

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United Kingdom	18.78
France	12.59
Germany	12.40
United States of America	11.17
Switzerland	7.77
Denmark	5.89
Italy	5.77
Belgium	4.59
Ireland	3.93
Netherlands	3.55
Spain	2.36
Sweden	2.08
Norway	1.15
Finland	0.68
Hong Kong	0.40
	<b>93.10</b>

**Economic breakdown (in % of net assets)**

Pharmaceuticals	24.58
Banks and other financial institutions	12.63
Foods and non alcoholic drinks	9.14
Machine and apparatus construction	4.91
Electronics and semiconductors	4.75
Insurance	4.07
Miscellaneous consumer goods	3.55
Internet and internet services	3.33
Hotels and restaurants	3.12
Utilities	2.99
Chemicals	2.80
Real estate	2.79
Electrical engineering	2.69
Building materials	2.00
Miscellaneous services	1.67
Biotechnology	1.64
Textiles and garments	1.33
Graphic art and publishing	1.08
Road vehicles	0.98
Communication	0.73
Petroleum	0.68
Environmental services and recycling	0.56
Precious metals and stones	0.51
Retail trade and department stores	0.31
Tires and rubber	0.26
	<b>93.10</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Europe Small & Mid Caps

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Belgium</b>				
AEDIFICA SA	100,106	EUR	6,371,747	2.10
BARCO - REG SHS	318,814	EUR	5,276,372	1.74
KBC ANCORA CVA	270,613	EUR	11,235,851	3.70
KINEPOLIS GROUP SA	101,978	EUR	4,558,417	1.50
LOTUS BAKERIES NV	340	EUR	2,798,200	0.92
SHURGARD SELF STORAGE LTD	66,761	EUR	2,994,898	0.99
SOFINA SA	7,563	EUR	1,704,700	0.56
WAREHOUSES DE PAUW SCA - REGISTERED SHS	291,767	EUR	8,315,360	2.74
			<b>43,255,545</b>	<b>14.25</b>
<b>Denmark</b>				
CHRISTIAN HANSEN	92,728	DKK	7,043,027	2.32
TOPDANMARK AS	210,841	DKK	9,118,611	3.00
			<b>16,161,638</b>	<b>5.32</b>
<b>Finland</b>				
HARVIA-REGISTERED SHS	75,957	EUR	2,066,030	0.68
			<b>2,066,030</b>	<b>0.68</b>
<b>France</b>				
ANTIN INF PARTN --- SHS	68,120	EUR	938,694	0.31
BIOMERIEUX SA	126,969	EUR	12,773,080	4.21
BUREAU VERITAS SA	124,330	EUR	2,843,427	0.94
ESKER SA	15,496	EUR	2,473,162	0.81
SEB SA	39,715	EUR	4,487,795	1.48
			<b>23,516,158</b>	<b>7.75</b>
<b>Germany</b>				
CARL ZEISS MEDITEC AG	97,135	EUR	9,600,823	3.16
DUERR AG	204,452	EUR	4,371,184	1.44
GRAND CITY PROPERTIES	322,155	EUR	3,279,538	1.08
HELLOFRESH SE	73,547	EUR	1,052,458	0.35
NEMETSCHKE	62,655	EUR	4,917,164	1.62
STABILUS SE BEARER SHS	40,672	EUR	2,509,462	0.83
SYMRISE AG	14,633	EUR	1,458,032	0.48
			<b>27,188,661</b>	<b>8.95</b>
<b>Ireland</b>				
GREENCORE GROUP PLC	1,633,072	GBP	1,817,665	0.60
KERRY GROUP -A-	107,326	EUR	8,442,263	2.78
KINGSPAN GROUP	106,219	EUR	8,327,570	2.74
			<b>18,587,498</b>	<b>6.12</b>
<b>Italy</b>				
BFF BANK S.P.A	797,042	EUR	8,225,473	2.71
FINECOBANK	821,097	EUR	11,154,602	3.67
ILLIMITY BANK SPA - BEARER SHS	278,600	EUR	1,519,763	0.50
INDUSTRIE DE NORA	77,266	EUR	1,212,304	0.40
MONCLER SPA	74,358	EUR	4,141,741	1.36
TECHNOGYM SPA (ITA)	730,505	EUR	6,622,028	2.18
			<b>32,875,911</b>	<b>10.83</b>
<b>Netherlands</b>				
ALFEN NV	134,263	EUR	8,093,374	2.67
			<b>8,093,374</b>	<b>2.67</b>
<b>Norway</b>				
TOMRA SYSTEMS ASA	694,621	NOK	7,643,710	2.52
			<b>7,643,710</b>	<b>2.52</b>
<b>Spain</b>				
BANKINTER SA - REG SHS	1,651,249	EUR	9,570,639	3.15
LINEA DIRECTA - BEARER SHS	1,596,799	EUR	1,358,876	0.45
			<b>10,929,515</b>	<b>3.60</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Europe Small & Mid Caps

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Sweden</b>				
BICO AB	76,510	SEK	391,467	0.13
CELLAVISION	37,159	SEK	707,632	0.23
MIPS AB	65,570	SEK	2,146,891	0.71
RVCR HOLDING AB REGISTERED SHS	404,767	SEK	2,190,632	0.72
SWECO ABÄ	293,140	SEK	3,557,441	1.17
THULE CORP	58,616	SEK	1,445,326	0.48
			<b>10,439,389</b>	<b>3.44</b>
<b>Switzerland</b>				
BACHEM HOLDING LTD SHARES	33,581	CHF	2,347,817	0.77
SIG GROUP PREFERENTIAL SHARE	374,778	CHF	7,800,317	2.57
TECAN GROUP NAM.AKT	28,562	CHF	10,549,845	3.47
			<b>20,697,979</b>	<b>6.82</b>
<b>United Kingdom</b>				
ADMIRAL GROUP PLC	251,744	GBP	7,797,368	2.57
BIG YELLOW GROUP PLC	281,546	GBP	3,970,333	1.31
CLOSE BROTHERS GROUP PLC	163,883	GBP	1,501,623	0.49
CRODA INTL - REG SHS	51,358	GBP	2,992,994	0.99
GRAINGER PLC	1,176,453	GBP	3,589,570	1.18
HALMA PLC	489,249	GBP	12,895,328	4.25
INTERTEK GROUP PLC	184,607	GBP	9,045,541	2.98
JOHNSON MATTHEY	210,294	GBP	4,119,486	1.36
PRIMARY HEALTH PROPERTIES PLC REIT	4,175,795	GBP	5,001,991	1.65
RENTOKIL INITIAL PLC	843,011	GBP	4,288,261	1.41
SPIRAX-SARCO ENGIN	84,111	GBP	10,196,596	3.36
UNITE GROUP PLC	750,166	GBP	9,037,832	2.98
WISE PLC	154,017	GBP	1,553,411	0.51
			<b>75,990,334</b>	<b>25.03</b>
<b>Total Shares</b>			<b>297,445,742</b>	<b>97.97</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>297,445,742</b>	<b>97.97</b>
<b>Total investment portfolio</b>			<b>297,445,742</b>	<b>97.97</b>
Acquisition cost			317,946,751	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Europe Small & Mid Caps

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United Kingdom	25.03
Belgium	14.25
Italy	10.83
Germany	8.95
France	7.75
Switzerland	6.82
Ireland	6.12
Denmark	5.32
Spain	3.60
Sweden	3.44
Netherlands	2.67
Norway	2.52
Finland	0.68
	<b>97.97</b>

**Economic breakdown (in % of net assets)**

Banks and other financial institutions	23.13
Real estate	14.02
Pharmaceuticals	10.84
Machine and apparatus construction	7.32
Insurance	6.02
Foods and non alcoholic drinks	4.65
Miscellaneous services	4.59
Textiles and garments	4.34
Electronics and semiconductors	4.25
Miscellaneous consumer goods	4.14
Building materials	3.91
Internet and internet services	3.36
Biotechnology	2.68
Hotels and restaurants	1.50
Chemicals	1.47
Precious metals and stones	1.36
Utilities	0.40
	<b>97.97</b>



Candriam Sustainable Equity Future Mobility

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Canada</b>				
BALLARD POWER SYSTEMS INC	161,449	CAD	601,175	0.21
			<b>601,175</b>	<b>0.21</b>
<b>France</b>				
ALSTOM SA	199,776	EUR	2,687,914	0.92
CIE GENERALE DES ETABLISSEMENTS MICHELIN	225,757	EUR	8,094,955	2.78
			<b>10,782,869</b>	<b>3.70</b>
<b>Germany</b>				
INFINEON TECHNOLOGIES - REG SHS	148,418	EUR	6,197,308	2.13
SIEMENS AG PREFERENTIAL SHARE	56,972	EUR	10,693,766	3.67
			<b>16,891,074</b>	<b>5.80</b>
<b>Japan</b>				
DENSO CORP	171,000	JPY	2,579,919	0.89
NGK INSULATORS LTD	255,200	JPY	3,051,068	1.05
NIDEC CORP	40,000	JPY	1,615,832	0.55
PANASONIC HLDGS - REG SHS	309,700	JPY	3,067,783	1.05
ROHM CO LTD	154,900	JPY	2,969,338	1.02
SHIMANO INC	35,500	JPY	5,498,245	1.89
TDK CORP	117,800	JPY	5,612,588	1.93
TOYOTA MOTOR CORP	290,400	JPY	5,336,085	1.83
			<b>29,730,858</b>	<b>10.20</b>
<b>Netherlands</b>				
ALFEN NV	102,415	EUR	6,819,641	2.34
			<b>6,819,641</b>	<b>2.34</b>
<b>Norway</b>				
NEL ASA	2,225,724	NOK	1,510,012	0.52
			<b>1,510,012</b>	<b>0.52</b>
<b>People's Republic of China</b>				
CONTEMPORARY AMPEREX TECHN-A	134,100	CNY	3,086,935	1.06
LONGI GREEN ENE - REGISTERED SHS -A-	240,692	CNY	777,170	0.27
NXP SEMICONDUCTORS	37,007	USD	8,499,768	2.92
			<b>12,363,873</b>	<b>4.24</b>
<b>Switzerland</b>				
STMICROELECTRONICS NV	106,023	EUR	5,294,919	1.82
			<b>5,294,919</b>	<b>1.82</b>
<b>Taiwan</b>				
TAIWAN SEMICONDUCTOR CO ADR (REPR 5 SHS)	96,206	USD	10,005,424	3.43
			<b>10,005,424</b>	<b>3.43</b>
<b>United Kingdom</b>				
JOHNSON MATTHEY	202,703	GBP	4,386,327	1.51
			<b>4,386,327</b>	<b>1.51</b>
<b>United States of America</b>				
ALPHABET INC -A-	42,148	USD	5,887,654	2.02
APTIV PLC	126,478	USD	11,347,606	3.89
CISCO SYSTEMS INC	283,063	USD	14,300,343	4.91
ITT INC	85,910	USD	10,250,781	3.52
MICROSOFT CORP	42,594	USD	16,017,047	5.50
NVIDIA CORP	15,794	USD	7,821,505	2.68
OKTA -A-	32,299	USD	2,924,028	1.00
ON SEMICONDUCTOR CORP	95,087	USD	7,942,617	2.73
PALO ALTO NETWORKS	36,557	USD	10,779,928	3.70
PTC INC	61,561	USD	10,770,713	3.70
SCHNEIDER ELECTRIC SE	63,471	EUR	12,745,185	4.37
SENSATA TECH(S) -REGISTERED SHS	154,093	USD	5,789,274	1.99
SERVICENOW INC	16,072	USD	11,354,707	3.90
SOLAREEDGE TECHNOLOGIES INC	22,957	USD	2,148,775	0.74
TE CONNECTIVITY LTD - REG SHS	103,052	USD	14,478,806	4.97

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Future Mobility

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
TESLA MOTORS INC	23,181	USD	5,760,015	1.98
TWILIO INC	29,372	USD	2,228,454	0.76
WABTEC CORP	110,069	USD	13,967,756	4.79
ZEBRA TECHNOLOGIES -A-	28,006	USD	7,654,880	2.63
			<b>174,170,074</b>	<b>59.78</b>
<b>Total Shares</b>			<b>272,556,246</b>	<b>93.54</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>272,556,246</b>	<b>93.54</b>
<b>Total investment portfolio</b>			<b>272,556,246</b>	<b>93.54</b>
Acquisition cost			277,214,733	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Future Mobility

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United States of America	59.78
Japan	10.20
Germany	5.80
People's Republic of China	4.24
France	3.70
Taiwan	3.43
Netherlands	2.34
Switzerland	1.82
United Kingdom	1.51
Norway	0.52
Canada	0.21
	<b>93.54</b>

**Economic breakdown (in % of net assets)**

Electronics and semiconductors	23.15
Internet and internet services	20.58
Electrical engineering	11.90
Road vehicles	10.48
Banks and other financial institutions	7.31
Machine and apparatus construction	6.90
Office supplies and computing	4.91
Miscellaneous services	3.52
Tires and rubber	2.78
Precious metals and stones	1.51
Biotechnology	0.52
	<b>93.54</b>



Candriam Sustainable Equity Japan

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in JPY)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Japan</b>				
ADVANTEST CORP	120,700	JPY	578,997,900	0.75
AJINOMOTO CO INC	247,800	JPY	1,348,032,000	1.74
ASTELLAS PHARMA	487,100	JPY	821,250,600	1.06
BAYCURR CONSULT --- REGISTERED SHS	72,800	JPY	360,432,800	0.47
BRIDGESTONE CORP	102,800	JPY	600,352,000	0.78
CANON INC	523,600	JPY	1,895,432,000	2.45
CAPCOM CO LTD	190,500	JPY	867,918,000	1.12
CENTRAL JAPAN RAILWAY CO	488,300	JPY	1,750,067,200	2.26
CHUGAI PHARMACEUTICAL	176,400	JPY	942,328,800	1.22
DAI NIPPON PRINTING CO LTD	165,400	JPY	690,214,200	0.89
DAIFUKU CO	2,900	JPY	8,272,250	0.01
DAIICHI SANKYO CO LTD	164,600	JPY	637,331,200	0.82
DAIWA HOUSE INDUSTRY CO LTD	367,633	JPY	1,570,528,176	2.03
DENSO CORP	698,500	JPY	1,485,709,500	1.92
DENTSU GROUP - REG SHS	154,700	JPY	559,704,600	0.72
EAST JAPAN RAILWAY CO	193,900	JPY	1,576,213,100	2.04
EBARA CORPORATION	92,000	JPY	768,016,000	0.99
FANUC CORP SHS	419,300	JPY	1,738,837,100	2.25
FAST RETAILING CO LTD	49,100	JPY	1,718,009,000	2.22
FUJIFILM HOLDINGS CORP	178,000	JPY	1,508,194,000	1.95
FUJITSU LTD	50,300	JPY	1,070,132,500	1.39
GLP J-REIT	1,750	JPY	245,875,000	0.32
HIROSE ELECTRIC CO	21,400	JPY	341,651,000	0.44
HITACHI CONST MACH.	295,100	JPY	1,099,837,700	1.42
HITACHI LTD	263,500	JPY	2,679,795,000	3.47
HOYA CORP	96,600	JPY	1,702,575,000	2.20
IBIDEN	76,800	JPY	600,192,000	0.78
ISETAN MITSUKOSHI	78,600	JPY	120,572,400	0.16
JAPAN METRO FUND INVESTMENT CORP	720	JPY	73,368,000	0.09
JAPAN POST BANK	837,700	JPY	1,202,937,200	1.56
JP REAL ESTATE INVESTMENT	1,382	JPY	807,088,000	1.04
KDDI CORP	477,500	JPY	2,142,065,000	2.77
KIKKOMAN CORP	44,700	JPY	385,939,800	0.50
KOBE STEEL	176,600	JPY	322,206,700	0.42
KUBOTA CORP	318,800	JPY	676,653,000	0.88
MEIJI HLDGS	14,000	JPY	46,886,000	0.06
MINEBEA MITSUMI	245,500	JPY	711,581,750	0.92
MITSUBISHI CHEMICAL GROUP CORPORATION	344,500	JPY	297,648,000	0.39
MIYOSHIKI FUDOSAN CO LTD	96,200	JPY	332,659,600	0.43
MONOTARO CO LTD	163,900	JPY	252,324,050	0.33
MS&AD INSURANCE GROUP HOLDING	185,700	JPY	1,029,892,200	1.33
NEC CORP	121,500	JPY	1,014,525,000	1.31
NIDEC CORP	215,700	JPY	1,228,411,500	1.59
NIKON CORP	117,800	JPY	164,448,800	0.21
NINTENDO CO LTD	251,300	JPY	1,849,316,700	2.39
NIPPON BUILDING FD	17	JPY	10,387,000	0.01
NIPPON TELEGRAPH AND TELEPHONE CORP	9,839,700	JPY	1,695,380,310	2.19
NISSAN CHEMICAL CORP	152,100	JPY	837,462,600	1.08
NITTO DENKO CORP	126,800	JPY	1,337,740,000	1.73
NOMURA HOLDINGS INC	822,200	JPY	524,316,940	0.68
NOMURA REAL ESTATE MASTER FUND	1,387	JPY	228,855,000	0.30
NOMURA RESEARCH INSTITUTE	99,100	JPY	406,409,100	0.53
NTT DATA GROUP CORPORATION	245,800	JPY	491,354,200	0.64
OBAYASHI CORP	253,200	JPY	308,904,000	0.40

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Japan

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in JPY)	% net assets
OJI HOLDINGS	320,500	JPY	174,031,500	0.23
ONO PHARMACEUTICAL CO LTD	18,500	JPY	46,546,000	0.06
ORIX CORP	727,800	JPY	1,933,036,800	2.50
OSAKA SECURITIES EXCHANGE	148,800	JPY	443,870,400	0.57
PANASONIC HLDGS - REG SHS	941,700	JPY	1,315,084,050	1.70
RECRUIT HOLDINGS CO LTD	146,000	JPY	870,598,000	1.13
RENASAS ELECTRONICS	46,600	JPY	118,783,400	0.15
RESONA HOLDINGS INC	917,700	JPY	657,532,050	0.85
RICOH CO LTD	617,400	JPY	668,644,200	0.87
SECOM CO LTD	55,400	JPY	562,587,000	0.73
SEKISUI CHEMICAL CO LTD	1,200	JPY	2,439,000	0.00
SEKISUI HOUSE LTD	291,500	JPY	912,978,000	1.18
SHIMADZU CORPORATION	140,500	JPY	553,851,000	0.72
SHISEIDO	217,500	JPY	924,810,000	1.20
SO-NET M3	57,800	JPY	134,847,400	0.17
SONY CORP	244,900	JPY	3,284,109,000	4.25
SUMITOMO HEAVY INDUSTRIES	5,100	JPY	18,130,500	0.02
SUMITOMO MITSUI FINANCIAL GROUP INC	338,200	JPY	2,326,816,000	3.01
SUNTORY	53,400	JPY	248,310,000	0.32
SYSMEX	82,400	JPY	647,499,200	0.84
T&D HOLDING	177,600	JPY	397,912,800	0.51
TAKEDA PHARMACEUTICAL	526,000	JPY	2,132,404,000	2.76
TIS SHS	40,900	JPY	127,076,300	0.16
TOKYO ELECTRON LTD	76,500	JPY	1,932,007,500	2.50
TOKYU FUDOSAN HOLDINGS CORP	184,000	JPY	165,857,600	0.21
TOPPAN HOLDINGS INC.	222,000	JPY	873,570,000	1.13
TOTO LTD	49,400	JPY	183,422,200	0.24
TOYOTA MOTOR CORP	1,723,600	JPY	4,464,985,800	5.78
UNITED URBAN INVESTMENT CORP	1,732	JPY	249,581,200	0.32
WEST JAPAN RAILWAY COMPANY	150,600	JPY	885,678,600	1.15
YAKULT HONSHA CO LTD	256,500	JPY	812,335,500	1.05
YASKAWA ELECTRIC CORP	185,200	JPY	1,090,828,000	1.41
			<b>76,825,394,476</b>	<b>99.43</b>
<b>Total Shares</b>			<b>76,825,394,476</b>	<b>99.43</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>76,825,394,476</b>	<b>99.43</b>
<b>Total investment portfolio</b>			<b>76,825,394,476</b>	<b>99.43</b>
Acquisition cost			71,595,896,068	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Japan

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

Japan	99.43
	<b>99.43</b>

**Economic breakdown (in % of net assets)**

Electronics and semiconductors	25.89
Banks and other financial institutions	15.00
Road vehicles	7.70
Pharmaceuticals	7.14
Transportation	5.45
Communication	4.97
Machine and apparatus construction	4.25
Building materials	4.18
Graphic art and publishing	3.88
Foods and non alcoholic drinks	3.18
Chemicals	2.82
Real estate	2.74
Office supplies and computing	2.70
Internet and internet services	2.46
Electrical engineering	2.25
Retail trade and department stores	2.22
Miscellaneous services	1.19
Tires and rubber	0.78
Coal mining and steel industry & Chemicals	0.42
Paper and forest products	0.23
	<b>99.43</b>



Candriam Sustainable Equity Quant Europe

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Austria</b>				
CA-IMMOBILIEN-ANLAGEN AG	12,011	EUR	389,757	0.07
VERBUND AG	32,469	EUR	2,729,019	0.47
			<b>3,118,776</b>	<b>0.53</b>
<b>Belgium</b>				
SHURGARD SELF STORAGE LTD	3,936	EUR	176,569	0.03
UCB	35,419	EUR	2,794,559	0.48
WAREHOUSES DE PAUW SCA - REGISTERED SHS	5,779	EUR	164,702	0.03
			<b>3,135,830</b>	<b>0.54</b>
<b>Denmark</b>				
A.P. MOELLER-MAERSK -A-	1,799	DKK	2,891,123	0.50
A.P. MOELLER-MAERSK A/S -B-	2,159	DKK	3,516,008	0.60
COLOPLAST -B-	18,662	DKK	1,932,654	0.33
H LUNDBECK SHS	177,922	DKK	781,902	0.13
ISS A/S	42,895	DKK	742,005	0.13
NOVO NORDISK - BEARER AND/OR - REG SHS	252,165	DKK	23,614,624	4.04
ORSTED	12,335	DKK	619,352	0.11
PANDORA	11,847	DKK	1,483,070	0.25
			<b>35,580,738</b>	<b>6.09</b>
<b>Finland</b>				
KONE OYJ -B-	32,661	EUR	1,474,971	0.25
NOKIA OYJ	1,582,648	EUR	4,830,242	0.83
			<b>6,305,213</b>	<b>1.08</b>
<b>France</b>				
ACCOR SA	108,438	EUR	3,751,955	0.64
AIR LIQUIDE SA	49,729	EUR	8,758,271	1.50
BIC(SOCIETE)	1,897	EUR	119,226	0.02
BOUYGUES SA	208,362	EUR	7,109,311	1.22
CARREFOUR SA	190,630	EUR	3,157,786	0.54
CIE DE SAINT-GOBAIN	103,789	EUR	6,918,575	1.18
CREDIT AGRICOLE SA	292,303	EUR	3,756,678	0.64
EURAZEO	7,341	EUR	527,451	0.09
GECINA	27,414	EUR	3,018,281	0.52
HERMES INTERNATIONAL SA	3,580	EUR	6,869,304	1.18
JCDECAUX SE	15,148	EUR	275,694	0.05
L'OREAL SA	24,418	EUR	11,003,972	1.88
PUBLICIS GROUPE	68,947	EUR	5,791,548	0.99
REXEL SA	64,275	EUR	1,592,092	0.27
SOCIETE GENERALE SA	171,694	EUR	4,124,948	0.71
SODEXO SA	34,410	EUR	3,427,924	0.59
SOPRA STERIA GROUP	6,893	EUR	1,363,435	0.23
UBISOFT ENTERTAINMENT	24,244	EUR	560,279	0.10
VIVENDI SA	395,606	EUR	3,827,884	0.66
WENDEL SA	3,728	EUR	300,663	0.05
			<b>76,255,277</b>	<b>13.06</b>
<b>Germany</b>				
ADIDAS AG - REG SHS	24,133	EUR	4,444,333	0.76
ALLIANZ SE PREFERENTIAL SHARE	4,249	EUR	1,028,046	0.18
AROUNDTOWN SA	293,873	EUR	727,336	0.12
COMMERZBK	325,410	EUR	3,501,412	0.60
DEUTSCHE BOERSE AG - REG SHS	18,716	EUR	3,490,534	0.60
DEUTSCHE TELEKOM AG - REG SHS	405,846	EUR	8,827,151	1.51
E.ON SE	547,717	EUR	6,654,762	1.14
FRESENIUS MEDICAL CARE AG	80,523	EUR	3,056,653	0.52
FRESENIUS SE	142,987	EUR	4,013,645	0.69
GEA GROUP AG	7,293	EUR	274,873	0.05

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Quant Europe

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
HOCHTIEF AG	3,504	EUR	351,451	0.06
INFINEON TECHNOLOGIES - REG SHS	6,366	EUR	240,635	0.04
MERCEDES-BENZ GROUP	112,321	EUR	7,025,679	1.20
MUENCHENER RUECK - REG SHS	18,261	EUR	6,849,701	1.17
RATIONAL NAMEN	1,707	EUR	1,194,047	0.20
SAP AG	103,001	EUR	14,366,579	2.46
SIEMENS AG PREFERENTIAL SHARE	68,784	EUR	11,687,777	2.00
SIEMENS ENERGY - REG SHS	38,264	EUR	459,168	0.08
VOLKSWAGEN AG	10,994	EUR	1,302,239	0.22
VOLKSWAGEN AG VORZ.AKT	51,394	EUR	5,745,849	0.98
VONOVIA SE	124,619	EUR	3,556,626	0.61
			<b>88,798,496</b>	<b>15.20</b>
<b>Ireland</b>				
AIB GRP - REGISTERED	276,482	EUR	1,072,750	0.18
			<b>1,072,750</b>	<b>0.18</b>
<b>Italy</b>				
ASSICURAZIONI GENERALI SPA	192,694	EUR	3,681,419	0.63
BANCA MEDIOLANUM	178,146	EUR	1,520,298	0.26
BANCO BPM SPA - REGISTERED	549,954	EUR	2,629,330	0.45
BPER BANCA SPA	755,299	EUR	2,285,535	0.39
INTESA SANPAOLO	2,407,258	EUR	6,363,587	1.09
RECORDATI SPA	38,151	EUR	1,862,913	0.32
UGF	198,456	EUR	1,024,430	0.18
UNICREDIT SPA - REG SHS	205,855	EUR	5,056,828	0.87
			<b>24,424,340</b>	<b>4.18</b>
<b>Jordania</b>				
HIKMA PHARMACEUTICALS PLC	112,890	GBP	2,330,624	0.40
			<b>2,330,624</b>	<b>0.40</b>
<b>Netherlands</b>				
ABN AMRO GROUP DEP RECEIPT	239,781	EUR	3,258,624	0.56
AKZO NOBEL NV	59,701	EUR	4,466,829	0.76
ASML HOLDING NV	27,806	EUR	18,955,350	3.25
BESI - REG SHS	7,626	EUR	1,040,568	0.18
ING GROUP NV	440,765	EUR	5,961,787	1.02
JDE PEET S BV	12,111	EUR	295,024	0.05
KONINKLIJKE AHOLD DELHAIZE NV	129,301	EUR	3,363,766	0.58
KONINKLIJKE KPN NV	325,197	EUR	1,013,964	0.17
NN GROUP NV	122,287	EUR	4,371,760	0.75
			<b>42,727,672</b>	<b>7.32</b>
<b>Spain</b>				
ACS	108,559	EUR	4,359,729	0.75
BANKINTER SA - REG SHS	157,052	EUR	910,273	0.16
CELLNEX TELECOM SA	44,019	EUR	1,569,718	0.27
IBERDROLA SA	719,223	EUR	8,537,177	1.46
INDITEX SHARE FROM SPLIT	168,311	EUR	6,636,503	1.14
INDRA SISTEMAS SA	51,320	EUR	718,480	0.12
INMOBILIARIA COLONIAL SA	200,505	EUR	1,313,308	0.22
MAPFRE REG-SHS	136,056	EUR	264,357	0.05
TELEFONICA SA	1,307,203	EUR	4,619,655	0.79
			<b>28,929,200</b>	<b>4.95</b>
<b>Sweden</b>				
AAK --- REGISTERED SHS	9,516	SEK	192,158	0.03
ASSA ABLOY -B- NEW I	42,151	SEK	1,099,163	0.19
ATLAS COPCO AB -A-	366,834	SEK	5,718,755	0.98
ATLAS COPCO AB -B-	465,991	SEK	6,253,677	1.07
HENNES AND MAURITZ AB	213,832	SEK	3,392,500	0.58
HOLMEN - REG SHS	8,227	SEK	314,595	0.05
TELIA COMPANY AB	709,749	SEK	1,640,408	0.28
VOLVO -A- FREE	24,048	SEK	576,763	0.10

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Quant Europe

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
VOLVO AB -B-	161,048	SEK	3,785,876	0.65
			<b>22,973,895</b>	<b>3.93</b>
<b>Switzerland</b>				
ABB LTD PREFERENTIAL SHARE	261,082	CHF	10,474,732	1.79
ALCON - REG SHS	25,362	CHF	1,790,644	0.31
GIVAUDAN SA - REG SHS	1,371	CHF	5,137,748	0.88
KUEHNE + NAGEL INTERNATIONAL AG	18,736	CHF	5,840,263	1.00
LOGITECH - REG SHS	37,000	CHF	3,174,271	0.54
NOVARTIS AG PREFERENTIAL SHARE	187,221	CHF	17,090,939	2.93
PARTNERS GROUP HLDG - REG SHS	152	CHF	198,318	0.03
PSP SWISS PROPERTY AG	20,262	CHF	2,562,989	0.44
SCHINDLER HOLDING NAMEN AKT	6,125	CHF	1,314,335	0.23
SCHINDLER HOLDING SA	25,427	CHF	5,751,638	0.98
SIKA - REGISTERED SHS	25,353	CHF	7,463,823	1.28
SWISS PRIME SITE AG-NAMEN AKT	36,215	CHF	3,499,965	0.60
SWISSCOM SHS NOM	7,663	CHF	4,170,677	0.71
YPSOMED HOLDING AG NAM.AKT	2,240	CHF	730,042	0.12
			<b>69,200,384</b>	<b>11.85</b>
<b>United Kingdom</b>				
3I GROUP PLC	193,707	GBP	5,411,859	0.93
ASSOCIATED BRITISH FOODS PLC	99,447	GBP	2,716,416	0.47
ASTRAZENECA PLC	140,319	GBP	17,164,404	2.94
B M EUROPEAN VALUE RETAIL	202,688	GBP	1,310,320	0.22
BEAZLEY PLC	97,650	GBP	588,233	0.10
COMPASS GROUP	309,573	GBP	7,666,536	1.31
COMPUTACENTER	29,554	GBP	952,222	0.16
DUNELM GROUP PLC	34,271	GBP	433,850	0.07
HARGREAVES LANS - REGISTERED SHS	148,283	GBP	1,256,012	0.22
HISCOX	99,935	GBP	1,215,527	0.21
INFORMA PLC	663,206	GBP	5,978,842	1.02
INTERCONTINENTAL HOTELS GROUP PLC	56,490	GBP	4,621,939	0.79
J SAINSBURY PLC	1,258,707	GBP	4,395,416	0.75
KINGFISHER PLC	1,784,660	GBP	5,010,764	0.86
LAND SEC R.E.I.T	405,510	GBP	3,298,176	0.56
LSE GROUP	18,500	GBP	1,979,909	0.34
NATIONAL GRID PLC	429,569	GBP	5,244,752	0.90
NATWEST GROUP PLC	1,769,660	GBP	4,480,566	0.77
NEXT PLC	43,912	GBP	4,113,757	0.70
PEARSON PLC	404,516	GBP	4,501,002	0.77
SAGE GROUP	83,000	GBP	1,123,045	0.19
SEGRO (REIT)	152,082	GBP	1,555,657	0.27
SHAFTESBURY CAPITAL PLC	531,754	GBP	847,444	0.15
SOFTCAT PLC	18,817	GBP	295,322	0.05
UNILEVER	157,171	GBP	6,892,734	1.18
UNILEVER	22,200	GBP	973,516	0.17
UNITE GROUP PLC	88,252	GBP	1,063,240	0.18
UNITED UTILITIES GROUP PLC	10,879	GBP	133,014	0.02
VODAFONE GROUP PLC	5,816,286	GBP	4,601,749	0.79
WHITBREAD	57,600	GBP	2,430,161	0.42
WISE PLC	196,349	GBP	1,980,371	0.34
			<b>104,236,755</b>	<b>17.85</b>
<b>United States of America</b>				
CRH PLC	121,907	GBP	7,610,835	1.30
FERGUSON NEWCO PLC	3,894	GBP	677,872	0.12
GSK REG SHS	542,219	GBP	9,074,214	1.55
NESTLE SA PREFERENTIAL SHARE	107,011	CHF	11,223,666	1.92
ROCHE HOLDING AG	9,830	CHF	2,763,861	0.47
ROCHE HOLDING LTD	59,259	CHF	15,584,409	2.67
SANOFI	114,440	EUR	10,272,134	1.76

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Quant Europe

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
SCHNEIDER ELECTRIC SE	20,278	EUR	3,686,135	0.63
STELLANTIS NV-BEARER AND REGISTERED SHS	330,016	EUR	6,979,838	1.20
SWISS RE - REG SHS	58,854	CHF	5,986,054	1.02
			<b>73,859,018</b>	<b>12.65</b>
<b>Total Shares</b>			<b>582,948,968</b>	<b>99.81</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>582,948,968</b>	<b>99.81</b>
<b>Total investment portfolio</b>			<b>582,948,968</b>	<b>99.81</b>
Acquisition cost			539,087,461	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity Quant Europe

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United Kingdom	17.85
Germany	15.20
France	13.06
United States of America	12.65
Switzerland	11.85
Netherlands	7.32
Denmark	6.09
Spain	4.95
Italy	4.18
Sweden	3.93
Finland	1.08
Belgium	0.54
Austria	0.53
Jordania	0.40
Ireland	0.18
	<b>99.81</b>

**Economic breakdown (in % of net assets)**

Pharmaceuticals	21.12
Banks and other financial institutions	11.17
Communication	5.35
Retail trade and department stores	5.15
Electrical engineering	4.90
Building materials	4.63
Chemicals	4.42
Road vehicles	4.35
Utilities	4.10
Insurance	4.07
Machine and apparatus construction	3.83
Real estate	3.80
Foods and non alcoholic drinks	3.77
Graphic art and publishing	3.49
Electronics and semiconductors	3.46
Internet and internet services	3.32
Hotels and restaurants	3.16
Transportation	2.10
Textiles and garments	1.94
Office supplies and computing	0.54
Miscellaneous consumer goods	0.35
Banks and other financial institutions	0.31
Healthcare	0.31
Miscellaneous services	0.13
Paper and forest products	0.05
	<b>99.81</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity US

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Brazil</b>				
MERCADOLIBRE	5,017	USD	7,884,416	0.44
			<b>7,884,416</b>	<b>0.44</b>
<b>People's Republic of China</b>				
NXP SEMICONDUCTORS	44,580	USD	10,239,134	0.57
			<b>10,239,134</b>	<b>0.57</b>
<b>Singapore</b>				
FLEXTRONICS INTERNATIONAL LTD	261,470	USD	7,964,376	0.44
			<b>7,964,376</b>	<b>0.44</b>
<b>United States of America</b>				
ABBOTT LABORATORIES	16,100	USD	1,772,127	0.10
ADOBE INC	36,857	USD	21,988,886	1.21
ADVANCED MICRO DEVICES INC	26,305	USD	3,877,620	0.21
AIR PRODUCTS & CHEMICALS INC	53,463	USD	14,638,169	0.81
ALKERMES	269,252	USD	7,469,050	0.41
ALPHABET INC -A-	344,650	USD	48,144,159	2.66
ALPHABET INC -C-	309,340	USD	43,595,286	2.41
AMERICAN EXPRESS	99,726	USD	18,682,669	1.03
AMGEN INC	29,241	USD	8,421,993	0.46
APOLLO GLB MGMT - REG SHS	103,203	USD	9,617,488	0.53
APPLE INC	738,099	USD	142,106,200	7.85
APTIV PLC	90,718	USD	8,139,219	0.45
ARCH CAPITAL GROUP LTD	65,150	USD	4,838,691	0.27
ARES MANAGEMENT LP-REGISTERED SHS	57,449	USD	6,831,835	0.38
ATKORE INC.	1,700	USD	272,000	0.02
AUTOMATIC DATA PROCESSING INC	85,825	USD	19,994,650	1.10
BANK OF NY MELLON	335,590	USD	17,467,460	0.96
BIO RAD LABORATORIES -A-	26,611	USD	8,592,426	0.47
BRINKS CO	14,563	USD	1,280,816	0.07
BRISTOL-MYERS SQUIBB CO	307,912	USD	15,798,965	0.87
CADENCE DESIGN SYSTEMS INC	39,443	USD	10,743,090	0.59
CARDINAL HEALTH	119,727	USD	12,068,482	0.67
CENTENE CORP	150,553	USD	11,172,538	0.62
CERIDIAN --- REGISTERED SHS	76,984	USD	5,167,166	0.29
CHUBB - REG SHS	85,707	USD	19,369,782	1.07
CINTAS	8,166	USD	4,921,322	0.27
CISCO SYSTEMS INC	424,626	USD	21,452,106	1.18
CLEAN HARBORS INC	60,853	USD	10,619,457	0.59
CME GROUP -A-	24,959	USD	5,256,365	0.29
COMCAST CORP	484,897	USD	21,262,733	1.17
CONSOLIDATED EDISON INC	175,429	USD	15,958,776	0.88
CVS HEALTH	129,128	USD	10,195,947	0.56
DECKERS OUTDOOR	15,373	USD	10,275,774	0.57
DELL TECHNOLOGIES PREFERENTIAL SHARE	36,836	USD	2,817,954	0.16
EBAY INC	100,500	USD	4,383,810	0.24
ECOLAB INC	71,871	USD	14,255,613	0.79
ELEVANCE HEALTH	9,476	USD	4,468,503	0.25
ELI LILLY & CO	54,098	USD	31,534,806	1.74
EQUINIX INC	22,901	USD	18,444,236	1.02
EVEREST GROUP LTD	9,892	USD	3,497,613	0.19
EXELON CORP	400,909	USD	14,392,633	0.79
FAIR ISAAC CORP	5,924	USD	6,895,595	0.38
FIRST SOLAR INC	34,969	USD	6,024,459	0.33
FISERV INC	142,129	USD	18,880,416	1.04
GENERAL MILLS INC	124,438	USD	8,105,891	0.45
GILEAD SCIENCES INC	198,710	USD	16,097,497	0.89

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity US

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
GUIDEWIRE SOFTWARE	82,818	USD	9,030,475	0.50
HCA INC	52,556	USD	14,225,858	0.79
HILTON WORLDWIDE HLDGS INC - REG SHS	90,238	USD	16,431,437	0.91
HOME DEPOT INC	97,658	USD	33,843,380	1.87
HOST HOTELS & RESORTS - SHS	608,465	USD	11,846,814	0.65
HOWARD HUGHES HOLD	7,963	USD	681,235	0.04
HP ENTERPRISE CO	601,706	USD	10,216,968	0.56
HUMANA INC	25,340	USD	11,600,905	0.64
INTEL CORP	319,558	USD	16,057,790	0.89
INTUIT	21,765	USD	13,603,778	0.75
INTUITIVE SURGICAL	41,345	USD	13,948,149	0.77
IRON MOUNTAIN INC REIT	19,333	USD	1,352,923	0.07
JABIL INC	71,055	USD	9,052,407	0.50
JACKSON	130,877	USD	6,700,902	0.37
KKR & CO - REG SHS	71,933	USD	5,959,649	0.33
KLA CORPORATION	23,473	USD	13,644,855	0.75
LAMB WESTON HOLDINGS INC	95,596	USD	10,332,972	0.57
LIBERTY MEDI CORP-LIBERTY-C	165,916	USD	10,474,277	0.58
LIBETY MEDIA CORP-LIB-NEW-A	48,304	USD	2,800,666	0.15
LINDE PLC	68,988	EUR	28,334,061	1.56
LOWE'S CO INC	104,367	USD	23,226,876	1.28
LULULEMON ATHLETICA INC SHS WHEN ISSUED	24,482	USD	12,517,402	0.69
M&T BANK CORPORATION	74,918	USD	10,269,759	0.57
MASTERCARD INC -A-	76,440	USD	32,602,424	1.80
MERCK & CO INC	153,120	USD	16,693,142	0.92
MICROSOFT CORP	393,781	USD	148,077,407	8.17
MONGODB INC	12,444	USD	5,087,729	0.28
NEXTERA ENERGY	178,827	USD	10,861,952	0.60
NIKE INC	146,894	USD	15,948,282	0.88
NVIDIA CORP	119,093	USD	58,977,235	3.26
OWENS CORNING SHS	71,356	USD	10,577,100	0.58
PARK HOTELS AND RESORTS INC	198,721	USD	3,040,431	0.17
PARKER-HANNIFIN CORP	32,674	USD	15,052,912	0.83
PAYPAL HOLDINGS	12,148	USD	746,009	0.04
PFIZER INC	9,082	USD	261,471	0.01
PNC FINANCIAL SERVICES GROUP INC	49,536	USD	7,670,650	0.42
PROCTER & GAMBLE CO	210,990	USD	30,918,475	1.71
PROLOGIS	130,761	USD	17,430,441	0.96
REGENERON PHARMACEUTICALS INC	3,123	USD	2,742,900	0.15
ROCKWELL AUTOMATION	36,617	USD	11,368,846	0.63
S&P GLOBAL INC	20,064	USD	8,838,593	0.49
SALESFORCE INC	73,185	USD	19,257,901	1.06
SERVICENOW INC	24,374	USD	17,219,987	0.95
SHERWIN WILLIAMS CO	50,649	USD	15,797,423	0.87
SPLUNK INC	42,250	USD	6,436,788	0.36
SS C TECHNOLOGIERS HOLDINGS	61,505	USD	3,758,571	0.21
STAG INDUSTRIAL INC	100,559	USD	3,947,946	0.22
STRYKER CORP	62,966	USD	18,855,798	1.04
SYNCHRONY FINANCIAL	75,033	USD	2,865,510	0.16
SYNOPSIS	5,870	USD	3,022,522	0.17
TE CONNECTIVITY LTD - REG SHS	4,716	USD	662,598	0.04
TEREX CORP	141,297	USD	8,118,926	0.45
TESLA MOTORS INC	103,281	USD	25,663,263	1.42
THERMO FISHER SCIENT SHS	48,176	USD	25,571,339	1.41
TJX COS INC	200,181	USD	18,778,980	1.04
TRANE TECH - REG SHS	70,302	USD	17,146,658	0.95
TRINET GROUP INC	55,441	USD	6,593,598	0.36
UNITED RENTALS INC	17,960	USD	10,298,623	0.57

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity US

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
UNITEDHEALTH GROUP INC	71,575	USD	37,682,090	2.08
US BANCORP	275,860	USD	11,939,221	0.66
VENTAS INC	82,795	USD	4,126,503	0.23
VERISK ANALYTICS	12,753	USD	3,046,182	0.17
VERIZON COMMUNICATIONS INC	363,324	USD	13,697,315	0.76
VERTEX PHARMACEUTICALS INC	36,563	USD	14,877,119	0.82
VISA INC -A-	156,332	USD	40,701,036	2.25
WASTE MANAGEMENT	22,139	USD	3,965,095	0.22
WELLTOWER OP - REG SHS	158,008	USD	14,247,581	0.79
WEST PHARMACEUTICAL SERVICES INC	982	USD	345,782	0.02
WEYERHAEUSER CO	92,984	USD	3,233,054	0.18
ZILLOW GROUP -C-	270,066	USD	15,626,019	0.86
ZOETIS INC -A-	93,827	USD	18,518,635	1.02
			<b>1,780,843,873</b>	<b>98.31</b>
<b>Total Shares</b>			<b>1,806,931,799</b>	<b>99.76</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,806,931,799</b>	<b>99.76</b>
<b>Total investment portfolio</b>			<b>1,806,931,799</b>	<b>99.76</b>
Acquisition cost			1,592,236,395	



Candriam Sustainable Equity US

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United States of America	98.31
People's Republic of China	0.57
Brazil	0.44
Singapore	0.44
	<b>99.76</b>

**Economic breakdown (in % of net assets)**

Internet and internet services	22.89
Banks and other financial institutions	11.44
Office supplies and computing	9.59
Pharmaceuticals	8.67
Electronics and semiconductors	7.93
Retail trade and department stores	5.00
Healthcare	4.59
Real estate	3.87
Miscellaneous services	2.53
Textiles and garments	2.41
Graphic art and publishing	2.39
Utilities	2.28
Machine and apparatus construction	2.23
Road vehicles	1.87
Biotechnology	1.86
Miscellaneous consumer goods	1.71
Chemicals	1.60
Building materials	1.46
Electrical engineering	1.07
Hotels and restaurants	0.91
Insurance	0.83
Environmental services and recycling	0.81
Communication	0.76
Agriculture and fishery	0.57
Foods and non alcoholic drinks	0.45
Transportation	0.07
	<b>99.76</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity World

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Australia</b>				
BRAMBLES	921,926	AUD	7,744,885	0.49
GOODMAN GROUP - STAPLED SECURITY	638,106	AUD	9,972,254	0.63
SCENTRE GRP - STAPLED SECURITY	299,177	AUD	552,560	0.03
			<b>18,269,699</b>	<b>1.15</b>
<b>Austria</b>				
VERBUND AG	22,087	EUR	1,856,412	0.12
			<b>1,856,412</b>	<b>0.12</b>
<b>Bermuda</b>				
RENAISSANCERE HOLDINGS LTD	22,557	USD	4,002,328	0.25
			<b>4,002,328</b>	<b>0.25</b>
<b>Brazil</b>				
MERCADOLIBRE	5,667	USD	8,062,207	0.51
			<b>8,062,207</b>	<b>0.51</b>
<b>Canada</b>				
BANK OF MONTREAL	196,021	CAD	17,644,043	1.11
CANADIAN IMPERIAL BANK OF COMMERCE	213,468	CAD	9,350,033	0.59
MAGNA INTL SHS -A- SUB.VTG	38,187	CAD	2,052,492	0.13
NORTHLAND POWER INC	19,000	CAD	313,971	0.02
SHOPIFY -A- SUBORD VOTING	102,000	CAD	7,223,891	0.45
THOMSON REUTERS COR	68,110	CAD	9,058,733	0.57
TORONTO DOMINION BANK	104,057	CAD	6,116,546	0.38
			<b>51,759,709</b>	<b>3.25</b>
<b>Denmark</b>				
A.P. MOELLER-MAERSK A/S -B-	3,469	DKK	5,649,390	0.35
NOVO NORDISK - BEARER AND/OR - REG SHS	225,301	DKK	21,098,876	1.32
			<b>26,748,266</b>	<b>1.68</b>
<b>Finland</b>				
NOKIA OYJ	2,852,355	EUR	8,705,387	0.55
			<b>8,705,387</b>	<b>0.55</b>
<b>France</b>				
AIR LIQUIDE SA	7,600	EUR	1,338,512	0.08
BIOMERIEUX SA	11,875	EUR	1,194,625	0.08
GECINA	10,916	EUR	1,201,852	0.08
HERMES INTERNATIONAL SA	5,337	EUR	10,240,636	0.64
L'OREAL SA	6,400	EUR	2,884,160	0.18
SOCIETE GENERALE SA	357,185	EUR	8,581,370	0.54
VIVENDI SA	366,535	EUR	3,546,593	0.22
			<b>28,987,748</b>	<b>1.82</b>
<b>Germany</b>				
AROUNDTOWN SA	830,282	EUR	2,054,948	0.13
BEIERSDORF AG	58,786	EUR	7,977,260	0.50
COMMERZBK	612,370	EUR	6,589,101	0.41
DEUTSCHE TELEKOM AG - REG SHS	17,569	EUR	382,126	0.02
E.ON SE	262,000	EUR	3,183,300	0.20
HANNOVER RUECK SE	25,183	EUR	5,447,083	0.34
HUGO BOSS AG	13,802	EUR	931,083	0.06
SAP AG	124,179	EUR	17,320,487	1.09
SIEMENS AG PREFERENTIAL SHARE	80,346	EUR	13,652,392	0.86
SIEMENS ENERGY - REG SHS	435,426	EUR	5,225,112	0.33
TALANX AG NAM AKT	18,068	EUR	1,168,096	0.07
VOLKSWAGEN AG VORZ.AKT	68,137	EUR	7,617,717	0.48
			<b>71,548,705</b>	<b>4.49</b>
<b>Hong Kong</b>				
SWIRE PACIFIC LTD SIE A	306,500	HKD	2,348,741	0.15
THE LINK REIT UNITS	397,700	HKD	2,021,754	0.13

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity World

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
			<b>4,370,495</b>	<b>0.27</b>
<b>Ireland</b>				
AERCAP HOLDINGS	165,405	USD	11,128,321	0.70
AIB GRP - REGISTERED	339,944	EUR	1,318,983	0.08
			<b>12,447,304</b>	<b>0.78</b>
<b>Israel</b>				
CHECK POINT SOFTWARE TECHNOLOGIES	78,914	USD	10,915,014	0.69
			<b>10,915,014</b>	<b>0.69</b>
<b>Italy</b>				
ASSICURAZIONI GENERALI SPA	18,816	EUR	359,480	0.02
BANCA MEDIOLANUM	48,472	EUR	413,660	0.03
UNICREDIT SPA - REG SHS	290,726	EUR	7,141,684	0.45
			<b>7,914,824</b>	<b>0.50</b>
<b>Japan</b>				
AEON CO LTD	431,600	JPY	8,732,682	0.55
AJINOMOTO CO INC	44,600	JPY	1,557,943	0.10
CENTRAL JAPAN RAILWAY CO	529,500	JPY	12,185,736	0.77
DAI NIPPON PRINTING CO LTD	115,300	JPY	3,089,552	0.19
EAST JAPAN RAILWAY CO	212,300	JPY	11,081,663	0.70
FAST RETAILING CO LTD	17,000	JPY	3,819,537	0.24
MITSUI FUDOSAN CO LTD	79,400	JPY	1,763,045	0.11
MS&AD INSURANCE GROUP HOLDING	99,800	JPY	3,554,088	0.22
NEC CORP	84,400	JPY	4,525,293	0.28
ORIX CORP	62,700	JPY	1,069,334	0.07
PANASONIC HLDGS - REG SHS	1,204,000	JPY	10,796,556	0.68
RICOH CO LTD	420,900	JPY	2,927,017	0.18
SECOM CO LTD	36,700	JPY	2,393,116	0.15
SEKISUI CHEMICAL CO LTD	99,000	JPY	1,292,063	0.08
SEKISUI HOUSE LTD	150,800	JPY	3,032,780	0.19
SUMCO CORP	66,800	JPY	906,989	0.06
TOPPAN HOLDINGS INC.	226,200	JPY	5,715,512	0.36
WEST JAPAN RAILWAY COMPANY	100,500	JPY	3,795,203	0.24
			<b>82,238,109</b>	<b>5.16</b>
<b>Jordania</b>				
HIKMA PHARMACEUTICALS PLC	154,004	GBP	3,179,426	0.20
			<b>3,179,426</b>	<b>0.20</b>
<b>Netherlands</b>				
AEGON - REGISTERED SHS	56,000	EUR	293,888	0.02
AKZO NOBEL NV	62,300	EUR	4,661,286	0.29
ASML HOLDING NV	10,050	EUR	6,851,085	0.43
KONINKLIJKE KPN NV	2,318,510	EUR	7,229,114	0.45
			<b>19,035,373</b>	<b>1.20</b>
<b>New Zealand</b>				
XERO	20,438	AUD	1,417,745	0.09
			<b>1,417,745</b>	<b>0.09</b>
<b>People's Republic of China</b>				
BOC HONG KONG (HOLDINGS) LTD	1,543,500	HKD	3,793,548	0.24
			<b>3,793,548</b>	<b>0.24</b>
<b>Singapore</b>				
FLEXTRONICS INTERNATIONAL LTD	252,843	USD	6,971,980	0.44
			<b>6,971,980</b>	<b>0.44</b>
<b>Spain</b>				
INDITEX SHARE FROM SPLIT	284,327	EUR	11,211,014	0.70
			<b>11,211,014</b>	<b>0.70</b>
<b>Sweden</b>				
TELIA COMPANY AB	2,314,920	SEK	5,350,361	0.34
			<b>5,350,361</b>	<b>0.34</b>
<b>Switzerland</b>				
ALCON - REG SHS	176,570	CHF	12,466,446	0.78
NOVARTIS AG PREFERENTIAL SHARE	244,066	CHF	22,280,178	1.40
YPSOMED HOLDING AG NAM.AKT	2,316	CHF	754,811	0.05

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity World

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
			<b>35,501,435</b>	<b>2.23</b>
<b>United Kingdom</b>				
3I GROUP PLC	71,541	GBP	1,998,739	0.13
ASSOCIATED BRITISH FOODS PLC	282,079	GBP	7,705,049	0.48
ASTRAZENECA PLC	30,688	GBP	3,753,884	0.24
BEAZLEY PLC	161,644	GBP	973,725	0.06
COMPASS GROUP	222,285	GBP	5,504,860	0.35
INFORMA PLC	971,699	GBP	8,759,925	0.55
J SAINSBURY PLC	1,431,277	GBP	4,998,032	0.31
KINGFISHER PLC	942,198	GBP	2,645,396	0.17
LEGAL & GENERAL GROUP PLC	67,000	GBP	194,146	0.01
PEARSON PLC	87,058	GBP	968,684	0.06
VODAFONE GROUP PLC	11,905,405	GBP	9,419,359	0.59
WHITBREAD	230,343	GBP	9,718,239	0.61
WISE PLC	204,195	GBP	2,059,505	0.13
			<b>58,699,543</b>	<b>3.69</b>
<b>United States of America</b>				
ADOBE INC	28,138	USD	15,196,787	0.95
ADVANCED MICRO DEVICES INC	2,097	USD	279,834	0.02
AIR PRODUCTS & CHEMICALS INC	20,190	USD	5,004,320	0.31
ALKERMES	333,378	USD	8,371,797	0.53
ALPHABET INC -A-	253,574	USD	32,066,040	2.01
ALPHABET INC -C-	232,558	USD	29,669,487	1.86
AMERICAN EXPRESS	85,362	USD	14,476,728	0.91
AMERIPRISE FINANCIAL INC	33,492	USD	11,516,106	0.72
ANNALY CAPITAL MANAGEMENT INC	311,483	USD	5,461,844	0.34
APOLLO GLB MGMT - REG SHS	38,425	USD	3,241,593	0.20
APPLE INC	527,817	USD	91,993,487	5.78
ARES MANAGEMENT LP-REGISTERED SHS	12,348	USD	1,329,312	0.08
ARISTA NETWORKS INC	35,165	USD	7,497,134	0.47
AUTOMATIC DATA PROCESSING INC	72,325	USD	15,253,298	0.96
AUTOZONE INC	4,089	USD	9,570,958	0.60
AVANGRID INC	11,000	USD	322,736	0.02
BADGER METER INC	10,632	USD	1,485,775	0.09
BANK OF NY MELLON	301,982	USD	14,229,089	0.89
BIO RAD LABORATORIES -A-	28,216	USD	8,247,557	0.52
CADENCE DESIGN SYSTEMS INC	47,002	USD	11,589,132	0.73
CARMAX INC	108,398	USD	7,530,406	0.47
CENTENE CORP	129,988	USD	8,732,548	0.55
CERIDIAN --- REGISTERED SHS	152,585	USD	9,271,267	0.58
CINTAS	26,992	USD	14,725,930	0.92
CISCO SYSTEMS INC	335,831	USD	15,358,876	0.96
CLEAN HARBORS INC	15,900	USD	2,511,844	0.16
CME GROUP -A-	59,864	USD	11,412,989	0.72
COLGATE-PALMOLIVE CO	138,197	USD	9,972,102	0.63
COMCAST CORP	420,674	USD	16,699,004	1.05
CONSOLIDATED EDISON INC	120,553	USD	9,927,766	0.62
CRH PLC	216,600	GBP	13,522,659	0.85
DECKERS OUTDOOR	15,241	USD	9,222,416	0.58
DEXCOM INC	57,001	USD	6,403,163	0.40
DISCOVER FINANCIAL SERVICES - SHS	100,893	USD	10,266,033	0.64
ECOLAB INC	57,750	USD	10,369,540	0.65
ELI LILLY & CO	39,778	USD	20,990,714	1.32
EQUINIX INC	22,863	USD	16,669,200	1.05
EVEREST GROUP LTD	29,926	USD	9,578,812	0.60
FAIR ISAAC CORP	7,758	USD	8,174,888	0.51
FIRST SOLAR INC	31,941	USD	4,981,483	0.31
GATX CORP	17,850	USD	1,942,631	0.12
HERC HOLDINGS INC	8,687	USD	1,170,875	0.07

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity World

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
HILTON WORLDWIDE HLDGS INC - REG SHS	78,687	USD	12,970,729	0.81
HOST HOTELS & RESORTS - SHS	519,430	USD	9,155,209	0.57
HOWARD HUGHES HOLD	24,730	USD	1,915,223	0.12
IDEXX LABS CORP	24,513	USD	12,316,970	0.77
INCYTE CORP	173,082	USD	9,838,246	0.62
INTUITIVE SURGICAL	32,868	USD	10,037,884	0.63
JABIL INC	67,329	USD	7,765,097	0.49
JACKSON	96,584	USD	4,476,622	0.28
KIMBERLY-CLARK CORP	62,013	USD	6,821,346	0.43
LAMB WESTON HOLDINGS INC	93,586	USD	9,157,390	0.58
LANTHEUS HOLDINGS INC	107,500	USD	6,033,585	0.38
LEAR CORP	70,561	USD	9,019,978	0.57
LIBERTY MEDI CORP-LIBERTY-C	29,800	USD	1,703,050	0.11
LINDE PLC	60,131	EUR	22,301,244	1.40
LOWE'S CO INC	77,334	USD	15,580,212	0.98
LULULEMON ATHLETICA INC SHS WHEN ISSUED	21,010	USD	9,724,531	0.61
MASTERCARD INC -A-	60,581	USD	23,390,578	1.47
MERCK & CO INC	98,908	USD	9,761,418	0.61
METTLER TOLEDO INTERNATIONAL	8,963	USD	9,841,815	0.62
MICROSOFT CORP	258,694	USD	88,063,451	5.53
MONGODB INC	13,783	USD	5,101,326	0.32
NEUROCRINE BIOSCIENCES	63,881	USD	7,619,572	0.48
NIKE INC	127,330	USD	12,514,569	0.79
NVIDIA CORP	82,562	USD	37,012,948	2.32
OWENS CORNING SHS	2,000	USD	268,375	0.02
PARK HOTELS AND RESORTS INC	179,452	USD	2,485,507	0.16
PAYCHEX INC	3,502	USD	377,607	0.02
PAYCOM SOFTWARE INC	31,710	USD	5,934,089	0.37
PAYPAL HOLDINGS	108,099	USD	6,009,469	0.38
PENUMBRA INC	25,299	USD	5,760,839	0.36
PROCTER & GAMBLE CO	168,115	USD	22,301,699	1.40
SALESFORCE INC	5,216	USD	1,242,510	0.08
SERVICENOW INC	20,148	USD	12,885,856	0.81
SILICON LABORATORIES INC	27,816	USD	3,330,668	0.21
SNOWFLAKE INC-CLASS A	41,333	USD	7,446,039	0.47
SPLUNK INC	41,201	USD	5,682,318	0.36
SWISS RE - REG SHS	125,565	CHF	12,771,245	0.80
SYNCHRONY FINANCIAL	233,618	USD	8,076,650	0.51
TAKE TWO INTERACTIVE SOFTWARE INC	37,134	USD	5,410,508	0.34
TE CONNECTIVITY LTD - REG SHS	21,394	USD	2,721,094	0.17
TEREX CORP	115,749	USD	6,020,855	0.38
TESLA MOTORS INC	62,742	USD	14,113,187	0.89
THERMO FISHER SCIENT SHS	27,348	USD	13,140,855	0.83
TJX COS INC	179,857	USD	15,273,965	0.96
TRANE TECH - REG SHS	1,821	USD	402,066	0.03
TRINET GROUP INC	36,657	USD	3,946,605	0.25
UDR	199,084	USD	6,900,762	0.43
UNITED RENTALS INC	14,658	USD	7,608,917	0.48
UNITEDHEALTH GROUP INC	19,578	USD	9,330,765	0.59
URBAN OUTFITTERS INC	166,172	USD	5,368,831	0.34
VEEVA SYSTEMS -A-	43,782	USD	7,630,390	0.48
VISA INC -A-	119,568	USD	28,180,445	1.77
VISTEON CORP	1,721	USD	194,589	0.01
WASTE CONNECTIONS	56,194	USD	7,593,426	0.48
WORKDAY INC -A-	6,617	USD	1,653,636	0.10
ZILLOW GROUP -C-	239,715	USD	12,555,932	0.79
ZOETIS INC -A-	48,353	USD	8,639,326	0.54
			<b>1,099,620,178</b>	<b>69.09</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity World

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Total Shares</b>			<b>1,582,606,810</b>	<b>99.38</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,582,606,810</b>	<b>99.38</b>
<b>Other transferable securities</b>				
<b>Shares</b>				
<b>Australia</b>				
PRIME INFRASTRUCTURE GROUP	46	AUD	0	0.00
<b>Total Shares</b>			<b>0</b>	<b>0.00</b>
<b>Total Other transferable securities</b>			<b>0</b>	<b>0.00</b>
<b>Total investment portfolio</b>			<b>1,582,606,810</b>	<b>99.38</b>
Acquisition cost			1,426,490,488	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Equity World

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

United States of America	69.05
Japan	5.16
Germany	4.49
United Kingdom	3.69
Canada	3.25
Switzerland	2.23
France	1.82
Denmark	1.68
Netherlands	1.20
Australia	1.15
Ireland	0.78
Spain	0.70
Israel	0.69
Finland	0.55
Brazil	0.51
Italy	0.50
Singapore	0.44
Sweden	0.34
Hong Kong	0.27
Bermuda	0.25
People's Republic of China	0.24
Jordania	0.20
Austria	0.12
New Zealand	0.09
	<b>99.38</b>

**Economic breakdown (in % of net assets)**

Internet and internet services	20.03
Banks and other financial institutions	14.52
Pharmaceuticals	8.30
Office supplies and computing	7.03
Electronics and semiconductors	6.14
Retail trade and department stores	5.33
Textiles and garments	3.60
Real estate	3.49
Graphic art and publishing	3.11
Insurance	2.47
Miscellaneous services	2.45
Transportation	2.18
Road vehicles	2.07
Miscellaneous consumer goods	2.03
Communication	1.95
Healthcare	1.92
Biotechnology	1.87
Hotels and restaurants	1.77
Chemicals	1.34
Electrical engineering	1.30
Building materials	1.14
Utilities	0.98
Machine and apparatus construction	0.82
Aeronautic and astronautic Industry	0.70
Environmental services and recycling	0.63
Agriculture and fishery	0.58
Foods and non alcoholic drinks	0.58
Packaging industries	0.49
Paper and forest products	0.43
Banks and other financial institutions	0.13
	<b>99.38</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Money Market Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Austria</b>				
MONDI FINANCE 1.50 16-24 15/04A	1,100,000	EUR	1,092,300	0.15
			<b>1,092,300</b>	<b>0.15</b>
<b>Belgium</b>				
AEDIFICA NV/SA ZCP 110124	2,000,000	EUR	1,993,281	0.27
AEDIFICA NV/SA ZCP 220124	5,000,000	EUR	4,982,138	0.68
AEDIFICA NV/SA ZCP 310124	10,000,000	EUR	9,895,486	1.35
COFINIMMO SA ZCP 110124	12,000,000	EUR	11,961,389	1.63
KBC GROUPE SA ZCP 230424	5,000,000	EUR	4,899,653	0.67
REGION WALLONNE ZCP 010224	22,000,000	EUR	21,926,943	3.00
REGION WALLONNE ZCP 020124	16,000,000	EUR	15,946,803	2.18
			<b>71,605,693</b>	<b>9.78</b>
<b>Canada</b>				
MAGNA INTERNATIONAL ZCP 040124	8,000,000	EUR	7,970,540	1.09
			<b>7,970,540</b>	<b>1.09</b>
<b>European Union</b>				
EUB ZCP 080324	15,000,000	EUR	14,868,738	2.03
			<b>14,868,738</b>	<b>2.03</b>
<b>Finland</b>				
OP CORPORATE BANK PL 0.375 19-24 19/06A	4,600,000	EUR	4,523,893	0.62
REPU OF FINL SUOM ZCP 13-02-24	27,000,000	EUR	26,526,403	3.62
			<b>31,050,296</b>	<b>4.24</b>
<b>France</b>				
AEGIDE ZCP 130224	10,000,000	EUR	9,926,837	1.36
BPCE 0.875 18-24 31/01A	2,800,000	EUR	2,793,644	0.38
CMCIFRPA 0.32 191124	25,000,000	EUR	24,998,232	3.41
DANONE SA ZCP 300124	18,000,000	EUR	17,821,224	2.43
DASSAULT SYSTEMES ZCP 040324	11,500,000	EUR	11,387,798	1.56
FRANCE TREASURY BILL ZCP 170124	25,000,000	EUR	24,793,046	3.39
LA BQUE POST 0.0 121124	20,000,000	EUR	19,995,737	2.73
SOCIETE FONCIERE LYO ZCP 110124	5,000,000	EUR	4,983,868	0.68
VEOLIA ENVIRONNEMENT 0.892 19-24 14/01A	11,100,000	EUR	11,090,399	1.51
VEOLIA ENVIRONNEMENT ZCP 290224	11,000,000	EUR	10,927,536	1.49
			<b>138,718,321</b>	<b>18.95</b>
<b>Germany</b>				
ALLIANZ BANQUE SA 0.21 120324	5,000,000	EUR	5,003,523	0.68
DEUT TELEKOM INT FIN 0.875 17-24 30/01A	9,600,000	EUR	9,579,504	1.31
DEUTSCHE BOERSE AG ZCP 170124	14,000,000	EUR	13,875,267	1.90
			<b>28,458,294</b>	<b>3.89</b>
<b>Italy</b>				
ENEL FINANCE INT NV ZCP 310124	7,000,000	EUR	6,952,733	0.95
			<b>6,952,733</b>	<b>0.95</b>
<b>Japan</b>				
JAPA TREA DISC BIL ZCP 19-02-24	5,140,000,000	JPY	33,019,981	4.51
			<b>33,019,981</b>	<b>4.51</b>
<b>Netherlands</b>				
AKZO NOBEL NV ZCP 110124	15,000,000	EUR	14,849,843	2.03
RABOBANK 0.625 19-24 27/02A	18,600,000	EUR	18,508,674	2.53
TENNET HOLDING BV ZCP 080124	10,000,000	EUR	9,932,431	1.36
TENNET HOLDING BV ZCP 080224	13,000,000	EUR	12,873,346	1.76
TENNET HOLDING BV ZCP 080324	4,000,000	EUR	3,960,527	0.54
			<b>60,124,821</b>	<b>8.21</b>
<b>Spain</b>				
IBERDROLA INT. BV ZCP 150224	25,000,000	EUR	24,752,315	3.38
			<b>24,752,315</b>	<b>3.38</b>
<b>Sweden</b>				
SVENSKA HANDELSBANK ZCP 231024	15,000,000	EUR	14,429,295	1.97

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Money Market Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
SVENSKA HANDELSBANKEN ZCP 020524	10,000,000	EUR	9,803,896	1.34
			<b>24,233,191</b>	<b>3.31</b>
<b>United Kingdom</b>				
RELX FINANCE BV 0.00 20-24 18/03U	2,200,000	EUR	2,181,696	0.30
			<b>2,181,696</b>	<b>0.30</b>
<b>United States of America</b>				
DH EUROPE FINANCE II ZCP 240124	8,000,000	EUR	7,917,278	1.08
DH EUROPE FINANCE II ZCP 290124	3,000,000	EUR	2,968,016	0.41
DIGITAL EURO 2.625 16-24 15/04A	1,000,000	EUR	994,700	0.14
FIDELITY NATL INFORM ZCP 080124	11,000,000	EUR	10,954,560	1.50
FISERV INC ZCP 040124	12,000,000	EUR	11,918,596	1.63
FISERV INC ZCP 080224	5,500,000	EUR	5,463,093	0.75
FISERV INC ZCP 180124	7,500,000	EUR	7,449,164	1.02
JOHNSON CONTROLS INT ZCP 040124	10,000,000	EUR	9,897,768	1.35
JOHNSON CONTROLS INT ZCP 240524	4,000,000	EUR	3,922,354	0.54
MET LIFE GLOB FUND 0.375 19-24 09/04A	8,400,000	EUR	8,321,418	1.14
STELLANTIS 3.75 16-24 29/03A	4,344,000	EUR	4,341,328	0.59
			<b>74,148,275</b>	<b>10.13</b>
<b>Total bonds</b>			<b>519,177,194</b>	<b>70.92</b>
<b>Floating rate notes</b>				
<b>Canada</b>				
BANK OF MONTREAL FL.R 23-25 06/06Q	13,127,000	EUR	13,164,937	1.80
BANK OF NOVA SC FL.R 23-25 12/12Q	4,300,000	EUR	4,303,784	0.59
BANK OF NOVA SCOTIA FL.R 23-25 02/05Q	14,821,000	EUR	14,851,457	2.03
NATL BANK OF CAN FL.R 22-24 01/02Q	2,000,000	EUR	2,000,990	0.27
NATL BANK OF CANADA FL.R 23-25 13/05Q	9,200,000	EUR	9,215,226	1.26
TORONTO DOMINION BANK FL.R 23-25 20/01Q	26,000,000	EUR	26,059,540	3.56
			<b>69,595,934</b>	<b>9.51</b>
<b>France</b>				
COMPAGNIE DE SAINT G FL.R 23-24 18/07Q	17,500,000	EUR	17,506,738	2.39
			<b>17,506,738</b>	<b>2.39</b>
<b>Germany</b>				
SIEMENS FINANCIER FL.R 23-25 18/12Q	10,000,000	EUR	10,017,700	1.37
			<b>10,017,700</b>	<b>1.37</b>
<b>Netherlands</b>				
ABN AMRO BK FL.R 23-25 10/01Q	21,700,000	EUR	21,749,151	2.97
			<b>21,749,151</b>	<b>2.97</b>
<b>Switzerland</b>				
SIKA CAPITAL BV FL.R 23-24 01/11Q	5,000,000	EUR	5,002,275	0.68
			<b>5,002,275</b>	<b>0.68</b>
<b>United Kingdom</b>				
LLOYDS BANKING GROUP FL.R 17-24 21/06Q	2,000,000	EUR	2,005,450	0.27
			<b>2,005,450</b>	<b>0.27</b>
<b>United States of America</b>				
PROLOGIS EURO FINANCE FL.R 22-24 08/02Q	10,000,000	EUR	10,004,200	1.37
			<b>10,004,200</b>	<b>1.37</b>
<b>Total floating rate notes</b>			<b>135,881,448</b>	<b>18.56</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>655,058,642</b>	<b>89.48</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>Supranational</b>				
CANDRIAM MONEY MARKET USD SUSTAINABLE Z C	18,540	USD	20,046,328	2.74

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Sustainable Money Market Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
			20,046,328	2.74
<b>Total Shares/Units in investment funds</b>			20,046,328	2.74
<b>Total Undertakings for Collective Investment</b>			20,046,328	2.74
<b>Total investment portfolio</b>			675,104,970	92.22
Acquisition cost			672,883,968	



Candriam Sustainable Money Market Euro

Geographical and economic breakdown of investments as at December 31, 2023

**Geographical breakdown (in % of net assets)**

France	21.34
United States of America	11.50
Netherlands	11.18
Canada	10.60
Belgium	9.78
Germany	5.26
Japan	4.51
Finland	4.24
Spain	3.38
Sweden	3.31
Supranational	2.74
European Union	2.03
Italy	0.95
Switzerland	0.68
United Kingdom	0.57
Austria	0.15
	<b>92.22</b>

**Economic breakdown (in % of net assets)**

Banks and other financial institutions	48.75
Bonds of States, Provinces and municipalities	16.69
Real estate	8.69
Investments funds	6.68
Building materials	2.39
Chemicals	2.03
Supranational Organisations	2.03
Utilities	1.51
Internet and internet services	1.50
Miscellaneous consumer goods	1.35
Road vehicles	0.59
	<b>92.22</b>



Notes to the financial statements - Schedule of derivative instruments

Forward foreign exchange contracts

As at December 31, 2023, the following forward foreign exchange contracts were outstanding:

**Candriam Sustainable Balanced Asset Allocation**

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	14,589	AUD	24,000	17/06/2024	Natixis	(198)
EUR	24,436	CAD	36,000	17/06/2024	Natixis	(161)
EUR	964,884	USD	1,050,000	17/06/2024	Barclays Bank Ireland Plc	20,964
JPY	25,000,000	EUR	162,857	17/06/2024	Barclays Bank Ireland Plc	651
USD	120,000	JPY	16,537,668	17/06/2024	Natixis	(271)
						<b>20,985</b>

**Candriam Sustainable Bond Emerging Markets**

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
CHF	111,367,157	USD	127,625,239	16/01/2024	CACEIS Bank, Lux. Branch	4,895,805
EUR	528,835,389	USD	571,931,572	16/01/2024	CACEIS Bank, Lux. Branch	12,576,962
EUR	8,000,000	USD	8,816,032	14/02/2024	UBS Europe SE	36,397
GBP	1,510,421	USD	1,893,552	16/01/2024	CACEIS Bank, Lux. Branch	32,035
USD	7,284,123	CHF	6,233,707	16/01/2024	CACEIS Bank, Lux. Branch	(133,451)
USD	13,942,810	EUR	12,715,838	16/01/2024	CACEIS Bank, Lux. Branch	(111,622)
USD	366,693,797	EUR	335,000,000	14/02/2024	BNP Paribas Paris	(4,001,663)
USD	28,179,512	MXN	490,000,000	14/02/2024	Société Générale	(552,853)
						<b>12,741,610</b>

**Candriam Sustainable Bond Euro**

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
CHF	1,031	EUR	1,092	16/01/2024	CACEIS Bank, Lux. Branch	17
						<b>17</b>

**Candriam Sustainable Bond Euro Corporate**

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
CHF	1,717,026	EUR	1,819,632	16/01/2024	CACEIS Bank, Lux. Branch	28,930
EUR	31,977,719	USD	35,000,000	16/01/2024	BNP Paribas Paris	311,568
EUR	181,689	USD	200,000	16/01/2024	Barclays Bank Ireland Plc	739
EUR	6,383,297	USD	7,000,000	12/01/2024	Natixis	48,973
EUR	1,362,643	USD	1,500,000	12/01/2024	Société Générale	5,286
EUR	13,865,961	USD	15,000,000	12/01/2024	Nomura Financial Products & Services	292,485
GBP	720,515	EUR	835,168	16/01/2024	CACEIS Bank, Lux. Branch	(4,097)
USD	34,883	EUR	31,666	16/01/2024	CACEIS Bank, Lux. Branch	(105)
USD	1,000,000	EUR	929,533	16/01/2024	UBS Europe SE	(24,795)
USD	1,000,000	EUR	923,608	16/01/2024	Barclays Bank Ireland Plc	(18,866)
						<b>640,118</b>

**Candriam Sustainable Bond Euro Short Term**

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
CHF	12,525,414	EUR	13,274,017	16/01/2024	CACEIS Bank, Lux. Branch	210,931
EUR	30,162	CHF	28,384	16/01/2024	CACEIS Bank, Lux. Branch	(396)
EUR	8,826,054	USD	9,500,000	17/01/2024	Barclays Bank Ireland Plc	231,414
						<b>441,949</b>

**Candriam Sustainable Bond Global**

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
AUD	58,000	GBP	30,376	19/01/2024	Nomura Financial Products & Services	790
CAD	105,000	GBP	61,562	19/01/2024	Nomura Financial Products & Services	1,054
CAD	35,000	USD	25,541	19/01/2024	BNP Paribas Paris	913
CHF	18,000	GBP	16,433	19/01/2024	Nomura Financial Products & Services	430
CNH	189,100,000	EUR	24,443,759	12/01/2024	UBS Europe SE	(394,945)
CNH	1,160,000	GBP	129,787	19/01/2024	Nomura Financial Products & Services	(2,136)



Notes to the financial statements - Schedule of derivative instruments

Forward foreign exchange contracts (continued)

Candriam Sustainable Bond Global (continued)

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	898,848	AUD	1,503,250	18/01/2024	UBS Europe SE	(29,619)
EUR	1,401,446	CAD	2,082,500	18/01/2024	UBS Europe SE	(27,673)
EUR	283,746	CAD	422,380	18/01/2024	Barclays Bank Ireland Plc	(6,114)
EUR	181,279	CHF	174,064	18/01/2024	Société Générale	(6,137)
EUR	186,177	CNH	1,440,000	12/01/2024	Société Générale	3,045
EUR	462,806	CNH	3,600,000	18/01/2024	UBS Europe SE	4,906
EUR	5,315,606	CNH	41,765,500	18/01/2024	Société Générale	3,286
EUR	131,696	CZK	3,233,930	18/01/2024	J.P. Morgan AG	862
EUR	143,717	DKK	1,071,404	18/01/2024	J.P. Morgan AG	(34)
EUR	430,000	GBP	377,377	19/01/2024	Nomura Financial Products & Services	(5,237)
EUR	1,945,363	GBP	1,705,340	18/01/2024	UBS Europe SE	(21,513)
EUR	444,600	GBP	389,320	18/01/2024	Barclays Bank Ireland Plc	(4,426)
EUR	183,086	GBP	160,000	18/01/2024	Nomura Financial Products & Services	(1,452)
EUR	5,723,791	JPY	931,759,000	18/01/2024	UBS Europe SE	(269,885)
EUR	1,142,318	JPY	185,950,000	18/01/2024	Barclays Bank Ireland Plc	(53,832)
EUR	301,441	MXN	5,700,460	18/01/2024	Société Générale	(2,269)
EUR	126,845	NOK	1,490,500	18/01/2024	Société Générale	(5,986)
EUR	6,432,861	NZD	11,300,000	12/01/2024	Barclays Bank Ireland Plc	(41,609)
EUR	84,567	NZD	153,379	18/01/2024	Barclays Bank Ireland Plc	(3,295)
EUR	213,297	PLN	939,300	18/01/2024	Nomura Financial Products & Services	(2,760)
EUR	130,133	SEK	1,492,000	18/01/2024	BNP Paribas Paris	(3,891)
EUR	43,853	SEK	502,700	18/01/2024	Barclays Bank Ireland Plc	(1,303)
EUR	155,021	SGD	226,800	18/01/2024	Société Générale	(643)
EUR	2,157,004	USD	2,350,000	18/01/2024	BNP Paribas Paris	31,038
EUR	22,256,076	USD	24,205,500	18/01/2024	UBS Europe SE	358,192
EUR	1,308,748	USD	1,442,500	18/01/2024	Barclays Bank Ireland Plc	3,756
EUR	63,561	USD	70,000	18/01/2024	Société Générale	234
EUR	4,855,393	USD	5,282,000	18/01/2024	Nomura Financial Products & Services	76,949
EUR	183,018	THB	7,030,000	18/01/2024	Société Générale	(3,575)
GBP	160,360	AUD	305,750	19/01/2024	UBS Europe SE	(3,897)
GBP	279,738	CAD	474,900	19/01/2024	Barclays Bank Ireland Plc	(3,264)
GBP	51,457	CHF	56,350	19/01/2024	Nomura Financial Products & Services	(1,331)
GBP	906,586	CNH	8,122,750	19/01/2024	BNP Paribas Paris	12,380
GBP	16,028	CZK	449,000	19/01/2024	J.P. Morgan AG	323
GBP	46,959	DKK	399,200	19/01/2024	J.P. Morgan AG	596
GBP	2,402,554	EUR	2,741,600	19/01/2024	Société Générale	29,315
GBP	27,893	JPY	5,000,000	19/01/2024	BNP Paribas Paris	0
GBP	1,069,193	JPY	198,650,000	19/01/2024	Barclays Bank Ireland Plc	(44,894)
GBP	45,254	MXN	979,500	19/01/2024	Société Générale	19
GBP	25,107	NOK	336,000	19/01/2024	Société Générale	(988)
GBP	12,187	NZD	25,200	19/01/2024	Barclays Bank Ireland Plc	(380)
GBP	37,927	PLN	190,550	19/01/2024	BNP Paribas Paris	(85)
GBP	50,759	SEK	662,800	19/01/2024	Société Générale	(997)
GBP	18,104	SGD	30,200	19/01/2024	Société Générale	151
GBP	54,830	USD	70,000	19/01/2024	BNP Paribas Paris	(88)
GBP	35,236	USD	45,000	19/01/2024	UBS Europe SE	(71)
GBP	4,774,457	USD	5,924,500	19/01/2024	Société Générale	147,026
GBP	58,998	USD	75,000	19/01/2024	Nomura Financial Products & Services	196
JPY	29,200,000	GBP	158,435	19/01/2024	Nomura Financial Products & Services	5,135
NOK	200,000	GBP	14,851	19/01/2024	Nomura Financial Products & Services	695
NOK	37,000,000	SEK	35,452,697	12/01/2024	UBS Europe SE	113,030
PLN	30,000	GBP	5,972	19/01/2024	Barclays Bank Ireland Plc	12
SEK	270,000	GBP	20,644	19/01/2024	Nomura Financial Products & Services	444
SGD	900,000	EUR	621,217	12/01/2024	Société Générale	(3,525)
THB	37,000,000	EUR	974,548	12/01/2024	Société Générale	7,209
USD	121,997	AUD	187,500	19/01/2024	UBS Europe SE	(5,447)



Notes to the financial statements - Schedule of derivative instruments

Forward foreign exchange contracts (continued)

Candriam Sustainable Bond Global (continued)

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
USD	216,908	CAD	296,800	19/01/2024	Barclays Bank Ireland Plc	(7,453)
USD	25,896	CAD	35,000	19/01/2024	Société Générale	(592)
USD	37,451	CHF	33,075	19/01/2024	Société Générale	(1,734)
USD	688,273	CNH	4,971,000	19/01/2024	Barclays Bank Ireland Plc	(9,655)
USD	42,033	CNH	300,000	19/01/2024	Société Générale	(134)
USD	13,067	CZK	295,000	19/01/2024	J.P. Morgan AG	(113)
USD	26,345	DKK	180,500	19/01/2024	BNP Paribas Paris	(386)
USD	44,800,000	EUR	41,235,501	12/01/2024	BNP Paribas Paris	(695,982)
USD	1,686,239	EUR	1,549,673	19/01/2024	J.P. Morgan AG	(24,256)
USD	27,485	EUR	25,000	19/01/2024	BNP Paribas Paris	(136)
USD	38,005	EUR	35,000	19/01/2024	Natixis	(619)
USD	93,143	EUR	85,000	19/01/2024	Nomura Financial Products & Services	(740)
USD	195,000	EUR	177,377	18/01/2024	BNP Paribas Paris	(966)
USD	405,000	EUR	373,880	18/01/2024	Nomura Financial Products & Services	(7,491)
USD	45,000	GBP	35,832	19/01/2024	BNP Paribas Paris	(618)
USD	307,470	GBP	247,900	19/01/2024	UBS Europe SE	(7,763)
USD	25,500	GBP	20,000	19/01/2024	Barclays Bank Ireland Plc	2
USD	930,000	GBP	747,749	19/01/2024	Nomura Financial Products & Services	(21,091)
USD	6,942,007	JPY	1,000,000,000	12/01/2024	BNP Paribas Paris	(146,748)
USD	809,635	JPY	121,279,000	19/01/2024	Barclays Bank Ireland Plc	(47,778)
USD	37,235	JPY	5,500,000	19/01/2024	Nomura Financial Products & Services	(1,699)
USD	36,886	MXN	643,500	19/01/2024	Barclays Bank Ireland Plc	(911)
USD	19,209	NOK	207,500	19/01/2024	BNP Paribas Paris	(1,115)
USD	10,200	NZD	17,000	19/01/2024	Barclays Bank Ireland Plc	(511)
USD	20,263	PLN	82,000	19/01/2024	Nomura Financial Products & Services	(530)
USD	30,961	SEK	326,000	19/01/2024	Société Générale	(1,276)
USD	16,355	SGD	22,000	19/01/2024	Société Générale	(305)
USD	19,031	THB	672,000	19/01/2024	Société Générale	(621)
						<b>(1,132,536)</b>

Candriam Sustainable Bond Global Convertible

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	113,961	GBP	100,000	25/01/2024	Société Générale	(1,346)
EUR	1,412,161	HKD	12,000,000	25/01/2024	Société Générale	21,550
EUR	742,990	JPY	120,000,000	25/01/2024	Barclays Bank Ireland Plc	(29,530)
EUR	6,374,739	USD	7,000,000	25/01/2024	J.P. Morgan AG	43,938
EUR	7,331,045	USD	8,000,000	25/01/2024	Barclays Bank Ireland Plc	95,886
EUR	964,396	USD	1,050,000	25/01/2024	Société Générale	14,784
HKD	7,269,745	EUR	850,000	25/01/2024	Barclays Bank Ireland Plc	(7,549)
USD	200,000	EUR	179,746	29/01/2024	Barclays Bank Ireland Plc	1,106
						<b>138,839</b>

Candriam Sustainable Bond Global High Yield

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
CHF	241,924	EUR	256,380	16/01/2024	CACEIS Bank, Lux. Branch	4,076
EUR	19,956	CHF	18,837	16/01/2024	CACEIS Bank, Lux. Branch	(323)
EUR	37,378,645	GBP	32,400,000	22/01/2024	Société Générale	15,404
EUR	381,088,861	USD	417,000,000	22/01/2024	BNP Paribas Paris	3,906,629
EUR	200,953,274	USD	220,749,291	22/01/2024	Société Générale	1,281,861
EUR	196,596,183	USD	215,000,000	22/01/2024	Nomura Financial Products & Services	2,125,819
EUR	124,513	USD	136,968	16/01/2024	CACEIS Bank, Lux. Branch	591
EUR	5,484,229	USD	6,000,000	19/01/2024	BNP Paribas Paris	56,447
EUR	369,069,231	USD	400,000,000	02/01/2024	BNP Paribas Paris	6,963,586
EUR	184,857,201	USD	200,000,000	02/01/2024	Société Générale	3,804,378



Notes to the financial statements - Schedule of derivative instruments

Forward foreign exchange contracts (continued)

Candriam Sustainable Bond Global High Yield (continued)

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
USD	16,173,990	EUR	15,000,000	22/01/2024	Natixis	(370,583)
USD	133,041,523	EUR	123,027,291	16/01/2024	CACEIS Bank, Lux. Branch	(2,657,653)
USD	400,000,000	EUR	365,927,213	02/01/2024	BNP Paribas Paris	(3,821,569)
						<b>11,308,663</b>

Candriam Sustainable Bond Impact

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	822,032	CAD	1,200,000	17/01/2024	Barclays Bank Ireland Plc	(1,488)
EUR	3,808,326	USD	4,100,000	17/01/2024	Barclays Bank Ireland Plc	99,060
						<b>97,572</b>

Candriam Sustainable Defensive Asset Allocation

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	277,196	AUD	456,000	17/06/2024	Nomura Financial Products & Services	(3,761)
EUR	458,853	CAD	676,000	17/06/2024	Natixis	(3,018)
EUR	23,736,129	USD	25,830,000	17/06/2024	Barclays Bank Ireland Plc	515,695
JPY	249,000,000	EUR	1,622,062	17/06/2024	UBS Europe SE	6,480
USD	2,034,000	JPY	280,315,506	17/06/2024	Natixis	(4,609)
						<b>510,787</b>

Candriam Sustainable Equity Circular Economy

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
EUR	9,573,259	USD	10,357,898	16/01/2024	CACEIS Bank, Lux. Branch	223,186
USD	93,971	EUR	85,803	16/01/2024	CACEIS Bank, Lux. Branch	(864)
						<b>222,322</b>

Candriam Sustainable Equity Climate Action

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
EUR	10,220,665	USD	11,063,759	16/01/2024	CACEIS Bank, Lux. Branch	232,886
USD	286,766	EUR	260,476	16/01/2024	CACEIS Bank, Lux. Branch	(1,131)
						<b>231,755</b>

Candriam Sustainable Equity Future Mobility

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
EUR	98,032	USD	106,082	16/01/2024	CACEIS Bank, Lux. Branch	2,270
						<b>2,270</b>

Candriam Sustainable Equity Japan

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in JPY)
EUR	46,631,947	JPY	7,303,888,084	16/01/2024	CACEIS Bank, Lux. Branch	(18,980,094)
JPY	163,936,988	EUR	1,052,352	16/01/2024	CACEIS Bank, Lux. Branch	(463,619)
						<b>(19,443,713)</b>

Candriam Sustainable Equity US

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
CHF	1,007	USD	1,154	16/01/2024	CACEIS Bank, Lux. Branch	44
EUR	165,425,016	USD	178,936,675	16/01/2024	CACEIS Bank, Lux. Branch	3,903,460
USD	1,751,859	EUR	1,594,222	16/01/2024	CACEIS Bank, Lux. Branch	(10,188)
						<b>3,893,316</b>

Candriam Sustainable Equity World

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
CAD	1,200,000	EUR	820,208	25/01/2024	BNP Paribas Paris	3,124
EUR	1,356,209	AUD	2,200,000	25/01/2024	BNP Paribas Paris	(2,523)
EUR	4,434,254	CAD	6,500,000	25/01/2024	Natixis	(25,467)
EUR	3,184,364	CHF	3,000,000	25/01/2024	BNP Paribas Paris	(47,288)
EUR	265,139	CHF	250,000	25/01/2024	Barclays Bank Ireland Plc	(4,165)



Notes to the financial statements - Schedule of derivative instruments

Forward foreign exchange contracts (continued)

Candriam Sustainable Equity World (continued)

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	1,784,441	DKK	13,300,000	25/01/2024	Barclays Bank Ireland Plc	(187)
EUR	5,389,651	GBP	4,650,000	25/01/2024	Barclays Bank Ireland Plc	27,943
EUR	571,475	HKD	4,900,000	25/01/2024	Société Générale	3,640
EUR	6,042,358	JPY	950,000,000	25/01/2024	Barclays Bank Ireland Plc	(73,853)
EUR	385,498	SEK	4,300,000	25/01/2024	BNP Paribas Paris	(766)
EUR	80,863,831	USD	88,900,000	25/01/2024	BNP Paribas Paris	462,568
EUR	906,972	USD	1,000,000	25/01/2024	Barclays Bank Ireland Plc	2,568
EUR	909,927	USD	1,000,000	25/01/2024	Nomura Financial Products & Services	5,526
						<b>351,120</b>

Candriam Sustainable Money Market Euro

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	32,034,499	JPY	5,143,300,000	19/02/2024	Barclays Bank Ireland Plc	(1,165,373)
EUR	20,614,202	USD	21,895,000	05/01/2024	Nomura Financial Products & Services	795,812
						<b>(369,561)</b>

Candriam Sustainable Equity Europe Small & Mid Caps

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
CHF	4,889,652	EUR	5,182,019	16/01/2024	CACEIS Bank, Lux. Branch	82,216
EUR	42,964	CHF	40,447	16/01/2024	CACEIS Bank, Lux. Branch	(581)
						<b>81,635</b>

Please refer to Note 10 for collateral received/posted in relation with the forward foreign exchange contracts. These operations on forward foreign exchange contracts are mainly allocated to the classes of shares hedged against exchange risk.



Notes to the financial statements - Schedule of derivative instruments

**Non-Deliverable Forwards ("NDF")**

As at December 31, 2023, the following Non-Deliverable Forwards contracts were outstanding:

**Candriam Sustainable Bond Global**

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	275,454	IDR	4,664,000,000	18/01/2024	Barclays Bank Ireland Plc	1,766
EUR	586,487	KRW	821,737,000	18/01/2024	Barclays Bank Ireland Plc	12,906
EUR	137,598	KRW	196,000,000	18/01/2024	Société Générale	772
EUR	199,349	MYR	1,013,000	18/01/2024	Barclays Bank Ireland Plc	(669)
GBP	62,426	IDR	1,205,445,000	19/01/2024	Société Générale	1,265
GBP	106,487	KRW	170,111,000	19/01/2024	UBS Europe SE	4,080
GBP	29,701	MYR	172,000	19/01/2024	Barclays Bank Ireland Plc	291
KRW	5,000,000,000	EUR	3,528,457	12/01/2024	Barclays Bank Ireland Plc	(38,817)
KRW	32,000,000	GBP	19,949	19/01/2024	Société Générale	(672)
MYR	5,000,000	EUR	991,886	12/01/2024	Barclays Bank Ireland Plc	(4,788)
USD	39,393	IDR	613,700,000	19/01/2024	Barclays Bank Ireland Plc	(376)
USD	83,605	KRW	107,600,000	19/01/2024	UBS Europe SE	516
USD	23,340	MYR	109,000	19/01/2024	Barclays Bank Ireland Plc	(408)
						<b>(24,134)</b>

Please refer to Note 10 for collateral received/posted in relation with the NDF contracts.



Notes to the financial statements - Schedule of derivative instruments

**Futures**

As at December 31, 2023, the following futures contracts were outstanding:

**Candriam Sustainable Balanced Asset Allocation**

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on bonds</b>					
5	FGBL BUND 10A 0324	EUR	J.P. Morgan SE	512,765	13,900
7	US 5YR 202403	USD	J.P. Morgan SE	627,175	14,753
					<b>28,653</b>

**Candriam Sustainable Bond Emerging Markets**

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in USD) (in absolute value)	Unrealised (in USD)
<b>Futures on bonds</b>					
225	US ULTRA BD /202403	USD	J.P. Morgan SE	17,931,445	2,690,203
1,400	US 10YR 202403	USD	J.P. Morgan SE	148,170,313	5,354,375
1,300	US 5YR 202403	USD	J.P. Morgan SE	128,664,453	3,355,781
(1,700)	FGBL BUND 10A 0324	EUR	J.P. Morgan SE	192,584,791	(5,844,835)
					<b>5,555,524</b>

**Candriam Sustainable Bond Euro**

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on bonds</b>					
(50)	EURO-OAT-FUT /202403	EUR	J.P. Morgan SE	4,814,400	(193,000)
(17)	EURO BUXL FU /202403	EUR	J.P. Morgan SE	1,379,610	(171,700)
(15)	EURO BTP FUT /202403	EUR	J.P. Morgan SE	1,600,140	(58,650)
120	FGBL BUND 10A 0324	EUR	J.P. Morgan SE	12,306,360	435,600
434	EURO SCHATZ 202403	EUR	J.P. Morgan SE	43,970,710	206,896
(76)	EUR BOBL 202403	EUR	J.P. Morgan SE	7,756,674	(127,680)
					<b>91,466</b>

**Candriam Sustainable Bond Euro Corporate**

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on bonds</b>					
5,784	EURO SCHATZ 202403	EUR	J.P. Morgan SE	586,005,960	547,355
(232)	US 5YR 202403	USD	J.P. Morgan SE	20,786,363	(369,963)
(995)	EUR BOBL 202403	EUR	J.P. Morgan SE	101,551,193	(800,320)
(1,073)	FGBL BUND 10A 0324	EUR	J.P. Morgan SE	110,039,369	(835,840)
(1,081)	US 2 YEARS N /20243	USD	J.P. Morgan SE	195,714,278	(221,606)
(1,018)	US 10YR 202403	USD	J.P. Morgan SE	97,534,047	(3,470,245)
252	EURO BUXL FU /202403	EUR	J.P. Morgan SE	20,450,682	827,640
					<b>(4,322,979)</b>

**Candriam Sustainable Bond Euro Short Term**

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on bonds</b>					
4,820	EURO SCHATZ 202403	EUR	J.P. Morgan SE	488,338,300	2,297,790
(1,346)	EUR BOBL 202403	EUR	J.P. Morgan SE	137,374,779	(642,780)
					<b>1,655,010</b>

**Candriam Sustainable Bond Global**

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on bonds</b>					
(25)	EURO BUXL FU /202403	EUR	J.P. Morgan SE	2,028,838	(253,000)
12	CAN 10YR BON /202403	CAD	J.P. Morgan SE	756,368	49,101
16	US TREASURY /202403	USD	J.P. Morgan SE	1,534,423	142,819



Notes to the financial statements - Schedule of derivative instruments

Futures (continued)

Candriam Sustainable Bond Global (continued)

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on bonds</b>					
23	EURO BTP FUT /202403	EUR	J.P. Morgan SE	2,453,548	2,070
34	US ULTRA BD /202403	USD	J.P. Morgan SE	2,452,940	334,502
(487)	EURO SCHATZ 202403	EUR	J.P. Morgan SE	49,340,405	(262,240)
203	US 5YR 202403	USD	J.P. Morgan SE	18,188,068	489,583
39	LONG GILT FU /202403	GBP	J.P. Morgan SE	4,723,836	301,552
(62)	EURO-OAT-FUT /202403	EUR	J.P. Morgan SE	5,969,856	(234,360)
(48)	EUR BOBL 202403	EUR	J.P. Morgan SE	4,898,952	(19,680)
(53)	FGBL BUND 10A 0324	EUR	J.P. Morgan SE	5,435,309	(142,020)
340	US 2 YEARS N /20243	USD	J.P. Morgan SE	61,556,757	541,517
314	US 10YR 202403	USD	J.P. Morgan SE	30,084,176	1,150,336
129	US 10YR ULTR /202403	USD	J.P. Morgan SE	11,670,608	663,298
					<b>2,763,478</b>

Candriam Sustainable Bond Impact

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on bonds</b>					
(7)	FGBL BUND 10A 0324	EUR	J.P. Morgan SE	717,871	3,920
(7)	US 10YR 202403	USD	J.P. Morgan SE	670,666	(26,040)
(7)	EURO BTP FUT /202403	EUR	J.P. Morgan SE	746,732	(27,160)
(7)	US 2 YEARS N /20243	USD	J.P. Morgan SE	1,267,345	(14,159)
(7)	CAN 5YR BOND /202403	CAD	J.P. Morgan SE	482,164	(14,561)
(5)	US 5YR 202403	USD	J.P. Morgan SE	447,982	(12,271)
(5)	US 10YR ULTR /202403	USD	J.P. Morgan SE	452,349	(26,026)
3	EURO BUXL FU /202403	EUR	J.P. Morgan SE	243,461	7,060
10	EUR BOBL 202403	EUR	J.P. Morgan SE	1,020,615	16,200
46	EURO SCHATZ 202403	EUR	J.P. Morgan SE	4,660,490	22,080
					<b>(70,957)</b>

Candriam Sustainable Defensive Asset Allocation

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on bonds</b>					
119	US 5YR 202403	USD	J.P. Morgan SE	10,661,971	262,758
82	FGBL BUND 10A 0324	EUR	J.P. Morgan SE	8,409,346	226,320
					<b>489,078</b>

Please refer to Note 9 about Cash at broker related to futures.



## Other notes to the financial statements

### Note 1 - General Information

Candriam Sustainable (hereinafter the “SICAV”) is incorporated under Luxembourg Law as a public limited company (“société anonyme”) qualifying as an investment company organized with variable share capital within the meaning of the Law. The SICAV is subject to the provisions of part I of the modified law of December 17, 2010 relating to Undertakings for Collective Investment (“UCIs”), as amended and of the law of August 10, 1915 governing commercial companies.

The SICAV is registered at the Luxembourg Trade and Companies Register under reference B-202950.

The SICAV was incorporated on December 21, 2015, by way of a deed of Me Henri Hellinckx, notary residing in Luxembourg, published in the “Mémorial C, Recueil des Sociétés et Associations (the “Mémorial”)” on January 22, 2016 and is established for an indefinite period of time from the date of incorporation. The Articles of Incorporation were last amended on 7 December 2020 and the corresponding amendments have been published in the *Recueil Electronique des Sociétés et Associations* (“RESA”). The coordinated Articles of Incorporation have been filed with the Luxembourg Trade and Companies Registry.

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 sub-fund Candriam Sustainable Money Market Euro qualifies as Money Market Funds (“MMF”) and has been approved by the CSSF in accordance with the provisions of the MMFR and is registered on the official list of UCI as MMF.

A MMF is a UCI or one of its sub-funds which qualify as a money market fund under the MMFR.

The MMFR is the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

As from January 21, 2019, the sub-fund Candriam Sustainable Money Market Euro complies with the new requirements under Regulation (EU) 2017/1131 (the “Regulation”) of the European Parliament and of the Council of June 14, 2017 on MMF.

In compliance with the Regulation, the following information is already made available to investors at least on a weekly basis on the website of the Management Company [www.candriam.com](http://www.candriam.com):

- i) the maturity breakdown of the investment portfolio of the sub-fund;
- ii) the credit profile of the sub-fund;
- iii) the weighted average maturity and weighted average life of the sub-fund;
- iv) details of the 10 largest holdings in the sub-fund;
- v) the total value of the assets of the sub-fund;
- vi) the net yield of the sub-fund.

The following sub-funds are currently available to investors:

<u>Sub-funds</u>	<u>Reference currency</u>
Candriam Sustainable Balanced Asset Allocation	EUR
Candriam Sustainable Bond Emerging Markets	USD
Candriam Sustainable Bond Euro	EUR
Candriam Sustainable Bond Euro Corporate	EUR
Candriam Sustainable Bond Euro Short Term	EUR
Candriam Sustainable Bond Global	EUR
Candriam Sustainable Bond Global Convertible	EUR
Candriam Sustainable Bond Global High Yield	EUR
Candriam Sustainable Bond Impact	EUR
Candriam Sustainable Defensive Asset Allocation	EUR
Candriam Sustainable Equity Children	USD
Candriam Sustainable Equity Circular Economy	USD
Candriam Sustainable Equity Climate Action	USD
Candriam Sustainable Equity Emerging Markets	EUR
Candriam Sustainable Equity EMU	EUR
Candriam Sustainable Equity Europe	EUR
Candriam Sustainable Equity Europe Small & Mid Caps	EUR
Candriam Sustainable Equity Future Mobility	USD
Candriam Sustainable Equity Japan	JPY
Candriam Sustainable Equity Quant Europe	EUR
Candriam Sustainable Equity US	USD
Candriam Sustainable Equity World	EUR
Candriam Sustainable Money Market Euro	EUR



## Other notes to the financial statements

### Note 1 - General Information (continued)

The issued share classes are the following:

- The **BF class** is reserved for feeder UCIs under Belgian law approved by the Management Company and managed by an entity of the Candriam group
- The **C class** is available to both individuals and legal entities.
- The **I class** is reserved exclusively for institutional investors.
- The **N class** is reserved for distributors specially approved by the Management Company.
- The **PI 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 USD 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:
  - a certain period of time set by the Board of Directors has elapsed,
  - the Sub-Fund has reached a critical size in terms of assets under management as determined by the Board of Directors or
  - the Board of Directors decides on a motivated basis to cease the offering of the Share Class.
- The **R class** is restricted to those financial intermediaries (including distributors and platform providers) which:
  - have separated arrangements with their clients for the provision of investment services related to the sub-fund, and
  - 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 **R2 class** is reserved for:
  - To distributors and/or intermediaries approved by the Management Company who will not receive any form of remuneration for investments in this class from an entity of the Candriam group, if the final investments in the shares are made in the context of a mandate.
  - To UCIs approved by the Management Company.
- The **S class** is reserved exclusively for institutional investors specifically approved by the Management Company.
- The **V class** is reserved exclusively for institutional investors. Its minimum initial subscription is EUR 15,000,000 or the equivalent in currencies for classes denominated in foreign currencies 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 **VP class** is reserved exclusively for institutional investors and charges performance fees. Its minimum initial subscription is EUR 15,000,000 or the equivalent in currencies for classes denominated in foreign currencies 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 class** is reserved exclusively for institutional investors specifically authorised by the Management Company.
- The **Z class** is reserved for:
  - 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.
  - For UCIs approved by the Management Company and managed by an entity of the Candriam group.

The assets of the different classes are grouped into a single mass. The assets of the various share classes are pooled within a single account.

Furthermore, a currency hedging process may be applied to the share classes:

- **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.

The shares issued are described in detail in the section "Changes in the number of shares outstanding for the period" of the various sub-funds.

In the frame of the Sustainable Finance Disclosure Regulation (SFDR), information on environmental and/or social characteristics and/or sustainable investments is available in the relevant annexes under the (unaudited) Sustainable Finance Disclosure Regulation section.



## Other notes to the financial statements

### Note 2 - Principal accounting policies

The financial statements of the SICAV are prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment. Some small discrepancies might appear in some totals or sub-totals in the financial statements due to rounding rules.

The net asset values used for the purpose of the financial statements are dated:

Sub-fund Candriam Sustainable Equity Japan: the net asset value has been calculated on December 31, 2023 on the basis of the closing stock market prices dated December 29, 2023;

Sub-fund Candriam Sustainable Equity Emerging Markets : the net asset values has been calculated on December 31, 2023 on the basis of the stock market prices dated December 29, 2023 for Asian markets opened at that date and on the basis of the stock market prices dated December 28, 2023 for the other markets;

For the other sub-funds of the SICAV, the net asset values dated December 31, 2023 have been calculated on January 2, 2024 on the basis of the last known prices at the time of the valuation.

This annual report is prepared on the basis of the last unofficial technical net asset values, calculated for the purpose of the financial statements as at December 31, 2023.

#### a) Valuation of each sub-fund's portfolio

The valuation of any security admitted for trading to an official listing or any other normally operating regulated market which is recognised and open to the public is based on the last price known in Luxembourg on the valuation date or, if this stock is traded on several markets, on the last known price on the principal market on which it is traded. If the last known price is not representative, the valuation shall be based on the probable realisation value as estimated by the Board of Directors with prudence and good faith. Securities which are neither quoted nor traded on a stock market or any other normally operating regulated market which is recognised and open to the public shall be valued on the basis of the probable realisation value as estimated with due prudence and good faith. All other assets shall be valued by the directors on the basis of the probable realisation value which must be estimated in good faith and according to generally accepted principles and procedures.

In line with the SICAV's valuation policy, 48.93% of assets were valued on a model basis as at December 29, 2023 for the sub-fund Candriam Sustainable Money Market Euro.

#### b) Net realised profits or losses on sales of investments

The realised profits or losses realised on sales of investments from each sub-fund are calculated based on the average cost of the investments sold.

#### c) Foreign currency translation

The values expressed in a currency other than the reference currency of each sub-fund are translated into that currency at the exchange rate prevailing at closing date.

Income and expenses in a currency other than the reference currency of each sub-fund are translated into that currency at the exchange rates prevailing at the transaction date.

The acquisition cost of securities in each sub-fund expressed in a currency other than the reference currency of the sub-fund is translated into that currency at the exchange rates prevailing at the day of purchase.

For the sub-funds Candriam Sustainable Bond Emerging Markets, Candriam Sustainable Bond Euro, Candriam Sustainable Bond Euro Corporate, Candriam Sustainable Bond Euro Short Term, Candriam Sustainable Bond Global, Candriam Sustainable Bond Global High Yield, Candriam Sustainable Bond Impact, Candriam Sustainable Defensive Asset Allocation, Candriam Sustainable Equity Children, Candriam Sustainable Equity Circular Economy, Candriam Sustainable Equity Climate Action, Candriam Sustainable Equity EMU, Candriam Sustainable Equity Europe, Candriam Sustainable Equity Europe Small & Mid Caps, Candriam Sustainable Equity Future Mobility, Candriam Sustainable Equity US, Candriam Sustainable Equity World, Candriam Sustainable Money Market Euro, Candriam Sustainable Balanced Asset Allocation, Candriam Sustainable Bond Global Convertible, Candriam Sustainable Equity Emerging Markets, Candriam Sustainable Equity Japan, Candriam Sustainable Equity Quant Europe, Candriam Sustainable Money Market Euro the exchange rate used as at December 31, 2023 are as follows:

1 EUR =	1.618900	AUD	1 EUR =	64.136000	DOP	1 EUR =	155.733550	JPY	1 EUR =	1.457150	SGD
1 EUR =	1.456600	CAD	1 EUR =	0.866550	GBP	1 EUR =	18.706700	MXN	1 EUR =	32.624750	TRY
1 EUR =	0.929700	CHF	1 EUR =	8.625750	HKD	1 EUR =	11.218500	NOK	1 EUR =	1.104650	USD
1 EUR =	7.865800	CNH	1 EUR =	382.215000	HUF	1 EUR =	1.744700	NZD	1 EUR =	43.125600	UYU
1 EUR =	7.834400	CNY	1 EUR =	17008.296350	IDR	1 EUR =	4.343750	PLN	1 EUR =	20.201300	ZAR
1 EUR =	24.688500	CZK	1 EUR =	3.977750	ILS	1 EUR =	4.974900	RON			
1 EUR =	7.454550	DKK	1 EUR =	91.922050	INR	1 EUR =	11.132500	SEK			

For the sub-funds Candriam Sustainable Equity Emerging Markets, Candriam Sustainable Equity Japan the exchange rate used as at December 31, 2023 are as follows:

1 EUR =	1.619380	AUD	1 EUR =	8.645400	HKD	1 EUR =	18.757800	MXN	1 EUR =	37.889500	THB
1 EUR =	5.374200	BRL	1 EUR =	382.320000	HUF	1 EUR =	11.286300	NOK	1 EUR =	32.714500	TRY
1 EUR =	0.931070	CHF	1 EUR =	17039.760000	IDR	1 EUR =	1.744700	NZD	1 EUR =	33.838300	TWD
1 EUR =	7.851200	CNY	1 EUR =	91.998900	INR	1 EUR =	4.337100	PLN	1 EUR =	1.106500	USD
1 EUR =	24.711000	CZK	1 EUR =	156.480000	JPY	1 EUR =	11.053100	SEK	1 EUR =	20.484900	ZAR
1 EUR =	0.868070	GBP	1 EUR =	1428.640000	KRW	1 EUR =	1.459100	SGD			



Other notes to the financial statements

**Note 2 - Principal accounting policies (continued)**

d) Combined financial statements of the SICAV

The combined statement of the SICAV's net assets and the combined statement of changes in net assets which are expressed in EUR are the sum of the statement of net assets, the statement of changes in net assets of each sub-fund converted into the currency of the SICAV using exchange rates prevailing at the closing date.

The investments made by certain sub-funds of the SICAV in other sub-funds of the SICAV have not been eliminated from the combined statement of net assets as of December 31, 2023. As of December 31, 2023, the total of intra-SICAV investments amounted to EUR 269,264,763.00. Therefore, the combined net assets at the closing date would amount to EUR 19,560,211,588.00 if these intra-SICAV investments were eliminated.

Sub-funds	Intra-SICAV Investments	Amount (EUR)
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE BOND EMERGING MARKETS Z C	261,636
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE BOND EURO CORPORATE Z C	1,135,733
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE BOND EURO SHORT TERM Z C	1,153,306
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE BOND EURO Z C	1,314,115
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE BOND GLOBAL HIGH YIELD Z C	107,288
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE BOND GLOBAL Z C	477,359
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE EQUITY CIRCULAR ECONOMY Z C	73,461
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE EQUITY CLIMATE ACTION Z C	183,616
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE EQUITY EMERGING MARKETS Z C	785,379
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE EQUITY EUROPE SMALL & MID CAPS Z C	113,719
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE EQUITY EUROPE Z C	1,034,735
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE EQUITY JAPAN Z C	240,338
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE EQUITY QUANT EUROPE Z C	1,213,537
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE EQUITY US Z C	1,602,176
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE EQUITY WORLD Z C	142,443
Candriam Sustainable Balanced Asset Allocation	CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	561,214
Candriam Sustainable Bond Euro	CANDRIAM SUSTAINABLE BOND GLOBAL CONVERTIBLE Z C	3,276,607
Candriam Sustainable Bond Euro	CANDRIAM SUSTAINABLE BOND IMPACT Z C	7,300,846
Candriam Sustainable Bond Euro	CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	1,089
Candriam Sustainable Bond Euro Short Term	CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	1,089
Candriam Sustainable Bond Global	CANDRIAM SUSTAINABLE BOND EURO CORPORATE I C	225,175
Candriam Sustainable Bond Global	CANDRIAM SUSTAINABLE BOND GLOBAL CONVERTIBLE Z C	1,902,546
Candriam Sustainable Bond Global	CANDRIAM SUSTAINABLE BOND IMPACT Z C	3,166,632
Candriam Sustainable Bond Global High Yield	CANDRIAM SUSTAINABLE MONEY MARKET EURO V C	80,272,001
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE BOND EMERGING MARKETS Z C	7,427,183
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE BOND EURO CORPORATE Z C	25,934,669
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE BOND EURO SHORT TERM Z C	34,908,256
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE BOND EURO Z C	35,546,839
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE BOND GLOBAL HIGH YIELD Z C	2,820,485
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE BOND GLOBAL Z C	15,065,426
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE EQUITY CIRCULAR ECONOMY Z C	570,937
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE EQUITY CLIMATE ACTION Z C	1,292,066
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE EQUITY EMERGING MARKETS Z C	5,284,117
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE EQUITY EUROPE SMALL & MID CAPS Z C	1,929,616
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE EQUITY EUROPE Z C	3,956,315
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE EQUITY JAPAN Z C	1,747,830
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE EQUITY QUANT EUROPE Z C	7,500,655
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE EQUITY US Z C	13,214,674
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE EQUITY WORLD Z C	984,438
Candriam Sustainable Defensive Asset Allocation	CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	4,535,217

e) Valuation of options and futures

The valuation of options and futures admitted to an official listing or any other organised market is based on the last known price or, if the option is traded on more than one market, on the basis of the last known price in the market on which the contract was concluded by the SICAV.

Options and futures that are not traded on a stock exchange or any other organised market will be valued at their probable market value estimated conservatively and in good faith. The market value of options is included in the statement of net assets under the heading "options (long position) / (short position) at market value".

The realised gains / (losses) and change in unrealised appreciation / depreciation on options are disclosed in the statement of changes in net assets respectively under the headings "Net realised gain / (loss) on options" and "Change in net unrealised appreciation / depreciation on options".

The unrealised appreciation / (depreciation) on future contracts is disclosed in the statement of net assets under "Net unrealised appreciation / (depreciation) on futures". Changes in the market value of open future contracts are recorded as unrealised appreciation / (depreciation) in the statement of changes in net assets under "Change in net unrealised appreciation / depreciation) on futures".

Realised gains or losses, representing the difference between the value of the contract at the time it was opened and the value at the time it was closed, are reported at the closing or expiration of futures contracts in the statement of changes in net assets under "Net realised gain / (loss) on futures".

For the details of outstanding options or financial futures, if any, please refer to the section "Notes to the financial statements - Schedule of derivative instruments".



## Other notes to the financial statements

### Note 2 - Principal accounting policies (continued)

#### f) Valuation of forward foreign exchange contracts

The forward foreign exchange contracts are valued on the basis of forward exchange rates prevailing at the closing date and applicable to the remaining period until the expiration date. The unrealised appreciation / (depreciation) on forward foreign exchange contracts is disclosed in the statement of net assets under "Net unrealised appreciation / (depreciation) on forward foreign exchange contracts".

Realised gains / (losses) and change in unrealised appreciation / depreciation resulting there from are included in the statement of changes in net assets respectively under "Net realised gain / (loss) on forward foreign exchanges contracts" and "Change in net unrealised appreciation / depreciation on forward foreign exchange contracts".

For the details of outstanding forward foreign exchange contracts, if any, please refer to the section "Notes to the financial statements - Schedule of derivative instruments".

#### g) Valuation of Non-Deliverable Forwards contracts ("NDF")

Non-Deliverable Forwards are short-term forward contracts on thinly traded or non-convertible foreign currencies. Those contracts are valued on the basis of forward exchange rates prevailing at the closing date and applicable to the remaining period until the expiration date. The unrealised profits or losses resulting from NDF are included in the statement of net assets under the heading "Net unrealised appreciation / (depreciation) on forward foreign exchange contracts".

The NDF are normally quoted and settled in USD. Realised gains / (losses) and change in unrealised appreciation / depreciation resulting there from are included in the statement of changes in net assets respectively under "Net realised gain / (loss) on forward foreign exchanges contracts" and "Change in net unrealised appreciation / depreciation on forward foreign exchange contracts".

For the details of outstanding Non-Deliverable Forwards, if any, please refer to the section "Notes to the financial statements - Schedule of derivative instruments".

#### h) Transaction costs

For the year ended December 31, 2023, the SICAV incurred transaction costs and broker's charges related to the purchase and sale of transferable securities, money market instruments, other eligible assets and derivatives instruments. Those charges are disclosed in the statement of changes in net assets under the heading "Transaction costs".

Furthermore, in accordance with the practices of the bond markets, a bid-offer spread is applied to securities purchase or sale transactions. According to this principle, the selling and buying prices applied by the broker to a given transaction are not identical and the difference between them constitutes the broker's remuneration.

#### i) Income

Interest income is accrued pursuant to the terms of the underlying investment. Income is recorded net of respective withholding taxes, if any. Dividends are recognised on ex-date.

#### j) Abbreviations used in investment portfolios

A: Annual

FL.R: Floating Rate Notes

Q: Quarterly

S: Semi-Annual

XX: Perpetual Bonds

ZCP or U: Zero Coupon



Other notes to the financial statements

**Note 3 - Management fees**

Candriam, a partnership limited by shares under Luxembourg law whose registered office is located at SERENITY - Bloc B, 19-21, Route d'Arlon, L-8009 Strassen, has been appointed Management Company. An agreement to that effect was entered into for an unlimited term. Either party is entitled to terminate the agreement at any time by registered letter (with signed receipt requested) sent to the other party, subject to 90 days' notice.

Candriam is a subsidiary of Candriam Group, an entity of the New York Life Insurance Company group.

It is authorised as a Management Company of Chapter 15 of the law of December 17, 2010, concerning UCITS and is authorised to exercise the activities of collective portfolio management, investment portfolio management and to provide investment advisory services.

The Management Company is vested with the widest powers to carry out all actions relating to the management and administration of the SICAV within the scope of this purpose, in accordance with its articles of association. It is responsible for the portfolio management activities, administration activities (Administrative Agent, Transfer Agent (including the Register holding business)) and marketing activities (distribution).

The portfolio management function is performed directly by Candriam and/or by one or more of its branches : Candriam-Belgian Branch, Candriam - Succursale française, Candriam - UK Establishment.

The Management Company receives management fees as payment for its services, expressed as an annual percentage of the average net asset value. These fees are payable by the SICAV at the end of each month.

The rates applicable as at December 31, 2023 are as follows:

Sub-funds	Share class	Share type	ISIN	Management fee
Candriam Sustainable Balanced Asset Allocation	I	Capitalisation	LU2428018811	0.55%
Candriam Sustainable Bond Emerging Markets	C	Capitalisation	LU1434519416	1.20%
	C	Distribution	LU1434519507	1.20%
	C - EUR - Hedged	Capitalisation	LU2016899614	1.20%
	C - EUR - Unhedged	Capitalisation	LU2264875068	1.20%
	I	Capitalisation	LU1434519689	0.65%
	I	Distribution	LU1434519762	0.65%
	I - CHF - Hedged	Capitalisation	LU2059770078	0.65%
	I - EUR - Hedged	Capitalisation	LU1434519846	0.65%
	I - EUR - Hedged	Distribution	LU1580881933	0.65%
	I - GBP - Hedged	Distribution	LU1797946164	0.65%
	IP	Capitalisation	LU2713794126	0.55%
	R	Capitalisation	LU1434519929	0.70%
	R - CHF - Hedged	Capitalisation	LU2059770151	0.70%
	R - EUR - Hedged	Capitalisation	LU2016899705	0.70%
	R - EUR - Hedged	Distribution	LU1797946248	0.70%
	R - EUR - Unhedged	Capitalisation	LU1434520000	0.70%
	R - GBP - Hedged	Capitalisation	LU1953289276	0.70%
	R2	Capitalisation	LU1434520182	0.28%
	R2	Distribution	LU1439992113	0.28%
	R2 - EUR - Hedged	Distribution	LU2328290445	0.28%
	V	Capitalisation	LU1434520265	0.40%
	V	Distribution	LU2211179648	0.40%
	V - CHF - Hedged	Capitalisation	LU2059770235	0.40%
V - EUR - Hedged	Capitalisation	LU1434520349	0.40%	
VP	Capitalisation	LU2713797228	0.30%	
Z	Capitalisation	LU1434520422	0.00%	
Z	Distribution	LU1434520695	0.00%	
Z - EUR - Hedged	Capitalisation	LU2059770318	0.00%	
Candriam Sustainable Bond Euro	C	Capitalisation	LU1313769447	0.60%
	C	Distribution	LU1313769520	0.60%
	I	Capitalisation	LU1313769793	0.30%
	I	Distribution	LU1313769959	0.30%
	N	Capitalisation	LU2027379432	0.80%
	R	Capitalisation	LU1313770023	0.35%
	R2	Capitalisation	LU1720116919	0.15%
	R2	Distribution	LU1720117057	0.15%
	V	Capitalisation	LU1313770296	0.20%
	V - CHF - Hedged	Capitalisation	LU2702913760	0.20%
	Z	Capitalisation	LU1313770379	0.00%
	Z	Distribution	LU1434521230	0.00%
	Candriam Sustainable Bond Euro Corporate	C	Capitalisation	LU1313770452
C		Distribution	LU1313770536	0.75%
I		Capitalisation	LU1313770619	0.40%
I		Distribution	LU1313770700	0.40%
IP		Capitalisation	LU2713796923	0.30%
R		Capitalisation	LU1313770882	0.40%
R		Distribution	LU1720117305	0.40%
R - CHF - Hedged		Capitalisation	LU1932633214	0.40%
R - GBP - Hedged		Capitalisation	LU1932633305	0.40%
R - USD - Hedged		Capitalisation	LU1932633487	0.40%
R2		Capitalisation	LU1720117487	0.15%
R2		Distribution	LU1720117560	0.15%
V		Capitalisation	LU1313770965	0.25%
VP		Capitalisation	LU2713796840	0.20%
Z		Capitalisation	LU1313771005	0.00%
Z		Distribution	LU1434521743	0.00%



Other notes to the financial statements

Note 3 - Management fees (continued)

Sub-funds	Share class	Share type	ISIN	Management fee
Candriam Sustainable Bond Euro Short Term	C	Capitalisation	LU1434521826	0.40%
	C	Distribution	LU1434522048	0.40%
	I	Capitalisation	LU1434522477	0.25%
	I	Distribution	LU1434522550	0.25%
	IP	Capitalisation	LU2713796766	0.20%
	R	Capitalisation	LU1434522634	0.30%
	R	Distribution	LU1720117644	0.30%
	R2	Capitalisation	LU1720117727	0.10%
	R2	Distribution	LU1720117990	0.10%
	S	Capitalisation	LU2363112280	0.12%
	V	Capitalisation	LU1434522717	0.20%
	V	Distribution	LU2364191341	0.20%
	V - CHF - Hedged	Capitalisation	LU2590263930	0.20%
	VP	Capitalisation	LU2713796683	0.15%
Z	Capitalisation	LU1434522808	0.00%	
Candriam Sustainable Bond Global	C	Capitalisation	LU1434523012	0.70%
	C	Distribution	LU1434523103	0.70%
	I	Capitalisation	LU1434523285	0.40%
	R	Capitalisation	LU1434523442	0.40%
	R - EUR - Asset Hedged	Capitalisation	LU2211181891	0.40%
	R2	Capitalisation	LU1720118295	0.15%
	R2	Distribution	LU1720118022	0.15%
	V	Capitalisation	LU1434523525	0.25%
	V - EUR - Asset Hedged	Capitalisation	LU2211182196	0.25%
	V - USD - Asset Hedged	Capitalisation	LU2211182436	0.25%
	V (q) - GBP - Asset Hedged	Distribution	LU2211182352	0.25%
Z	Capitalisation	LU1434523798	0.00%	
Candriam Sustainable Bond Global Convertible	C	Capitalisation	LU2428020718	1.30%
	I	Capitalisation	LU2428020981	0.65%
	R	Capitalisation	LU2428021369	0.65%
	Z	Capitalisation	LU2428021872	0.00%
Candriam Sustainable Bond Global High Yield	C	Capitalisation	LU1644441120	1.20%
	C	Distribution	LU1644441393	1.20%
	C - USD - Unhedged	Capitalisation	LU2109443460	1.20%
	C (m) - USD - Hedged	Distribution	LU2364191697	1.20%
	I	Capitalisation	LU1644441476	0.70%
	I	Distribution	LU1644441633	0.70%
	I - USD - Hedged	Capitalisation	LU1644441559	0.70%
	I - USD - Hedged	Distribution	LU2211180653	0.70%
	I - USD - Unhedged	Capitalisation	LU2109443544	0.70%
	IP	Capitalisation	LU2713796337	0.55%
	N	Capitalisation	LU2027379515	1.60%
	R	Capitalisation	LU1644441716	0.70%
	R	Distribution	LU1720118378	0.70%
	R - CHF - Hedged	Capitalisation	LU2211180901	0.70%
	R - USD - Hedged	Capitalisation	LU2211181206	0.70%
	R2	Distribution	LU2363112363	0.28%
	S	Capitalisation	LU1720118451	0.20%
	S - USD - Hedged	Capitalisation	LU2474803587	0.20%
	V	Capitalisation	LU1644441807	0.42%
	V - USD - Hedged	Capitalisation	LU2211180067	0.42%
VP	Capitalisation	LU2713796253	0.30%	
Z	Capitalisation	LU1644441989	0.00%	
Candriam Sustainable Bond Impact	C	Capitalisation	LU2369559823	0.70%
	I	Capitalisation	LU2369560169	0.40%
	N	Capitalisation	LU2421360129	0.80%
	R	Capitalisation	LU2369560326	0.40%
	S	Distribution	LU2369561050	0.14%
	Z	Capitalisation	LU2369561217	0.00%
Candriam Sustainable Defensive Asset Allocation	C	Capitalisation	LU1644442102	1.15%
	C	Distribution	LU1644442284	1.15%
	I	Capitalisation	LU1644442367	0.45%
	I	Distribution	LU1644442441	0.45%
	R	Capitalisation	LU1644442524	0.50%
	R2	Distribution	LU1932633560	0.29%
	V	Capitalisation	LU1644442797	0.28%
	Z	Capitalisation	LU1644442870	0.00%
Candriam Sustainable Equity Children	BF - EUR - Unhedged	Capitalisation	LU2371175907	0.00%
	BF - EUR - Unhedged	Distribution	LU2371178836	0.00%
	C	Capitalisation	LU2371178752	1.60%
	I	Capitalisation	LU2371178240	0.80%
	I - EUR - Unhedged	Capitalisation	LU2371178083	0.80%
	R	Capitalisation	LU2371177275	0.80%
Z - EUR - Unhedged	Capitalisation	LU2371179057	0.00%	
Candriam Sustainable Equity Circular Economy	BF - EUR - Unhedged	Capitalisation	LU2109443114	0.00%
	BF - EUR - Unhedged	Distribution	LU2109443205	0.00%
	C	Capitalisation	LU2109440870	1.60%
	C - EUR - Hedged	Capitalisation	LU2109441175	1.60%



Other notes to the financial statements

Note 3 - Management fees (continued)

Sub-funds	Share class	Share type	ISIN	Management fee	
Candriam Sustainable Equity Circular Economy (continued)	I	Capitalisation	LU2109441258	0.80%	
	I - EUR - Unhedged	Capitalisation	LU2109441332	0.80%	
	N	Capitalisation	LU2363112447	2.00%	
	N - EUR - Hedged	Capitalisation	LU2363112793	2.00%	
	N - EUR - Unhedged	Capitalisation	LU2363112520	2.00%	
	PI	Capitalisation	LU2109441415	0.40%	
	R	Capitalisation	LU2109441688	0.80%	
	R	Distribution	LU2109441761	0.80%	
	R - EUR - Hedged	Capitalisation	LU2109441928	0.80%	
	R - EUR - Unhedged	Capitalisation	LU2109441845	0.80%	
	R2	Capitalisation	LU2109442066	0.40%	
	R2	Distribution	LU2109442140	0.40%	
	V	Capitalisation	LU2109442579	0.48%	
	Z	Capitalisation	LU2109442736	0.00%	
	Candriam Sustainable Equity Climate Action	BF - EUR - Unhedged	Capitalisation	LU2016898996	0.00%
BF - EUR - Unhedged		Distribution	LU2016899028	0.00%	
C		Capitalisation	LU1932633644	1.60%	
C		Distribution	LU1932633727	1.60%	
C - EUR - Hedged		Capitalisation	LU1932634022	1.60%	
C - EUR - Unhedged		Capitalisation	LU1932633990	1.60%	
I		Capitalisation	LU1932634295	0.80%	
I - EUR - Hedged		Capitalisation	LU2059769906	0.80%	
I - EUR - Unhedged		Capitalisation	LU1932634378	0.80%	
PI		Capitalisation	LU1932635003	0.40%	
R		Capitalisation	LU1932634451	0.80%	
R		Distribution	LU1932634535	0.80%	
R - EUR - Hedged		Capitalisation	LU1932634709	0.80%	
R - EUR - Unhedged		Capitalisation	LU1932634618	0.80%	
R2		Capitalisation	LU1932634881	0.40%	
R2		Distribution	LU1932634964	0.40%	
Z		Capitalisation	LU1932635185	0.00%	
Z - EUR - Unhedged		Capitalisation	LU2211181388	0.00%	
Candriam Sustainable Equity Emerging Markets		BF	Capitalisation	LU2521063755	0.00%
		C	Capitalisation	LU1434523954	1.60%
	C	Distribution	LU1434524093	1.60%	
	C - USD - Unhedged	Capitalisation	LU1797946321	1.60%	
	C - USD - Unhedged	Distribution	LU2343014036	1.60%	
	I	Capitalisation	LU1434524259	0.70%	
	I - GBP - Unhedged	Capitalisation	LU1434524333	0.70%	
	I - USD - Unhedged	Capitalisation	LU1797946594	0.70%	
	IP	Capitalisation	LU2713796170	0.65%	
	N	Capitalisation	LU2027379606	2.00%	
	P	Capitalisation	LU2421359626	0.29%	
	R	Capitalisation	LU1434524416	0.80%	
	R	Distribution	LU1720118535	0.80%	
	R - GBP - Unhedged	Capitalisation	LU1434524689	0.80%	
	R - USD - Unhedged	Capitalisation	LU1797946677	0.80%	
	R2	Capitalisation	LU1434524762	0.40%	
	R2	Distribution	LU1434524846	0.40%	
	S	Capitalisation	LU2363113171	0.31%	
	V	Capitalisation	LU1434524929	0.40%	
	V - GBP - Unhedged	Capitalisation	LU2590263856	0.40%	
	V - USD - Unhedged	Capitalisation	LU1797946750	0.40%	
	VP	Capitalisation	LU2713796097	0.35%	
	Z	Capitalisation	LU1434525066	0.00%	
	Candriam Sustainable Equity EMU	C	Capitalisation	LU1313771187	1.50%
		C	Distribution	LU1313771260	1.50%
		I	Capitalisation	LU1313771344	0.65%
		R	Capitalisation	LU1313771427	0.70%
R		Distribution	LU1720121679	0.70%	
R2		Capitalisation	LU1434525223	0.38%	
R2		Distribution	LU1434525496	0.38%	
V		Capitalisation	LU1313771690	0.40%	
Z		Capitalisation	LU1313771773	0.00%	
Candriam Sustainable Equity Europe		C	Capitalisation	LU1313771856	1.50%
	C	Distribution	LU1313771930	1.50%	
	I	Capitalisation	LU1313772078	0.65%	
	IP	Capitalisation	LU2713795792	0.50%	
	N	Capitalisation	LU2027379788	2.00%	
	R	Capitalisation	LU1313772151	0.70%	
	R	Distribution	LU1720118618	0.70%	
	R2	Capitalisation	LU1720118709	0.38%	
	R2	Distribution	LU1720118964	0.38%	
	V	Capitalisation	LU1313772235	0.40%	
	VP	Capitalisation	LU2713795529	0.30%	
	Z	Capitalisation	LU1313772318	0.00%	
	Z	Distribution	LU1434525819	0.00%	
	Candriam Sustainable Equity Europe Small & Mid Caps	C	Capitalisation	LU2258565089	1.60%
C		Distribution	LU2258565162	1.60%	



Other notes to the financial statements

Note 3 - Management fees (continued)

Sub-funds	Share class	Share type	ISIN	Management fee	
Candriam Sustainable Equity Europe Small & Mid Caps (continued)	I	Capitalisation	LU2258565246	0.70%	
	I - CHF - Hedged	Capitalisation	LU2620893631	0.70%	
	IP	Capitalisation	LU2713795446	0.65%	
	R	Capitalisation	LU2258565675	0.90%	
	R2	Capitalisation	LU2258565758	0.38%	
	R2	Distribution	LU2258565832	0.38%	
	V	Capitalisation	LU2258565915	0.35%	
	VP	Capitalisation	LU2713795362	0.35%	
	Z	Capitalisation	LU2258566053	0.00%	
Candriam Sustainable Equity Future Mobility	BF - EUR - Unhedged	Capitalisation	LU2258562656	0.00%	
	BF - EUR - Unhedged	Distribution	LU2258562730	0.00%	
	C	Capitalisation	LU2258562813	1.60%	
	C - EUR - Hedged	Capitalisation	LU2258563118	1.60%	
	C - EUR - Unhedged	Capitalisation	LU2258563035	1.60%	
	I	Capitalisation	LU2258563209	0.80%	
	I - EUR - Unhedged	Capitalisation	LU2258563381	0.80%	
	R	Capitalisation	LU2258563464	0.80%	
	R2	Distribution	LU2258564199	0.40%	
	V	Capitalisation	LU2258564512	0.48%	
	Z	Capitalisation	LU2258564603	0.00%	
Candriam Sustainable Equity Japan	C	Capitalisation	LU1434526460	1.50%	
	C	Distribution	LU1434526544	1.50%	
	I	Capitalisation	LU1434526627	0.65%	
	N	Capitalisation	LU2027379861	2.00%	
	R	Capitalisation	LU1434526890	0.70%	
	R	Distribution	LU1720120192	0.70%	
	R - EUR - Hedged	Capitalisation	LU1797946917	0.70%	
	R - EUR - Hedged	Distribution	LU1720120358	0.70%	
	R - EUR - Unhedged	Capitalisation	LU1434526973	0.70%	
	R2	Capitalisation	LU1720120515	0.38%	
	R2	Distribution	LU1720120788	0.38%	
	Z	Capitalisation	LU1434527278	0.00%	
	Z - EUR - Hedged	Capitalisation	LU2501585306	0.00%	
	Candriam Sustainable Equity Quant Europe	C	Capitalisation	LU2378104066	1.50%
C		Distribution	LU2378104140	1.50%	
I		Capitalisation	LU2378104223	0.65%	
N		Capitalisation	LU2378104652	2.00%	
R		Capitalisation	LU2378104736	0.70%	
R - GBP - Unhedged		Capitalisation	LU2378104819	0.70%	
R2		Capitalisation	LU2378104900	0.38%	
V		Capitalisation	LU2378105113	0.40%	
Z		Capitalisation	LU2378105204	0.00%	
Z		Distribution	LU2378105386	0.00%	
Candriam Sustainable Equity US		BF - EUR - Unhedged	Capitalisation	LU2227860371	0.00%
	C	Capitalisation	LU2227857070	1.45%	
	C	Distribution	LU2227857153	1.45%	
	C - EUR - Hedged	Capitalisation	LU2227857310	1.45%	
	C - EUR - Unhedged	Capitalisation	LU2227857237	1.45%	
	I	Capitalisation	LU2227857401	0.60%	
	I	Distribution	LU2227857583	0.60%	
	I - EUR - Hedged	Capitalisation	LU2227857740	0.60%	
	I - EUR - Unhedged	Capitalisation	LU2227857666	0.60%	
	I - GBP - Unhedged	Capitalisation	LU2227857823	0.60%	
	IP	Capitalisation	LU2713794803	0.45%	
	R	Capitalisation	LU2227858128	0.60%	
	R - CHF - Hedged	Capitalisation	LU2227858714	0.60%	
	R - EUR - Unhedged	Capitalisation	LU2227858474	0.60%	
	R - GBP - Unhedged	Capitalisation	LU2227858805	0.60%	
	R2	Capitalisation	LU2227858987	0.35%	
	R2	Distribution	LU2227859019	0.35%	
	R2 - EUR - Unhedged	Capitalisation	LU2227859100	0.35%	
	S	Capitalisation	LU2227859282	0.75%	
	V	Capitalisation	LU2227859365	0.35%	
	V - EUR - Hedged	Capitalisation	LU2227859449	0.35%	
	VP	Capitalisation	LU2713794712	0.25%	
	Z	Capitalisation	LU2227859522	0.00%	
	Z	Distribution	LU2227859795	0.00%	
	Z - EUR - Hedged	Capitalisation	LU2227859878	0.00%	
	Candriam Sustainable Equity World	C	Capitalisation	LU1434527435	1.50%
		C	Distribution	LU1434527518	1.50%
C - EUR - Asset Hedged		Capitalisation	LU2420561321	1.50%	
C - USD - Unhedged		Capitalisation	LU2016899291	1.50%	
I		Capitalisation	LU1434527781	0.65%	
I		Distribution	LU1434527864	0.65%	
IP		Capitalisation	LU2713794639	0.50%	
N		Capitalisation	LU2027379945	2.00%	
R		Capitalisation	LU1434528169	0.70%	
R - GBP - Unhedged		Capitalisation	LU1434528243	0.70%	
R2		Capitalisation	LU1720121166	0.38%	



Other notes to the financial statements

**Note 3 - Management fees (continued)**

Sub-funds	Share class	Share type	ISIN	Management fee
Candriam Sustainable Equity World (continued)	V	Capitalisation	LU1434528672	0.40%
	VP	Capitalisation	LU2713794555	0.30%
	Z	Capitalisation	LU1434528839	0.00%
Candriam Sustainable Money Market Euro	C	Capitalisation	LU1434529050	0.30%
	C	Distribution	LU1434529134	0.30%
	I	Capitalisation	LU1434529217	0.15%
	I	Distribution	LU1434529308	0.15%
	R	Capitalisation	LU2620893557	0.15%
	R2	Distribution	LU1434529563	0.08%
	V	Capitalisation	LU1434529647	0.06%
	Z	Capitalisation	LU1434529993	0.00%

The table hereafter reflects the maximum Management fee's annual rate applied to UCITS invested into by Candriam Sustainable different sub-funds as at December 31, 2023.

Target fund	Maximum rate
CANDRIAM FUND SUSTAINABLE EURO CORPORATE BONDS FOSSIL FREE Z C	0.00%
CANDRIAM FUND SUSTAINABLE EUROPEAN EQUITIES FOSSIL FREE Z C	0.00%
CANDRIAM MONEY MARKET USD SUSTAINABLE Z C	0.00%
CANDRIAM SUSTAINABLE BOND EMERGING MARKETS Z C	0.00%
CANDRIAM SUSTAINABLE BOND EURO CORPORATE I C	0.40%
CANDRIAM SUSTAINABLE BOND EURO CORPORATE Z C	0.00%
CANDRIAM SUSTAINABLE BOND EURO SHORT TERM Z C	0.00%
CANDRIAM SUSTAINABLE BOND EURO Z C	0.00%
CANDRIAM SUSTAINABLE BOND GLOBAL CONVERTIBLE Z C	0.00%
CANDRIAM SUSTAINABLE BOND GLOBAL HIGH YIELD Z C	0.00%
CANDRIAM SUSTAINABLE BOND GLOBAL Z C	0.00%
CANDRIAM SUSTAINABLE BOND IMPACT Z C	0.00%
CANDRIAM SUSTAINABLE EQUITY CIRCULAR ECONOMY Z C	0.00%
CANDRIAM SUSTAINABLE EQUITY CLIMATE ACTION Z C	0.00%
CANDRIAM SUSTAINABLE EQUITY EMERGING MARKETS Z C	0.00%
CANDRIAM SUSTAINABLE EQUITY EUROPE SMALL & MID CAPS Z C	0.00%
CANDRIAM SUSTAINABLE EQUITY EUROPE Z C	0.00%
CANDRIAM SUSTAINABLE EQUITY JAPAN Z C	0.00%
CANDRIAM SUSTAINABLE EQUITY QUANT EUROPE Z C	0.00%
CANDRIAM SUSTAINABLE EQUITY US Z C	0.00%
CANDRIAM SUSTAINABLE EQUITY WORLD Z C	0.00%
CANDRIAM SUSTAINABLE MONEY MARKET EURO V C	0.06%
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	0.00%
INDEXIQ FACTORS SUSTAINABLE SOVEREIGN EURO BOND UCITS ETF D	0.15%



## Other notes to the financial statements

### Note 4 - Distribution fees

The sub-fund Candriam Sustainable Equity World pays, for the Y class only, a distribution fee. This fee is currently set at 1.38% of the Y Class of the sub-fund Sustainable Equity World and is expressed as an annual percentage of the average net asset value of the share class, proportionate to the net assets brought by the Distributor in the share class, payable by the SICAV at the end of each quarter. The share class is dormant since April 1, 2021.

Sub-funds	Share class	Share type	ISIN	Annual rate
Candriam Sustainable Equity World	Y	Capitalisation	LU1434528755	0.0138

### Note 5 - Operating and Administrative Expenses

The SICAV bears the current operating and administrative expenses incurred to cover all the overheads and variable expenses, the charges, fees and other expenses, as defined below ("Operating and Administrative Expenses").

The Operating and Administrative Expenses cover, but are not limited to, the following expenses:

a) the expenditures incurred directly by the SICAV, including, inter alia, the Depositary Bank's fees and charges, the fees and expenses of the approved independent auditors, the cost of share class hedging, including that invoiced by the Management Company, the fees paid to the Directors and the reasonable expenses and outlays incurred by or for the Directors;

b) a "service fee" paid to the Management Company and including the remaining sum of the Operating and Administrative Expenses after deduction of the expenses detailed in section (a) above, that is, inter alia, the fees and expenses of the Domiciliary Agent, the Administrative Agent, the Transfer Agent and Registrar Holding and the Principal Paying Agent, the costs related to registration and maintenance of the registration in all the jurisdictions (such as the fees charged by the supervisory authorities concerned, the translation expenses and the remuneration of the Representatives abroad and the local paying agents), the stock exchange registration and renewal expenses, the cost of publishing the share prices, the postal and telecommunication charges, preparation cost, printing, translating and distributing the prospectuses, key investor information documents, notices to shareholders, financial reports or of any other document intended for the shareholders, the legal fees and expenses, the charges and expenses related to the taking out of any subscription/licence or any other use of fee-paying information or data, the expenses incurred by the use of a registered trademark by the SICAV, the expenses and fees payable to the Management Company and/or its delegates and/or to any other agent appointed by the SICAV itself and/or to the independent experts.

The Operating and Administrative Expenses are expressed as an annual percentage of the average net asset value of each share class and are payable monthly.

At the end of a given period, if the actual charges and expenses were to be higher than the percentage of Operating and Administrative Expenses set for a share class, then the Management Company would pay for the difference itself. Conversely, if the actual charges and expenses were to turn out to be lower than the percentage of Operating and Administrative Expenses set for a share class, then the Management Company would retain the difference.

The Management Company shall be entitled to instruct the SICAV to proceed to settle all or part of the expenses as listed above directly from its assets.

In such a case, the amount of the Operating and Administrative Expenses would be reduced accordingly.



Other notes to the financial statements

**Note 5 - Operating and Administrative Expenses (continued)**

The maximum rates applicable as at December 31, 2023 are as follows:

Sub-funds	Share class	Share type	ISIN	Maximum rate
Candriam Sustainable Balanced Asset Allocation	I	Capitalisation	LU2428018811	0.20%
Candriam Sustainable Bond Emerging Markets	C	Distribution	LU1434519507	0.35%
	C	Capitalisation	LU1434519416	0.35%
	C - EUR - Hedged	Capitalisation	LU2016899614	0.35%
	I	Distribution	LU1434519762	0.28%
	I	Capitalisation	LU1434519689	0.28%
	I - CHF - Hedged	Capitalisation	LU2059770078	0.28%
	I - EUR - Hedged	Distribution	LU1580881933	0.28%
	I - EUR - Hedged	Capitalisation	LU1434519846	0.28%
	I - GBP - Hedged	Distribution	LU1797946164	0.28%
	R	Capitalisation	LU1434519929	0.35%
	R - CHF - Hedged	Capitalisation	LU2059770151	0.35%
	R - EUR - Hedged	Distribution	LU1797946248	0.35%
	R - EUR - Hedged	Capitalisation	LU2016899705	0.35%
	R - EUR - Unhedged	Capitalisation	LU1434520000	0.35%
	R - GBP - Hedged	Capitalisation	LU1953289276	0.35%
	R2	Distribution	LU1439992113	0.35%
	R2	Capitalisation	LU1434520182	0.35%
	R2 - EUR - Hedged	Distribution	LU2328290445	0.35%
	V	Distribution	LU2211179648	0.28%
	V	Capitalisation	LU1434520265	0.28%
	V - CHF - Hedged	Capitalisation	LU2059770235	0.28%
	V - EUR - Hedged	Capitalisation	LU1434520349	0.28%
	Z	Distribution	LU1434520695	0.28%
	Z	Capitalisation	LU1434520422	0.28%
	Z - EUR - Hedged	Capitalisation	LU2059770318	0.28%
	IP	Capitalisation	LU2713794126	0.28%
	VP	Capitalisation	LU2713797228	0.28%
Candriam Sustainable Bond Euro	C	Distribution	LU1313769520	0.33%
	C	Capitalisation	LU1313769447	0.33%
	I	Distribution	LU1313769959	0.25%
	I	Capitalisation	LU1313769793	0.25%
	N	Capitalisation	LU2027379432	0.35%
	R	Capitalisation	LU1313770023	0.33%
	R2	Distribution	LU1720117057	0.33%
	R2	Capitalisation	LU1720116919	0.33%
	V	Capitalisation	LU1313770296	0.25%
	V - CHF - Hedged	Capitalisation	LU2702913760	0.25%
	Z	Distribution	LU1434521230	0.25%
	Z	Capitalisation	LU1313770379	0.25%
Candriam Sustainable Bond Euro Corporate	C	Distribution	LU1313770536	0.33%
	C	Capitalisation	LU1313770452	0.33%
	I	Distribution	LU1313770700	0.25%
	I	Capitalisation	LU1313770619	0.25%
	R	Distribution	LU1720117305	0.33%
	R	Capitalisation	LU1313770882	0.33%
	R - CHF - Hedged	Capitalisation	LU1932633214	0.33%
	R - GBP - Hedged	Capitalisation	LU1932633305	0.33%
	R - USD - Hedged	Capitalisation	LU1932633487	0.33%
	R2	Distribution	LU1720117560	0.33%
	R2	Capitalisation	LU1720117487	0.33%
	V	Capitalisation	LU1313770965	0.25%
	Z	Distribution	LU1434521743	0.25%
	Z	Capitalisation	LU1313771005	0.25%
	IP	Capitalisation	LU2713796923	0.25%
	VP	Capitalisation	LU2713796840	0.25%
Candriam Sustainable Bond Euro Short Term	C	Distribution	LU1434522048	0.33%
	C	Capitalisation	LU1434521826	0.33%
	I	Distribution	LU1434522550	0.25%
	I	Capitalisation	LU1434522477	0.25%
	R	Distribution	LU1720117644	0.33%
	R	Capitalisation	LU1434522634	0.33%
	R2	Distribution	LU1720117990	0.33%
	R2	Capitalisation	LU1720117727	0.33%
	S	Capitalisation	LU2363112280	0.30%
	V	Distribution	LU2364191341	0.25%
	V	Capitalisation	LU1434522717	0.25%
	V - CHF - Hedged	Capitalisation	LU2590263930	0.25%
	Z	Capitalisation	LU1434522808	0.25%
	IP	Capitalisation	LU2713796766	0.25%
	VP	Capitalisation	LU2713796683	0.25%
Candriam Sustainable Bond Global	C	Distribution	LU1434523103	0.33%
	C	Capitalisation	LU1434523012	0.33%
	I	Capitalisation	LU1434523285	0.25%
	R	Capitalisation	LU1434523442	0.33%
	R - EUR - Asset Hedged	Capitalisation	LU2211181891	0.33%



Other notes to the financial statements

Note 5 - Operating and Administrative Expenses (continued)

Sub-funds	Share class	Share type	ISIN	Maximum rate
Candriam Sustainable Bond Global (continued)	R2	Distribution	LU1720118022	0.33%
	R2	Capitalisation	LU1720118295	0.33%
	V	Capitalisation	LU1434523525	0.25%
	V - EUR - Asset Hedged	Capitalisation	LU2211182196	0.25%
	V - USD - Asset Hedged	Capitalisation	LU2211182436	0.25%
	V (q) - GBP - Asset Hedged	Distribution	LU2211182352	0.25%
	Z	Capitalisation	LU1434523798	0.25%
Candriam Sustainable Bond Global Convertible	C	Capitalisation	LU2428020718	0.35%
	I	Capitalisation	LU2428020981	0.28%
	R	Capitalisation	LU2428021369	0.35%
	Z	Capitalisation	LU2428021872	0.28%
Candriam Sustainable Bond Global High Yield	C	Distribution	LU1644441393	0.35%
	C	Capitalisation	LU1644441120	0.35%
	C - USD - Unhedged	Capitalisation	LU2109443460	0.35%
	C (m) - USD - Hedged	Distribution	LU2364191697	0.35%
	I	Distribution	LU1644441633	0.28%
	I	Capitalisation	LU1644441476	0.28%
	I - USD - Hedged	Distribution	LU2211180653	0.28%
	I - USD - Hedged	Capitalisation	LU1644441559	0.28%
	I - USD - Unhedged	Capitalisation	LU2109443544	0.28%
	N	Capitalisation	LU2027379515	0.35%
	R	Distribution	LU1720118378	0.35%
	R	Capitalisation	LU1644441716	0.35%
	R - CHF - Hedged	Capitalisation	LU2211180901	0.35%
	R - USD - Hedged	Capitalisation	LU2211181206	0.35%
	R2	Distribution	LU2363112363	0.35%
	S	Capitalisation	LU1720118451	0.28%
	S - USD - Hedged	Capitalisation	LU2474803587	0.28%
	V	Capitalisation	LU1644441807	0.28%
	V - USD - Hedged	Capitalisation	LU2211180067	0.28%
	Z	Capitalisation	LU1644441989	0.28%
	IP	Capitalisation	LU2713796337	0.28%
	VP	Capitalisation	LU2713796253	0.28%
Candriam Sustainable Bond Impact	C	Capitalisation	LU2369559823	0.33%
	I	Capitalisation	LU2369560169	0.25%
	N	Capitalisation	LU2421360129	0.33%
	R	Capitalisation	LU2369560326	0.33%
	S	Distribution	LU2369561050	0.25%
	Z	Capitalisation	LU2369561217	0.25%
Candriam Sustainable Defensive Asset Allocation	C	Distribution	LU1644442284	0.30%
	C	Capitalisation	LU1644442102	0.30%
	I	Distribution	LU1644442441	0.20%
	I	Capitalisation	LU1644442367	0.20%
	R	Capitalisation	LU1644442524	0.30%
	R2	Distribution	LU1932633560	0.30%
	V	Capitalisation	LU1644442797	0.20%
	Z	Capitalisation	LU1644442870	0.20%
Candriam Sustainable Equity Children	BF - EUR - Unhedged	Distribution	LU2371178836	0.30%
	BF - EUR - Unhedged	Capitalisation	LU2371175907	0.30%
	C	Capitalisation	LU2371178752	0.40%
	I	Capitalisation	LU2371178240	0.30%
	I - EUR - Unhedged	Capitalisation	LU2371178083	0.30%
	R	Capitalisation	LU2371177275	0.40%
	Z - EUR - Unhedged	Capitalisation	LU2371179057	0.30%
Candriam Sustainable Equity Circular Economy	BF - EUR - Unhedged	Distribution	LU2109443205	0.30%
	BF - EUR - Unhedged	Capitalisation	LU2109443114	0.30%
	C	Capitalisation	LU2109440870	0.40%
	C - EUR - Hedged	Capitalisation	LU2109441175	0.40%
	I	Capitalisation	LU2109441258	0.30%
	I - EUR - Unhedged	Capitalisation	LU2109441332	0.30%
	N	Capitalisation	LU2363112447	0.40%
	N - EUR - Hedged	Capitalisation	LU2363112793	0.40%
	N - EUR - Unhedged	Capitalisation	LU2363112520	0.40%
	PI	Capitalisation	LU2109441415	0.30%
	R	Distribution	LU2109441761	0.40%
	R	Capitalisation	LU2109441688	0.40%
	R - EUR - Hedged	Capitalisation	LU2109441928	0.40%
	R - EUR - Unhedged	Capitalisation	LU2109441845	0.40%
	R2	Distribution	LU2109442140	0.40%
	R2	Capitalisation	LU2109442066	0.40%
	V	Capitalisation	LU2109442579	0.30%
	Z	Capitalisation	LU2109442736	0.30%
	Candriam Sustainable Equity Climate Action	BF - EUR - Unhedged	Distribution	LU2016899028
BF - EUR - Unhedged		Capitalisation	LU2016898996	0.30%
C		Distribution	LU1932633727	0.40%
C		Capitalisation	LU1932633644	0.40%
C - EUR - Hedged		Capitalisation	LU1932634022	0.40%
C - EUR - Unhedged		Capitalisation	LU1932633990	0.40%



Other notes to the financial statements

Note 5 - Operating and Administrative Expenses (continued)

Sub-funds	Share class	Share type	ISIN	Maximum rate
Candriam Sustainable Equity Climate Action (continued)	I	Capitalisation	LU1932634295	0.30%
	I - EUR - Hedged	Capitalisation	LU2059769906	0.30%
	I - EUR - Unhedged	Capitalisation	LU1932634378	0.30%
	PI	Capitalisation	LU1932635003	0.30%
	R	Distribution	LU1932634535	0.40%
	R	Capitalisation	LU1932634451	0.40%
	R - EUR - Hedged	Capitalisation	LU1932634709	0.40%
	R - EUR - Unhedged	Capitalisation	LU1932634618	0.40%
	R2	Distribution	LU1932634964	0.40%
	R2	Capitalisation	LU1932634881	0.40%
	Z	Capitalisation	LU1932635185	0.30%
Z - EUR - Unhedged	Capitalisation	LU2211181388	0.30%	
Candriam Sustainable Equity Emerging Markets	C	Distribution	LU1434524093	0.40%
	C	Capitalisation	LU1434523954	0.40%
	C - USD - Unhedged	Distribution	LU2343014036	0.40%
	C - USD - Unhedged	Capitalisation	LU1797946321	0.40%
	I	Capitalisation	LU1434524259	0.30%
	I - GBP - Unhedged	Capitalisation	LU1434524333	0.30%
	I - USD - Unhedged	Capitalisation	LU1797946594	0.30%
	N	Capitalisation	LU2027379606	0.40%
	P	Capitalisation	LU2421359626	0.30%
	R	Distribution	LU1720118535	0.40%
	R	Capitalisation	LU1434524416	0.40%
	R - GBP - Unhedged	Capitalisation	LU1434524689	0.40%
	R - USD - Unhedged	Capitalisation	LU1797946677	0.40%
	R2	Distribution	LU1434524846	0.40%
	R2	Capitalisation	LU1434524762	0.40%
	S	Capitalisation	LU2363113171	0.30%
	V	Capitalisation	LU1434524929	0.30%
	V - GBP - Unhedged	Capitalisation	LU2590263856	0.30%
	V - USD - Unhedged	Capitalisation	LU1797946750	0.30%
	Z	Capitalisation	LU1434525066	0.30%
	BF	Capitalisation	LU2521063755	0.30%
IP	Capitalisation	LU2713796170	0.30%	
VP	Capitalisation	LU2713796097	0.30%	
Candriam Sustainable Equity EMU	C	Distribution	LU1313771260	0.40%
	C	Capitalisation	LU1313771187	0.40%
	I	Capitalisation	LU1313771344	0.30%
	R	Distribution	LU1720121679	0.40%
	R	Capitalisation	LU1313771427	0.40%
	R2	Distribution	LU1434525496	0.40%
	R2	Capitalisation	LU1434525223	0.40%
	V	Capitalisation	LU1313771690	0.30%
	Z	Capitalisation	LU1313771773	0.30%
	Candriam Sustainable Equity Europe	C	Distribution	LU1313771930
C		Capitalisation	LU1313771856	0.40%
I		Capitalisation	LU1313772078	0.30%
N		Capitalisation	LU2027379788	0.40%
R		Distribution	LU1720118618	0.40%
R		Capitalisation	LU1313772151	0.40%
R2		Distribution	LU1720118964	0.40%
R2		Capitalisation	LU1720118709	0.40%
V		Capitalisation	LU1313772235	0.30%
Z		Distribution	LU1434525819	0.30%
Z		Capitalisation	LU1313772318	0.30%
IP		Capitalisation	LU2713795792	0.30%
VP		Capitalisation	LU2713795529	0.30%
Candriam Sustainable Equity Europe Small & Mid Caps	C	Distribution	LU2258565162	0.40%
	C	Capitalisation	LU2258565089	0.40%
	I	Capitalisation	LU2258565246	0.30%
	I - CHF - Hedged	Capitalisation	LU2620893631	0.30%
	R	Capitalisation	LU2258565675	0.40%
	R2	Distribution	LU2258565832	0.40%
	R2	Capitalisation	LU2258565758	0.40%
	V	Capitalisation	LU2258565915	0.30%
	Z	Capitalisation	LU2258566053	0.30%
	IP	Capitalisation	LU2713795446	0.30%
VP	Capitalisation	LU2713795362	0.30%	
Candriam Sustainable Equity Future Mobility	BF - EUR - Unhedged	Distribution	LU2258562730	0.30%
	BF - EUR - Unhedged	Capitalisation	LU2258562656	0.30%
	C	Capitalisation	LU2258562813	0.40%
	C - EUR - Hedged	Capitalisation	LU2258563118	0.40%
	C - EUR - Unhedged	Capitalisation	LU2258563035	0.40%
	I	Capitalisation	LU2258563209	0.30%
	I - EUR - Unhedged	Capitalisation	LU2258563381	0.30%
	R	Capitalisation	LU2258563464	0.40%
	R2	Distribution	LU2258564199	0.40%
	V	Capitalisation	LU2258564512	0.30%
	Z	Capitalisation	LU2258564603	0.30%



Other notes to the financial statements

Note 5 - Operating and Administrative Expenses (continued)

Sub-funds	Share class	Share type	ISIN	Maximum rate
Candriam Sustainable Equity Japan	C	Distribution	LU1434526544	0.40%
	C	Capitalisation	LU1434526460	0.40%
	I	Capitalisation	LU1434526627	0.30%
	N	Capitalisation	LU2027379861	0.40%
	R	Distribution	LU1720120192	0.40%
	R	Capitalisation	LU1434526890	0.40%
	R - EUR - Hedged	Distribution	LU1720120358	0.40%
	R - EUR - Hedged	Capitalisation	LU1797946917	0.40%
	R - EUR - Unhedged	Capitalisation	LU1434526973	0.40%
	R2	Distribution	LU1720120788	0.40%
	R2	Capitalisation	LU1720120515	0.40%
	Z	Capitalisation	LU1434527278	0.30%
	Z - EUR - Hedged	Capitalisation	LU2501585306	0.30%
Candriam Sustainable Equity Quant Europe	C	Distribution	LU2378104140	0.40%
	C	Capitalisation	LU2378104066	0.40%
	I	Capitalisation	LU2378104223	0.30%
	N	Capitalisation	LU2378104652	0.40%
	R	Capitalisation	LU2378104736	0.40%
	R - GBP - Unhedged	Capitalisation	LU2378104819	0.40%
	R2	Capitalisation	LU2378104900	0.40%
	V	Capitalisation	LU2378105113	0.30%
	Z	Distribution	LU2378105386	0.30%
	Z	Capitalisation	LU2378105204	0.30%
	Candriam Sustainable Equity US	BF - EUR - Unhedged	Capitalisation	LU2227860371
C		Distribution	LU2227857153	0.40%
C		Capitalisation	LU2227857070	0.40%
C - EUR - Hedged		Capitalisation	LU2227857310	0.40%
C - EUR - Unhedged		Capitalisation	LU2227857237	0.40%
I		Distribution	LU2227857583	0.30%
I		Capitalisation	LU2227857401	0.30%
I - EUR - Hedged		Capitalisation	LU2227857740	0.30%
I - EUR - Unhedged		Capitalisation	LU2227857666	0.30%
I - GBP - Unhedged		Capitalisation	LU2227857823	0.30%
R		Capitalisation	LU2227858128	0.40%
R - CHF - Hedged		Capitalisation	LU2227858714	0.40%
R - EUR - Unhedged		Capitalisation	LU2227858474	0.40%
R - GBP - Unhedged		Capitalisation	LU2227858805	0.40%
R2		Distribution	LU2227859019	0.40%
R2		Capitalisation	LU2227858987	0.40%
R2 - EUR - Unhedged		Capitalisation	LU2227859100	0.40%
S		Capitalisation	LU2227859282	0.30%
V		Capitalisation	LU2227859365	0.30%
V - EUR - Hedged		Capitalisation	LU2227859449	0.30%
Z		Distribution	LU2227859795	0.30%
Z	Capitalisation	LU2227859522	0.30%	
Z - EUR - Hedged	Capitalisation	LU2227859878	0.30%	
IP	Capitalisation	LU2713794803	0.30%	
VP	Capitalisation	LU2713794712	0.30%	
Candriam Sustainable Equity World	C	Distribution	LU1434527518	0.40%
	C	Capitalisation	LU1434527435	0.40%
	C - EUR - Asset Hedged	Capitalisation	LU2420561321	0.40%
	C - USD - Unhedged	Capitalisation	LU2016899291	0.40%
	I	Distribution	LU1434527864	0.30%
	I	Capitalisation	LU1434527781	0.30%
	N	Capitalisation	LU2027379945	0.40%
	R	Capitalisation	LU1434528169	0.40%
	R - GBP - Unhedged	Capitalisation	LU1434528243	0.40%
	R2	Capitalisation	LU1720121166	0.40%
	V	Capitalisation	LU1434528672	0.30%
	Z	Capitalisation	LU1434528839	0.30%
	IP	Capitalisation	LU2713794639	0.30%
	VP	Capitalisation	LU2713794555	0.30%
Candriam Sustainable Money Market Euro	C	Distribution	LU1434529134	0.30%
	C	Capitalisation	LU1434529050	0.30%
	I	Distribution	LU1434529308	0.17%
	I	Capitalisation	LU1434529217	0.17%
	R2	Distribution	LU1434529563	0.30%
	V	Capitalisation	LU1434529647	0.17%
	Z	Capitalisation	LU1434529993	0.17%
	R	Capitalisation	LU2620893557	0.30%



## Other notes to the financial statements

### Note 6 - Subscription tax

The SICAV is governed by the Luxembourg tax laws.

By virtue of the legislation and regulations currently in force, the SICAV is subject in Luxembourg to an annual tax of 0.05% of the net asset value of the SICAV; this rate is reduced to 0.01% for the classes reserved for institutional investors. This tax is payable quarterly on the basis of the net asset value of the SICAV calculated at the end of the quarter to which the tax relates.

The Belgian government enacted a law to tax once a year the net asset value of foreign investment funds registered in Belgium. This annual tax is calculated on the net amounts defined as invested in Belgium by Belgian financial intermediaries. In the absence of a sufficient declaration relating to these figures, the tax authority will be entitled to calculate the tax on the entirety of the assets of these sub-funds. The Belgian law of June 17, 2013 comprising fiscal and financial provisions and provisions relating to sustainable development set the rate of the annual tax for Undertakings for Collective Investment at 0.0925% with effect from January 1, 2014.

As a precautionary measure, the SICAV filed a claim with the Belgian tax authority and the Brussels Court of First Instance for the tax to be refunded. At this stage, it is not possible to prejudge the outcome of the dispute or any reimbursement in favour of the SICAV. In a similar case, the Belgian State appealed to the Court of Cassation against the Court of Appeal's rulings in favour of the plaintiff.

The management company was informed that the Court of Cassation ruled against the plaintiff on March 25, 2022. The Court of Cassation (French-speaking chamber) considers that the Brussels Court of Appeal wrongly qualified the Belgian subscription tax as a wealth tax covered by the double taxation convention between Belgium and Luxembourg (which convention attributes the right to tax Luxembourg SICAVs only by Luxembourg and not by Belgium, which justified the claim for reimbursement of the Belgian subscription tax).

The case is referred back to the Court of Appeal of Liège which will be bound by the assessment taken by the Court of Cassation.

Another decision of the Court of Cassation (Dutch-speaking chamber) of April 21, 2022 does not dispute that the Belgian subscription tax is a wealth tax, but considers that the double taxation convention between Belgium and Luxembourg (unlike the one signed with the Netherlands) does not cover in its scope a wealth tax levied in Belgium.

The prospect of a refund is therefore limited and will in any case not be possible in the short term.

### Note 7 - Capital Gain Tax

Certain revenues of the SICAV in terms of realized gains on securities from asset sources outside Luxembourg may be liable to taxes in the source country at variable rates. Such taxes are generally deducted at source or paid upon the filing of a tax return in the foreign country.

In particular, for the sub-fund Candriam Sustainable Equity Emerging Markets, under current law of India, short term capital gains are taxed at 15% while long term capital gains are taxed at 10% if the gain is above 100,000 Indian rupees.

Considering potential impact of the Indian capital gain tax on the net assets, the SICAV is accruing such tax including unrealized gains on securities traded on the Indian stock exchange.

In Luxembourg, no tax is payable on the capital gains realized or unrealized capital appreciation on the assets of the SICAV in accordance with the Law and current practice.

### Note 8 - Dividends

The SICAV distributed the following dividends during the year ended December 31, 2023:

Sub-funds	Share class	Currency	Dividend	Ex-date
Candriam Sustainable Bond Emerging Markets	C	USD	1.91	27/04/2023
	I	USD	20.26	27/04/2023
	I - EUR - Hedged	EUR	17.39	27/04/2023
	I - GBP - Hedged	GBP	19.31	27/04/2023
	R - EUR - Hedged	EUR	1.90	27/04/2023
	R2	USD	1.93	27/04/2023
	R2 - EUR - Hedged	EUR	1.99	27/04/2023
	V	USD	19.89	27/04/2023
	Z	USD	20.94	27/04/2023
Candriam Sustainable Bond Euro	C	EUR	0.42	27/04/2023
	I	EUR	4.39	27/04/2023
	R2	EUR	0.43	27/04/2023
	Z	EUR	4.45	27/04/2023
Candriam Sustainable Bond Euro Corporate	C	EUR	0.62	27/04/2023
	I	EUR	6.75	27/04/2023
	R	EUR	0.65	27/04/2023
	R2	EUR	0.65	27/04/2023
	Z	EUR	6.62	27/04/2023
Candriam Sustainable Bond Global	C	EUR	1.14	27/04/2023
	R2	EUR	1.14	27/04/2023
	V (q) - GBP - Asset Hedged	GBP	3.43	02/02/2023
	V (q) - GBP - Asset Hedged	GBP	3.92	02/05/2023
	V (q) - GBP - Asset Hedged	GBP	4.62	02/08/2023
	V (q) - GBP - Asset Hedged	GBP	4.98	03/11/2023
Candriam Sustainable Bond Global High Yield	C	EUR	2.24	27/04/2023



Other notes to the financial statements

**Note 8 - Dividends (continued)**

Sub-funds	Share class	Currency	Dividend	Ex-date
Candriam Sustainable Bond Global High Yield (continued)	C (m) - USD - Hedged	USD	0.32	11/01/2023
	C (m) - USD - Hedged	USD	0.28	10/02/2023
	C (m) - USD - Hedged	USD	0.33	10/03/2023
	C (m) - USD - Hedged	USD	0.36	12/04/2023
	C (m) - USD - Hedged	USD	0.32	10/05/2023
	C (m) - USD - Hedged	USD	0.35	12/06/2023
	C (m) - USD - Hedged	USD	0.37	12/07/2023
	C (m) - USD - Hedged	USD	0.32	11/08/2023
	C (m) - USD - Hedged	USD	0.37	12/09/2023
	C (m) - USD - Hedged	USD	0.35	11/10/2023
	C (m) - USD - Hedged	USD	0.36	13/11/2023
	C (m) - USD - Hedged	USD	0.36	12/12/2023
	I	EUR	21.90	27/04/2023
	I	EUR	19.12	11/07/2023
	I - USD - Hedged	USD	22.86	27/04/2023
R	EUR	2.30	27/04/2023	
R2	EUR	2.29	27/04/2023	
Candriam Sustainable Bond Impact	S	EUR	4.12	27/04/2023
Candriam Sustainable Defensive Asset Allocation	C	EUR	0.43	27/04/2023
	I	EUR	7.36	27/04/2023
	R2	EUR	0.44	27/04/2023
Candriam Sustainable Equity Children	BF - EUR - Unhedged	EUR	14.28	27/04/2023
Candriam Sustainable Equity Circular Economy	BF - EUR - Unhedged	EUR	14.28	27/04/2023
	R	USD	1.43	27/04/2023
	R2	USD	2.16	27/04/2023
Candriam Sustainable Equity Climate Action	BF - EUR - Unhedged	EUR	26.94	27/04/2023
	C	USD	2.63	27/04/2023
	R	USD	2.47	27/04/2023
	R2	USD	2.86	27/04/2023
Candriam Sustainable Equity Emerging Markets	C	EUR	2.92	27/04/2023
	C - USD - Unhedged	USD	1.57	27/04/2023
	R	EUR	2.20	27/04/2023
	R2	EUR	2.56	27/04/2023
Candriam Sustainable Equity EMU	C	EUR	2.32	27/04/2023
	R	EUR	2.61	27/04/2023
	R2	EUR	2.60	27/04/2023
Candriam Sustainable Equity Europe	C	EUR	0.52	27/04/2023
	R	EUR	2.64	27/04/2023
	R2	EUR	3.22	27/04/2023
	Z	EUR	34.85	27/04/2023
Candriam Sustainable Equity Europe Small & Mid Caps	R2	EUR	4.49	27/04/2023
Candriam Sustainable Equity Future Mobility	BF - EUR - Unhedged	EUR	15.75	27/04/2023
	R2	USD	1.54	27/04/2023
Candriam Sustainable Equity Japan	C	JPY	68.43	27/04/2023
	R	JPY	305.33	27/04/2023
	R2	JPY	301.98	27/04/2023
Candriam Sustainable Equity Quant Europe	C	EUR	53.54	27/04/2023
	Z	EUR	54.86	27/04/2023
Candriam Sustainable Equity US	C	USD	0.53	27/04/2023
	I	USD	0.64	27/04/2023
	R2	USD	1.07	27/04/2023
	Z	USD	10.74	27/04/2023
Candriam Sustainable Equity World	C	EUR	0.41	27/04/2023
	I	EUR	41.82	27/04/2023

**Note 9 - Swing Pricing**

For some of the sub-funds of the SICAV, provision has been made for the following measure:

On the valuation days on which the difference between the amount of subscriptions and the amount of redemptions in a sub-fund (that is, the net transactions) exceeds a threshold previously set by the Board of Directors (partial Swing Pricing), the Board reserves the right:

- to determine the net asset value by adding to the assets (for net subscriptions) or deducting from the assets (for net redemptions) a certain percentage of fees and costs corresponding to market practices in buying or selling securities for Candriam Sustainable Equity Climate Action, Candriam Sustainable Equity Emerging Markets, Candriam Sustainable Equity EMU, Candriam Sustainable Equity Europe, Candriam Sustainable Equity Europe Small & Mid Caps, Candriam Sustainable Equity Japan, Candriam Sustainable Equity World, Candriam Sustainable Equity Circular Economy, Candriam Sustainable Equity Children, Candriam Sustainable Equity Future Mobility, Candriam Sustainable Equity US and Candriam Sustainable Equity Quant Europe.
- to value the securities portfolio of the 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 inflow or net outflow) for Candriam Sustainable Bond Emerging Markets, Candriam Sustainable Bond Euro, Candriam Sustainable Bond Euro Corporate, Candriam Sustainable Bond Euro Short Term, Candriam Sustainable Bond Impact and Candriam Sustainable Bond Global, Candriam Sustainable Bond Global Convertible;
- to value the net asset value of the sub-fund or the part of the portfolio composed of high yield securities by adding to the assets (for net subscriptions) or deducting from the assets (for net redemptions) a bid-ask spread for Candriam Sustainable Bond Global High Yield.



## Other notes to the financial statements

### Note 9 - Swing Pricing (continued)

During the year, Swing Pricing was applied to the Net Asset Values of the following sub-funds : Candriam Sustainable Bond Emerging Markets, Candriam Sustainable Bond Euro, Candriam Sustainable Bond Euro Corporate, Candriam Sustainable Bond Euro Short Term, Candriam Sustainable Bond Global, Candriam Sustainable Bond Global High Yield, Candriam Sustainable Bond Impact, Candriam Sustainable Equity Children, Candriam Sustainable Equity Circular Economy, Candriam Sustainable Equity Climate Action, Candriam Sustainable Equity Emerging Markets, Candriam Sustainable Equity EMU, Candriam Sustainable Equity Europe, Candriam Sustainable Equity Europe Small & Mid Caps, Candriam Sustainable Equity Future Mobility, Candriam Sustainable Equity Japan, Candriam Sustainable Equity Quant Europe, Candriam Sustainable Equity US and Candriam Sustainable Equity World.

As at December 31, 2023, no swing was applied.

The swing factor is the amount by which the NAV is swung when the swing pricing process is triggered after net subscriptions or redemptions exceed the swing threshold. The factors to consider when setting the swinging factor include:

For equity method:

- Net broker commissions paid by the sub-fund
- Fiscal charges (e.g. stamp duty and sales tax)

For high yield method

- Bid-ask spread

For fixed income method:

- Swing Pricing Policy
- linked to Bid/Ask spread

Sub-funds	Maximum swing factor Inflow rate (in %)	Maximum swing factor Outflow rate (in %)
Candriam Sustainable Bond Global High Yield	0.60	0.60
Candriam Sustainable Equity Children	0.13	0.04
Candriam Sustainable Equity Circular Economy	0.07	0.04
Candriam Sustainable Equity Climate Action	0.07	0.05
Candriam Sustainable Equity Emerging Markets	0.07	0.19
Candriam Sustainable Equity EMU	0.20	0.04
Candriam Sustainable Equity Europe	0.26	0.04
Candriam Sustainable Equity Europe Small & Mid Caps	0.23	0.04
Candriam Sustainable Equity Future Mobility	0.05	0.05
Candriam Sustainable Equity Japan	0.02	0.02
Candriam Sustainable Equity Quant Europe	0.19	0.02
Candriam Sustainable Equity US	0.02	0.04
Candriam Sustainable Equity World	0.05	0.03

### Note 10 - Cash at bank and broker

The Cash at bank and broker in the statement of net assets comprises the cash accounts and the cash at broker accounts on future contracts.

The part relating to the cash at broker accounts in Cash at bank and broker included in the statement of net assets as at December 31, 2023 is as follows:

Sub-funds	Currency	Cash at broker
Candriam Sustainable Balanced Asset Allocation	EUR	(11,439)
Candriam Sustainable Bond Emerging Markets	USD	8,959,126
Candriam Sustainable Bond Euro	EUR	148,247
Candriam Sustainable Bond Euro Corporate	EUR	9,486,938
Candriam Sustainable Bond Euro Short Term	EUR	101,943
Candriam Sustainable Bond Global	EUR	271,331
Candriam Sustainable Bond Impact	EUR	141,813
Candriam Sustainable Defensive Asset Allocation	EUR	(200,900)

### Note 11 - Collateral

In relation with the OTC derivative instruments, cash collateral has been both provided and received from Barclays Bank PLC - Ireland - LC, BNP PARIBAS SA, Caceis Bank France S.A., Natixis S.A., Nomura Financial Products Europe GMBH - DE - LC, Société Générale SA and UBS Europe SE (Brexite / ongoing) amounting to:

Sub-funds	Currency	Cash Collateral Posted	Cash Collateral held
Candriam Sustainable Bond Emerging Markets	USD	(6,660,000)	21,020,000
Candriam Sustainable Bond Euro Corporate	EUR	0	860,000
Candriam Sustainable Bond Global	EUR	(1,490,000)	0
Candriam Sustainable Bond Global High Yield	EUR	(3,300,000)	10,890,000
Candriam Sustainable Equity US	USD	0	4,880,000
Candriam Sustainable Equity World	EUR	0	830,000
Candriam Sustainable Money Market Euro	EUR	(980,000)	910,000

### Note 12 - Changes in portfolio composition

A list including the transactions (sales and purchases) in the investment portfolios is available free of charge at the SICAV's registered office.



## Other notes to the financial statements

### **Note 13 - Subsequent events**

The Sub-fund Candriam Sustainable Equity Water was launched as at March 1, 2024.

The Sub-fund Candriam Sustainable Equity Emerging Ex-China was launched as at March 15, 2024.



## Additional unaudited information

### Global Risk Exposure

As required by the CSSF Circular 11/512, the Board of Directors of the SICAV must determine the SICAV risk management method, using either the commitment approach or the VaR approach.

The Board of Directors of the SICAV has chosen to adopt the commitment approach as the method for determining overall risk for all the sub-funds of the SICAV.

### Engagement & voting policies, use of voting rights

Candriam exercises voting rights for the considered funds.

For all engagement matters, please refer to the engagement policy and to the associated reports, all available under Candriam website <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>

### Proxy Voting

Since January 1, 2004, Candriam has decided to actively exercise the voting rights attached to the shares of top-tier European companies that it manages on behalf of its clients. This decision indicates Candriam's determination to assume its responsibilities in the context of corporate governance, and to fully exercise its voting rights in companies in which it invests. The details of the voting are available on the web site <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>.

Non voted meetings result from operational / technical burdens defined in our voting policy (for more details please refer to Candriam voting policy) or others encountered at our third party levels and for which remediation plans have been defined.

For the present SICAV, Candriam exercised voting rights for the following sub-funds:

- Candriam Sustainable Defensive Asset Allocation
- Candriam Sustainable Equity Children
- Candriam Sustainable Equity Circular Economy
- Candriam Sustainable Equity Climate Action
- Candriam Sustainable Equity Emerging Markets
- Candriam Sustainable Equity EMU
- Candriam Sustainable Equity Europe
- Candriam Sustainable Equity Europe Small & Mid Caps
- Candriam Sustainable Equity Future Mobility
- Candriam Sustainable Equity Japan
- Candriam Sustainable Equity Quant Europe
- Candriam Sustainable Equity US
- Candriam Sustainable Equity World
- Candriam Sustainable Balanced Asset Allocation

As announced above, details of the voting are available on the web site <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>. All General Assembly Meetings the Management company attended or was represented at are detailed, as well as the voted resolutions, effective votes and associated rationales when votes against management were registered.

For the AGM of SAP SE held on May 11, 2023, our voting choice under Items 8.3 and 9 was not successfully reflected in effective vote for the Fund. Rationales of the votes were adapted to reflect the concern (for more, please refer to our Voting details under <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>). Internal procedures have been adapted to avoid similar situation to occur.

For the AGM of L'Oreal SA held on April 21, 2023, our voting choice under Item 4 was not successfully reflected in effective vote for the Fund. Rationals of the vote was adapted to reflect the concern (for more, please refer to our Voting details under <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>). Internal procedures have been adapted to avoid similar situation to occur.

Other non voted meetings result from either the defined voting scope itself (for more details please refer to Candriam voting policy) or from delays in reception of needed powers of attorney.

Candriam has formulated and implemented a voting policy based on four principles of corporate governance. Voting decisions are taken in accordance with these principles:

1. Protection of all shareholders' rights in accordance with the "one share – one vote – one dividend" rule.
2. Guaranteed equality of treatment of shareholders, including minority and foreign shareholders.
3. Communication of accurate and transparent financial information.
4. Accountability and independence of the Board of Directors and the external auditors.

As part of its voting decisions, Candriam satisfies itself that it has obtained all the information required for the decision to be taken. Candriam's ESG and financial analysts examine the resolutions presented to the shareholders, taking into account the voting recommendations provided by external corporate governance advisors. Candriam does, however, retain total independence as regards its votes.



## Additional unaudited information

This voting policy is available under Candriam website (\*) and notably details:

- The definition of the voting scope,
- How conflict of interest are identified and managed,
- The Role of proxy Advisers.

In addition, a Proxy Voting Committee has been established within Candriam, Its role is to evaluate the voting policy and make changes to it when deemed appropriate.

The Committee consists of internal representatives from the Management, Operations, Risk and ESG Research & Stewardship Teams. Representatives of the Legal department may attend meetings upon request.

There are no securities lending programs for funds which are part of the present SICAV.

(\*)<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>

### European directive on shareholders' rights (SRD II) (1)

In accordance with the transparency rules set out in the "Shareholders' Rights" European directive and related to annual disclosures to institutional investors, you can obtain additional information on the investment strategy implemented by Candriam and the contribution of this strategy to the medium to long-term performance of the fund.

You may submit your request to the following address: <https://www.candriam.fr/contact/>.

(1) Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

Sub-Funds	Portfolio Turnover Rate (in %)*
Candriam Sustainable Balanced Asset Allocation	78.16
Candriam Sustainable Defensive Asset Allocation	56.04
Candriam Sustainable Equity Children	134.97
Candriam Sustainable Equity Circular Economy	61.27
Candriam Sustainable Equity Climate Action	48.11
Candriam Sustainable Equity Emerging Markets	113.37
Candriam Sustainable Equity EMU	29.48
Candriam Sustainable Equity Europe	12.34
Candriam Sustainable Equity Europe Small & Mid Caps	14.46
Candriam Sustainable Equity Future Mobility	26.13
Candriam Sustainable Equity Japan	239.31
Candriam Sustainable Equity Quant Europe	160.89
Candriam Sustainable Equity US	171.47
Candriam Sustainable Equity World	170.24

\* Formula used  $[(Total\ purchases + total\ sales) - (total\ subscriptions + total\ redemptions)] / Average\ of\ net\ assets\ during\ the\ period\ under\ review$



## Additional unaudited information

### Information concerning the remuneration policy

European Directive 2014/91/EU amending Directive 2009/65/EC on undertakings for collective investment in transferable securities, which is applicable to the SICAV, came into force on 18 March 2016. It is implemented in national law under the Luxembourg Act of 10 May 2016 implementing Directive 2014/91/EU. Due to these new regulations, the SICAV is required to publish information relating to the remuneration of identified employees within the meaning of the Act in the annual report.

Candriam holds a double license, first, as a management company in accordance with section 15 of the Law of December 17, 2010 on undertakings for collective investment and, second, as a manager of alternative investment funds in accordance with the Law of July 12, 2013 relating to alternative investment fund managers. The responsibilities incumbent on Candriam under these two laws are relatively similar and Candriam considers that its personnel is remunerated in the same manner for tasks relating to administration of UCITS and of alternative investment funds.

During its financial year ended on December 31, 2023, Candriam paid the following amounts to its personnel:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 17,425,254.
- Total gross amount of variable remunerations paid: EUR 6,348,617.
- Number of beneficiaries: 146.

Aggregate amount of remunerations, broken down between senior management and the members of the personnel of the investment manager whose activities have a significant impact on the funds risk profile. The systems of Candriam do not permit such an identification for each fund under management. The numbers below also show the aggregate amount of overall remunerations at Candriam.

- Aggregate amount of the remunerations of the senior management: EUR 5,155,684.
- Aggregate amount of the remunerations of the members of the personnel of Candriam whose activities have a significant impact on the risk profile of the funds of which it is the management company (excluding senior management): EUR 2,015,066.

Remunerations paid by Candriam to the personnel of its Belgian branch (i.e. Candriam – Belgian Branch), acting as investment manager, during the financial year ended on December 31, 2023:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 25,071,403.
- Total gross amount of variable remunerations paid: EUR 8,188,525.
- Number of beneficiaries: 245.

Aggregate amount of remunerations, broken down between senior management and the members of the personnel of the investment manager whose activities have a significant impact on the funds risk profile. The systems of the investment manager do not permit such an identification for each fund under management. The numbers below also show the aggregate amount of overall remunerations at the level of the investment manager.

- Aggregate amount of the remunerations of the senior management: EUR: 6,214,566
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 4,602,623.

Remunerations paid by Candriam to the personnel of its French branch (i.e. Candriam – Succursale française), acting as investment manager(s), during the financial year ended on December 31, 2023:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 19,094,936.
- Total gross amount of variable remunerations paid: EUR 6,255,350.
- Number of beneficiaries: 202.

Aggregate amount of remunerations, broken down between senior management and the members of the personnel of the investment manager whose activities have a significant impact on the funds risk profile. The systems of the investment manager do not permit such an identification for each fund under management. The numbers below also show the aggregate amount of overall remunerations at the level of the investment manager.

- Aggregate amount of the remunerations of the senior management: EUR 4,298,365.
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 3,422,966.

The remuneration policy was last reviewed by the remuneration committee of Candriam on January 29, 2021 and was adopted by the Board of Directors of Candriam



Additional unaudited information

**Information concerning the remuneration policy (continued)**

**Sustainable Finance Disclosure Regulation (SFDR)**

All the sub-funds of the SICAV are falling under article 9 of SFDR.

# Candriam Sustainable Balanced Asset Allocation

549300BR7KE8KDJI4O45

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 43.97%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 50.77%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicator:

- Carbon footprint: the Sub-fund aimed to have a carbon footprint that is at least 25% lower than the carbon footprint of the fund's reference benchmark.

Moreover, the following indicators were monitored either directly for the direct lines investments or indirectly in the underlying UCITS/UCI managed by Candriam :

- to assure that there are no investments in issuers that are in violation with the OECD Guidelines for Multinational Enterprises or the UN Global Compact.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed to have a carbon footprint that is at least 25% lower than the carbon footprint of the Sub-Fund's reference benchmark.

The Sub-Fund aimed to reduce greenhouse gas emissions versus its benchmark is a first step towards the objectives of the Paris agreement. On a later stage, other steps will be set in order to ensure carbon emissions reduction in view of achieving the Paris Agreement

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 25% reduction vs bench	29.11	75.16	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 25% reduction vs bench	2022	25.56	77.32

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	94.74%	93.06%
#2 Not sustainable	5.26%	6.64%
Environmental	43.97%	42.64%
Social	50.77%	50.42%
Taxonomy-aligned	0.00%	0.00%
Other	43.97%	42.64%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

For the analysis of corporate issuers, these methods include:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.

2. Negative Country Screening, which includes the following:

- Candriam's list of highly oppressive regimes -States with serious human rights violations;
- Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

As the current financial product is only investing in funds, for any information on related engagement, we invite you to refer to the annual reports of the invested funds. Candriam engagement policy is available on Candriam website (<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>). Our engagement policy is available on Candriam website (<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>).

### **EXCLUSIONS**

#### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

#### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

#### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

#### **PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	126.92	69.06%	70.06%
Scope 2 GHG Emissions	65.84	69.06%	70.06%
Total GHG Emissions	192.76	69.06%	69.98%
2 - Carbon Footprint	29.11	69.06%	69.98%
3 - GHG intensity of investee companies	88.55	69.04%	69.98%
4 - Exposure to companies active in fossil fuel sector	1.74%	68.75%	69.99%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	74.90%	74.94%
13 - Board gender diversity	36.55%	66.39%	74.95%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	74.89%	74.94%
15 - GHG intensity	233.28	12.14%	12.66%
16 - Investee countries subject to social violations	0.00%	14.19%	14.27%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
CANDRIAM SUST EQUITY US Z USD C	Investments Funds	13.64%	LUX
CANDRIAM SUS EQUITY EUROPE Z EUR C	Investments Funds	12.17%	LUX
CANDRIAM SUSTAINABLE SICAV	Investments Funds	11.30%	LUX
CANDRIAM SUS BD EURO CORPORATE Z EUR C	Investments Funds	10.70%	LUX
CANDRIAM SUS BD EURO SHORT TERM Z EUR C	Investments Funds	10.65%	LUX
CANDRIAM SUST EQTY QUANT EUR Z EUR ACC	Investments Funds	8.66%	LUX
CANDRIAM SUS EQUITY EMG MARKETS Z EUR C	Investments Funds	8.31%	LUX
CANDRIAM SUS BOND GLOBAL Z EUR C	Investments Funds	4.56%	LUX
CANDRIAM SUS MONEY MARKET EURO Z EUR C	Investments Funds	2.70%	LUX
CANDRIAM SUS BOND EMG MARKETS Z USD C	Investments Funds	2.53%	LUX
CANDRIAM SUS EQUITY JAPAN Z JPY C	Investments Funds	2.18%	LUX
INDEXIQ FACTORS SUSTAINABLE SOVEREIGN EU	Investments Funds	2.10%	LUX
CANDRIAM SUS EQT CLIMATE ACT Z USD C	Investments Funds	1.51%	LUX
CANDRIAM SUS BD GLO HIGH YIELD Z EUR C	Investments Funds	1.49%	LUX
CANDRIAM SUS EQUITY WORLD Z EUR C	Investments Funds	1.30%	LUX

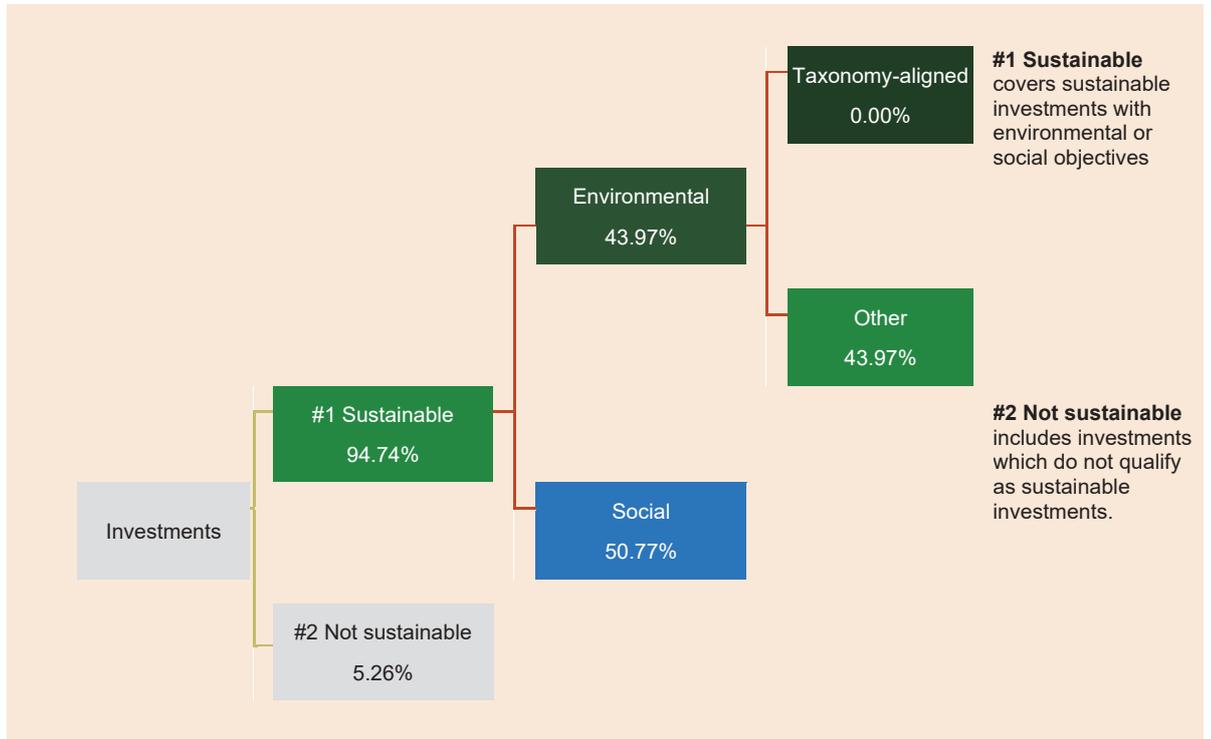
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● ***In which economic sectors were the investments made?***

<b>Top sector</b>	<b>% of Assets</b>
Investments Funds	99.51%
Bonds of States, Provinces and municipalities	0.49%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

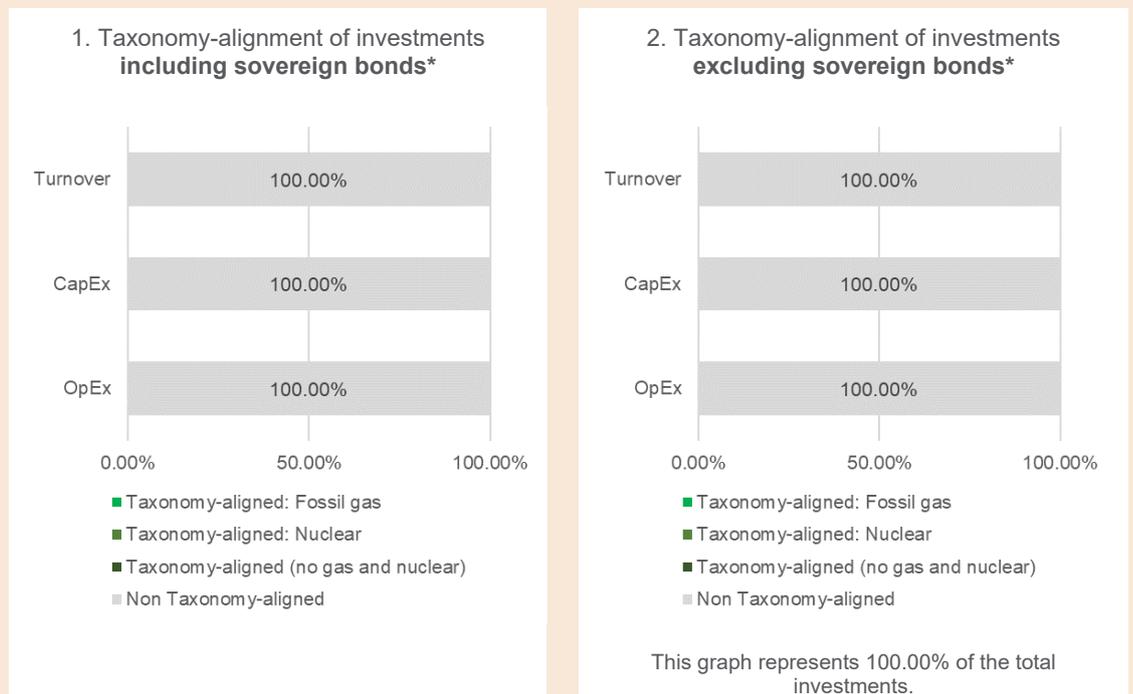
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 43.97% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 50.77%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 5.26% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

→ **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 25% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 29.11 Tons CO2eq per million € invested, 61.27% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

→ **How did this financial product perform compared to the reference sustainable benchmark?**

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

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 47.47%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 47.77%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Freedom House: a weighted average Freedom House Total Score higher than the Sub-Fund's reference benchmark.
- CO2 intensity country score: a CO2 intensity country score 30% lower than the Sub-Fund's reference benchmark.
- ESG score: a weighted average country ESG score 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 were monitored:

- to assure that there are no investments in issuers that are in violation with the OECD Guidelines for Multinational Enterprises or the UN Global Compact.
- to assure that there are no investments in issuers that are on the Candriam's SRI Level 3 exclusion list as a result of the application of the Candriam's Exclusion Policy.
- to ensure that there were no sovereign investments in countries that are on Candriam's Oppressive regime list
- to ensure that there were no sovereign investments in countries considered "Not free" by Freedom House.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices for the corporates.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed to have a CO2 Intensity Country level that is at least 30% lower than the Sub-Fund's reference benchmark.

Moreover, Candriam being part of the Net Zero Asset Management initiative, the Sub-Fund aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Freedom House Index - Country - Higher than bench	72.81	52.01	
Carbon Intensity - Country - 30% reduction vs bench	176.18	257.15	
ESG Score - Country - Higher than bench	35.02	30.00	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Freedom House Index - Country - Higher than bench	2022	72.27	51.49
Carbon Intensity - Country - 3% reduction vs bench	2022	198.28	258.85
ESG Score - Country - Higher than bench	2022	34.27	30.02

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	95.24%	96.96%
#2 Not sustainable	4.76%	2.96%
Environmental	47.47%	50.52%
Social	47.77%	46.43%
Taxonomy-aligned	0.00%	0.00%
Other	47.47%	50.52%

**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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

For the analysis of corporate issuers, these methods include:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:
  - the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
  - company's interactions with key stakeholders.
2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.
3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.
2. Negative Country Screening, which includes the following:
  - Candriam's list of highly oppressive regimes -States with serious human rights violations;
  - Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **DIALOGUE** with non corporate issuers

This financial product is invested in non corporate issuers we engage with. For non-corporate issuers, such as sovereigns, agencies or supranationals, large majority of our engagement is done through collaborative dialogues and statements. Climate (PAI1 to PAI6) and biodiversity (PAI7) are the topics we predominantly engage on with them. For more information, please refer

to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions,
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 5 financial product's issuers targeted, 80% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 4 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 2 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **EXCLUSIONS**

### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	4,164.59	4.35%	6.27%
Scope 2 GHG Emissions	2,538.73	4.35%	6.27%
Total GHG Emissions	6,703.32	4.35%	6.27%
2 - Carbon Footprint	125.42	4.35%	6.27%
3 - GHG intensity of investee companies	272.59	4.35%	6.27%
4 - Exposure to companies active in fossil fuel sector	1.10%	4.35%	6.27%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	7.30%	7.74%
13 - Board gender diversity	25.99%	2.92%	7.90%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	7.30%	7.74%
15 - GHG intensity	317.58	80.78%	83.51%
16 - Investee countries subject to social violations	0.00%	83.15%	85.77%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
POLAND 3.875 23-33 14/02A	Bonds of States, Provinces and municipalities	1.43%	POL
NAMIBIA 5.25 15-25 29/10S	Bonds of States, Provinces and municipalities	1.34%	NAM
ROMANIA 5.25 22-27 25/05S	Bonds of States, Provinces and municipalities	1.29%	ROU
PANAMA 6.4 22-35 14/02S	Bonds of States, Provinces and municipalities	1.24%	PAN
COSTA RICA 4.375 13-25 30/04S	Bonds of States, Provinces and municipalities	1.23%	CRI
ROMANIA 6 22-34 25/05A	Bonds of States, Provinces and municipalities	1.23%	ROU
POLAND 4.25 23-43 14/02A	Bonds of States, Provinces and municipalities	1.20%	POL
COLOMBIA 8 22-33 20/04S	Bonds of States, Provinces and municipalities	1.11%	COL
COSTA RICA 6.55 23-34 03/04S	Bonds of States, Provinces and municipalities	1.11%	CRI
CHILE 4.125 23-34 05/07A	Bonds of States, Provinces and municipalities	1.11%	CHL
CHILE 4.34 22-42 07/03S	Bonds of States, Provinces and municipalities	1.09%	CHL
DOMINICAN REPUBLIC 5.50 15-25 27/01S	Bonds of States, Provinces and municipalities	1.08%	DOM
COLOMBIA 7.5 23-34 02/02S	Bonds of States, Provinces and municipalities	1.07%	COL
PERU 1.95 21-36 17/11A	Bonds of States, Provinces and municipalities	1.04%	PER
MEXICO 4.28 21-41 14/08S	Bonds of States, Provinces and municipalities	1.03%	MEX

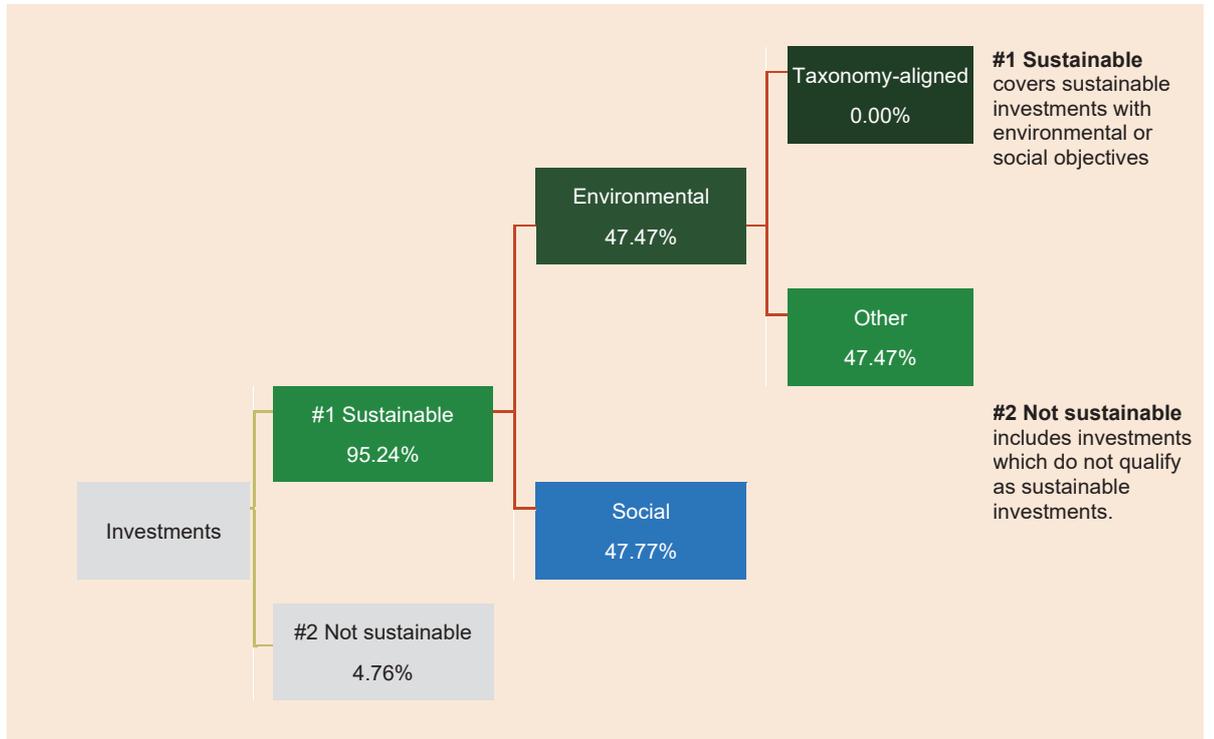
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Bonds of States, Provinces and municipalities	83.86%
Banks and other financial institutions	10.61%
Communication	1.47%
Non Classifiable Institutions	0.97%
Utilities	0.88%
Transportation	0.83%
Paper and forest products	0.71%
Investments funds	0.36%
Real estate	0.17%
Foods and non alcoholic drinks	0.11%
Healthcare	0.03%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

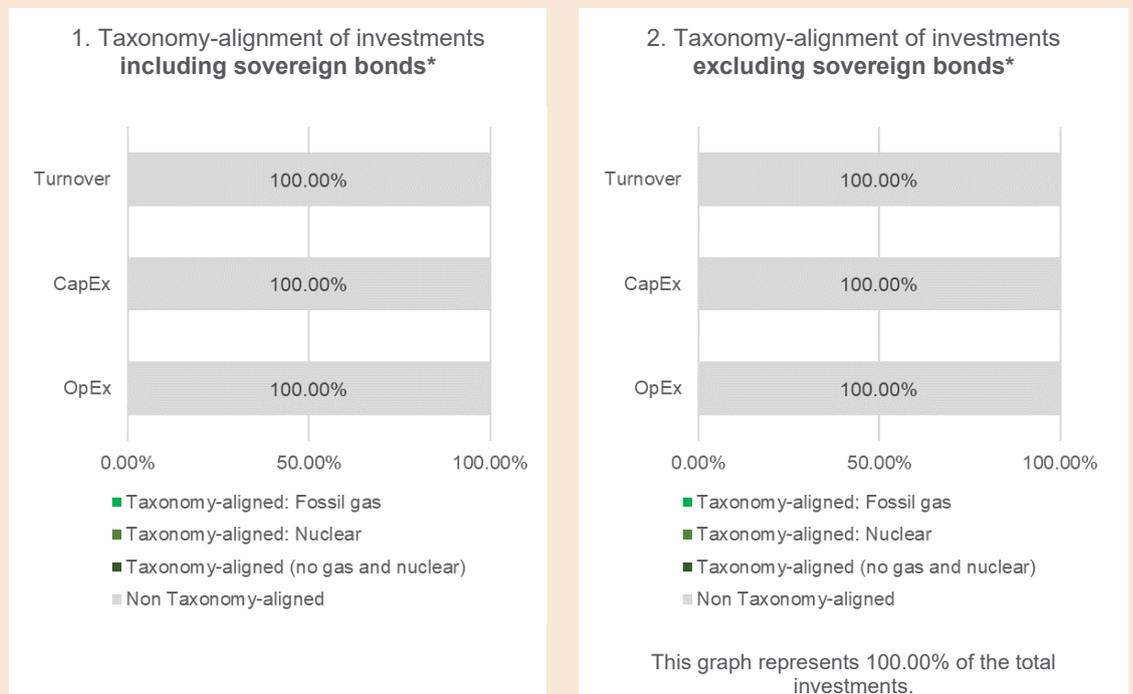
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 47.47% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 47.77%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 4.76% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve an average issuer country Freedom House score higher than that of the benchmark.

Over the reference period, the financial product displayed a score of 72.81, 39.97% higher compared to its benchmark.

In comparison to the previous year, the financial product overall Freedom House index is flat.

The financial product has achieved its objective by selectively favouring countries with stronger Freedom House scores.

The financial product aims to achieve a country carbon intensity score at least 30% lower than that of its benchmark.

Over the reference period, the financial product displayed a country carbon intensity of 176.18, 31.49% lower compared to its benchmark.

In comparison to the previous year, the financial product overall Country Carbon Intensity is lower by 11.14%.

The financial product has achieved its objective by favouring issuers with lower carbon intensity.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 35.02, 16.74% higher compared to its benchmark.

In comparison to the previous year, the financial product overall ESG score is higher by 2.2%.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. More precisely, the financial product invested in 2 issuer(s) in Agencies and Utilities with improving ESG score while it divested from 1 issuer(s) in Multi-Sector Holdings with deteriorating ESG score.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 60.16%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 39.77%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- carbon footprint : a carbon footprint at least 30% lower than the carbon footprint of the Sub-Fund's reference Benchmark.
- Green bonds : investment of at least 10% of the Sub-Fund's total net assets into Green Bonds. The Sub-Fund aimed to increase the proportion of Green Bonds to 20% by the end of 2025.
- ESG score : 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Candriam's Oppressive regime list: to ensure that there were no sovereign investments in countries that are on Candriam's Oppressive regime list
- Countries considered "Not free" by Freedom House: to ensure that there were no sovereign investments in countries considered "Not free" by Freedom House.

### ● How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change

and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices for the corporates.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	28.98	67.95	
ESG Score - Country and Corporate - Higher than bench	57.70	56.28	
Green Bonds - Country and Corporate - Min 10% / Min 20% 2025	22.83%		

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	31.62	70.12
ESG Score - Country and Corporate - Higher than bench	2022	57.73	56.21
Green Bonds - Min 1% / Min 2% 2025	2022	18.50%	

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	99.93%	98.65%
#2 Not sustainable	0.07%	0.97%
Environmental	60.16%	57.16%
Social	39.77%	41.49%
Taxonomy-aligned	0.00%	0.00%
Other	60.16%	57.16%

**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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

For the analysis of corporate issuers, these methods include:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.

2. Negative Country Screening, which includes the following:

- Candriam's list of highly oppressive regimes -States with serious human rights violations;
- Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **DIALOGUE** with non corporate issuers

This financial product is invested in non corporate issuers we engage with. For non-corporate issuers, such as sovereigns, agencies or supranationals, large majority of our engagement is done through collaborative dialogues and statements. Climate (PAI1 to PAI6) and biodiversity (PAI7) are the topics we predominantly engage on with them. For more information, please refer

to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

23 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 100 financial product's issuers targeted, 98% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 29 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 62 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 87 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **EXCLUSIONS**

### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

#### **PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	5,855.42	30.82%	31.36%
Scope 2 GHG Emissions	2,481.87	30.82%	31.36%
Total GHG Emissions	8,337.29	30.82%	31.26%
2 - Carbon Footprint	28.98	30.82%	31.26%
3 - GHG intensity of investee companies	78.29	30.82%	31.26%
4 - Exposure to companies active in fossil fuel sector	0.42%	30.64%	31.26%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	41.29%	41.29%
13 - Board gender diversity	40.23%	35.61%	41.31%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	41.29%	41.29%
15 - GHG intensity	191.39	29.78%	33.20%
16 - Investee countries subject to social violations	0.00%	42.79%	42.89%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
AUSTRIA 0.9 22-32 20/02A	Bonds of States, Provinces and municipalities	1.91%	AUT
GERMANY 0.00 20-35 15/05A	Bonds of States, Provinces and municipalities	1.61%	DEU
EUROPEAN UNION 2.0 22-27 04/10A	Supranational Organisations	1.33%	BEL
ITALY 0.85 19-27 15/01S	Bonds of States, Provinces and municipalities	1.27%	ITA
FRANCE 0.7500 22-28 25/02A	Bonds of States, Provinces and municipalities	1.26%	FRA
SPAIN 0.80 20-27 30/07A	Bonds of States, Provinces and municipalities	1.23%	ESP
FRANCE 1.75 16-39 25/06A	Bonds of States, Provinces and municipalities	1.23%	FRA
SPAIN 2.55 22-32 31/10A	Bonds of States, Provinces and municipalities	1.19%	ESP
ITALY 2.00 18-28 01/02S	Bonds of States, Provinces and municipalities	1.06%	ITA
ITALY 2.45 16-33 01/09S	Bonds of States, Provinces and municipalities	1.01%	ITA
BELGIUM 1.25 18-33 22/04A	Bonds of States, Provinces and municipalities	0.97%	BEL
NETHERLANDS 0.50 19-40 15/01A	Bonds of States, Provinces and municipalities	0.95%	NLD
IRELAND 1.35 18-31 18/03A	Bonds of States, Provinces and municipalities	0.93%	IRL
FRANCE 0.5 20-44 25/06A	Bonds of States, Provinces and municipalities	0.90%	FRA
FRANCE 0.5 18-29 25/05A	Bonds of States, Provinces and municipalities	0.88%	FRA

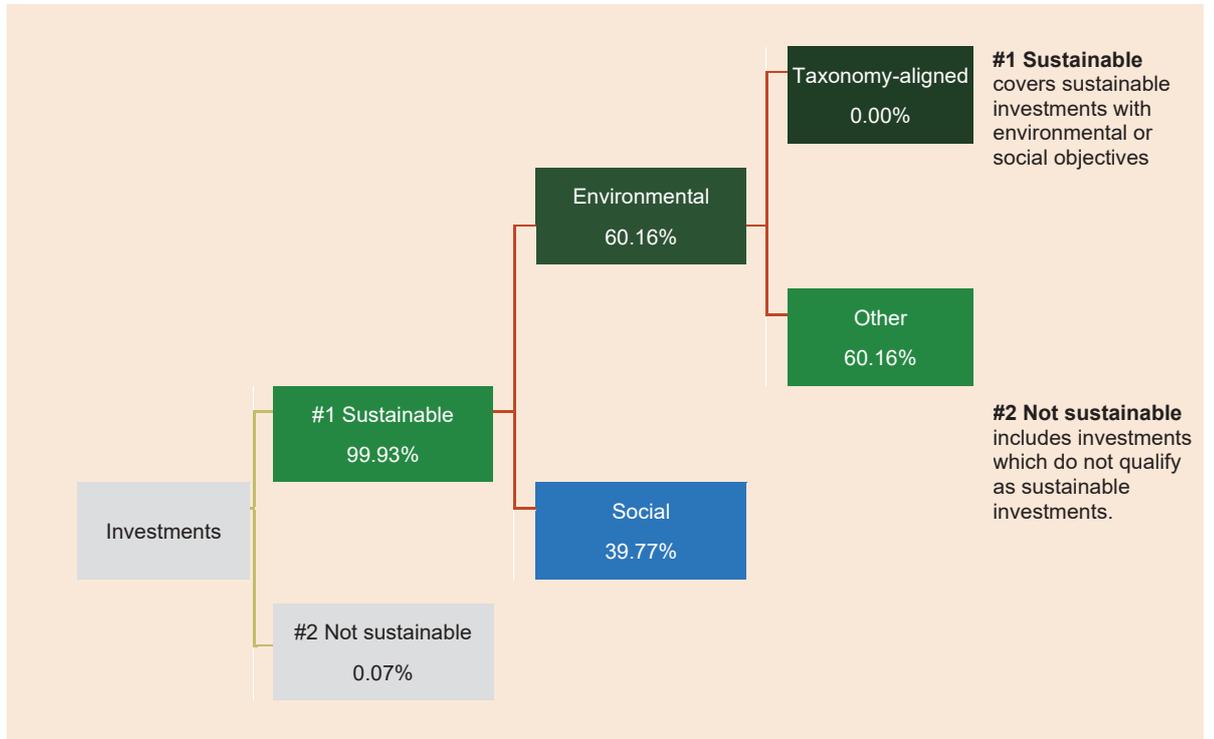
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Bonds of States, Provinces and municipalities	42.70%
Banks and other financial institutions	31.19%
Supranational Organisations	9.28%
Communication	2.32%
Pharmaceuticals	1.52%
Utilities	1.28%
Miscellaneous services	1.17%
Insurance	1.09%
Foods and non alcoholic drinks	1.05%
Miscellaneous consumer goods	1.02%
Electrical engineering	0.96%
Real estate	0.94%
Office supplies and computing	0.94%
Electronics and semiconductors	0.85%
Transportation	0.65%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

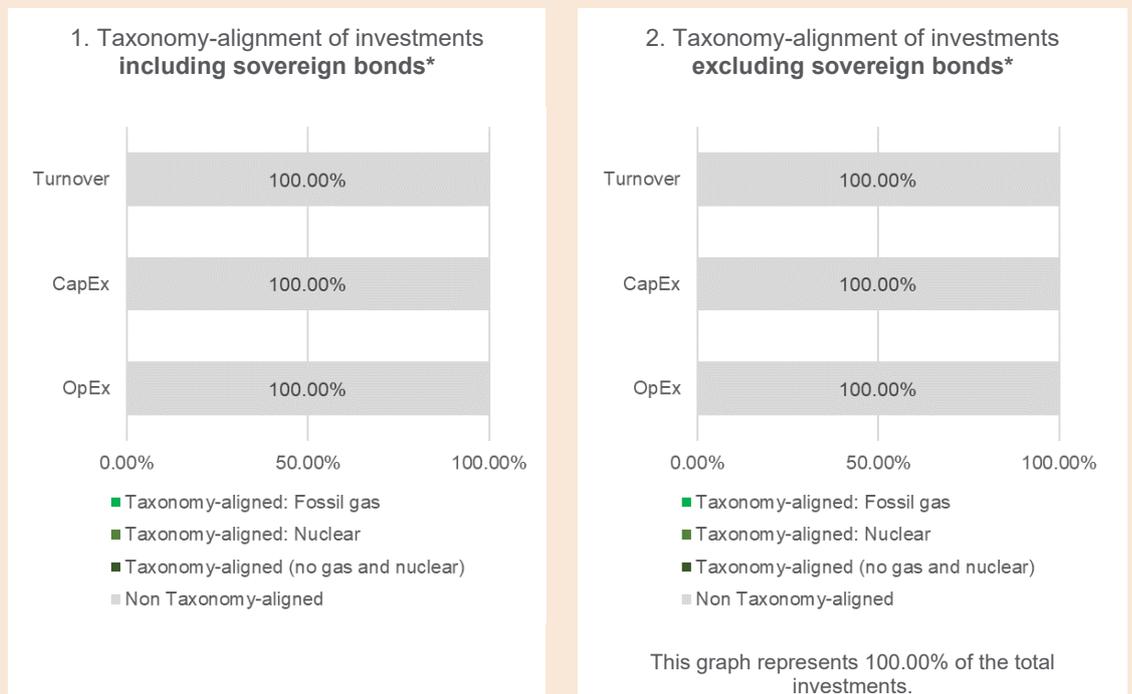
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 60.16% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 39.77%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 0.07% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 28.98 Tons CO2eq per million € invested, 57.35% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 8.36%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 57.7, 2.52% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 1 issuer(s) in Health Care with improving ESG profiles and divested from 4 issuer(s) in Banks and Personal & Household Goods with deteriorating ESG profiles.

The financial product aims to invest at least 10% of net assets in green bonds.

Over the reference period, the financial product invested in 22.83% of its net assets in green bonds.

In comparison the previous year, the proportion of net assets invested green bonds is higher.

The financial product has achieved its objective by continued active participation in green bond markets. Notably, the financial product invested in green bonds issued by Automobiles & Parts, Banks, Basic Resources, Diversified Banks and Utilities or Agencies, European Investment Bank and Local Governments.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 64.50%</b></li> <li style="margin-left: 20px;"><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li style="margin-left: 20px;"><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 33.39%</b></li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investment</li> <li style="margin-left: 20px;"><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li style="margin-left: 20px;"><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li style="margin-left: 20px;"><input type="checkbox"/> with a social objective</li> <li><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></li> </ul>



### To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint : a carbon footprint at least 30% lower than the carbon footprint of the Sub-Fund's reference Benchmark.
- Green bonds : at least 10% of the Sub-Fund's total net assets invested in Green Bonds. The Sub-Fund aimed to increase the proportion of Green Bonds to 20% by the end of 2025.
- ESG score : a weighted average ESG score 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	47.54	88.89	
ESG Score - Corporate - Higher than bench	56.07	52.51	
Green Bonds - Country and Corporate - Min 10% / Min 20% 2025	15.02%		

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	25.37	92.06
ESG Score - Corporate - Higher than bench	2022	56.57	51.95
Green Bonds - Min 1% / Min 2% 2025	2022	13.80%	

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	97.89%	91.83%
#2 Not sustainable	2.11%	8.22%
Environmental	64.50%	56.37%
Social	33.39%	35.46%
Taxonomy-aligned	0.00%	0.00%
Other	64.50%	56.37%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## How were the indicators for adverse impacts on sustainability factors taken into account?

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## How did this financial product consider principal adverse impacts on sustainability factors?

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### ENGAGEMENT

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular

to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

13 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 100 financial product's issuers targeted, 95% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 30 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 56 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 74 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **EXCLUSIONS**

### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	54,767.06	74.97%	79.65%
Scope 2 GHG Emissions	13,611.41	74.97%	79.65%
Total GHG Emissions	68,378.46	74.97%	79.18%
2 - Carbon Footprint	47.54	74.97%	79.18%
3 - GHG intensity of investee companies	97.10	74.96%	79.18%
4 - Exposure to companies active in fossil fuel sector	2.80%	75.66%	79.09%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	93.59%	93.59%
13 - Board gender diversity	38.83%	73.58%	93.57%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	93.58%	93.59%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
CANDRIAM SUS MONEY MARKET EURO Z EUR C	Banks and other financial institutions	3.04%	LUX
TOYOTA MOTOR FINANCE 3.50 23-28 13/01A	Banks and other financial institutions	1.44%	NLD
L OREAL 2.875 23-28 19/05A	Pharmaceuticals	1.32%	FRA
PROCTER AND GAMBLE 3.25 23-26 02/08A	Miscellaneous consumer goods	1.08%	USA
LA POSTE 3.75 23-30 12/06A	Miscellaneous services	1.03%	FRA
VOLKSWAGEN INTL FIN FL.R 20-XX 17/06A	Banks and other financial institutions	0.93%	NLD
BFCM BANQUE 4.125 23-29 13/03A	Banks and other financial institutions	0.93%	FRA
TORONTO DOMINION BANK 3.631 22-29 13/12A	Banks and other financial institutions	0.91%	CAN
CREDIT MUTUEL ARKEA 3.375 22-27 19/09A	Banks and other financial institutions	0.85%	FRA
LLOYDS BANK CORPORAT 4.125 23-27 30/05A	Banks and other financial institutions	0.79%	GBR
SKANDINAVISKA ENSKIL 3.75 23-28 07/02A	Banks and other financial institutions	0.75%	SWE
BELFIUS SANV 3.875 23-28 12/06A	Banks and other financial institutions	0.75%	BEL
SIKA CAPITAL BV 3.75 23-26 03/11A	Banks and other financial institutions	0.71%	NLD
SOCIETE GENERALE SA 4.125 23-27 02/06A	Banks and other financial institutions	0.70%	FRA
BPCE 3.50 23-28 25/01A	Banks and other financial institutions	0.68%	FRA

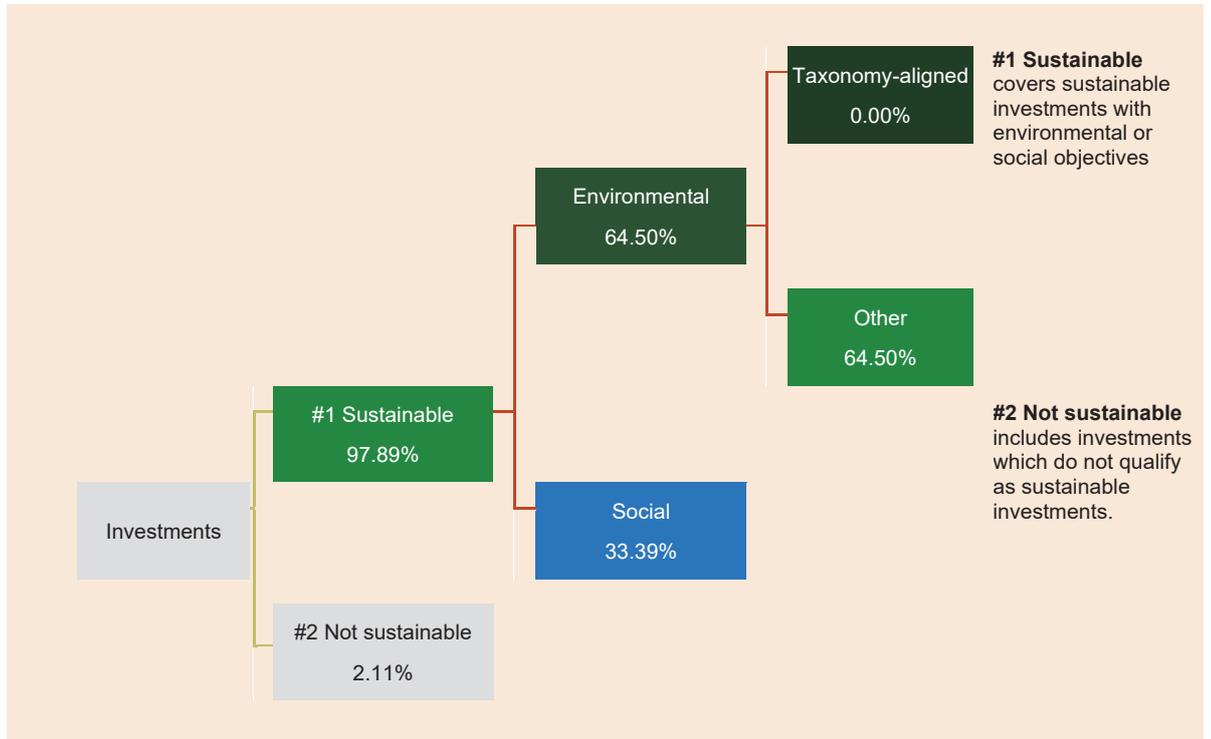
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Banks and other financial institutions	61.88%
Real estate	4.86%
Utilities	4.04%
Pharmaceuticals	3.51%
Communication	3.23%
Miscellaneous services	3.02%
Insurance	2.73%
Road vehicles	2.36%
Transportation	2.13%
Chemicals	1.92%
Miscellaneous consumer goods	1.85%
Building materials	1.77%
Bonds of States, Provinces and municipalities	1.10%
Office supplies and computing	1.04%
Electronics and semiconductors	1.00%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

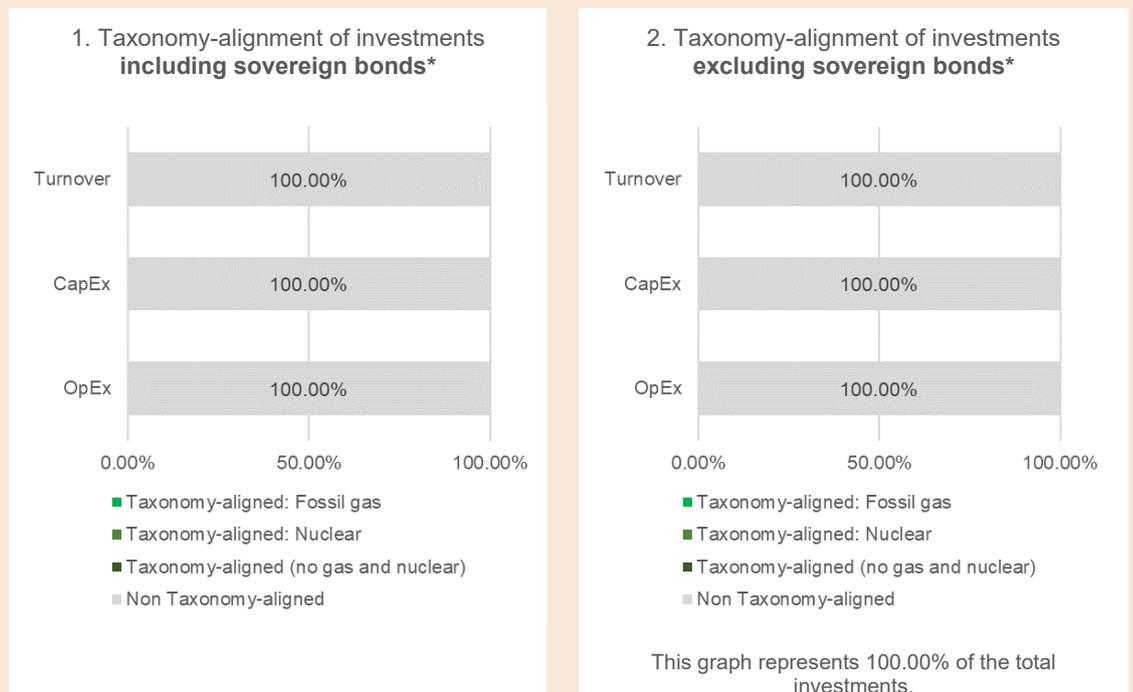
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 64.5% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 33.39%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 2.11% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 47.54 Tons CO2eq per million € invested, 46.51% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 56.07, 6.77% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 2 issuer(s) in Telecommunications and Utilities with improving ESG profiles and divested from 10 issuer(s) in Banks, Industrial Goods & Services and Personal & Household Goods with deteriorating ESG profiles.

The financial product aims to invest at least 10% of net assets in green bonds.

Over the reference period, the financial product invested in 15.02% of its net assets in green bonds.

In comparison the previous year, the proportion of net assets invested green bonds is higher.

The financial product has achieved its objective by continued active participation in green bond markets. Notably, the financial product invested in green bonds issued by Banks, Basic Resources, Chemicals, Industrial Goods & Services, Insurance, Oil & Gas, Real Estate, Telecommunications, Travel & Leisure and Utilities.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 57.46%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 41.76%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- carbon footprint : a carbon footprint at least 30% lower than the carbon footprint of the Sub-Fund's reference Benchmark.
- Green bonds : investment of at least 10% of the Sub-Fund's total net assets into Green Bonds. The Sub-Fund aimed to increase the proportion of Green Bonds to 20% by the end of 2025.
- ESG score : 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Candriam's Oppressive regime list: to ensure that there were no sovereign investments in countries that are on Candriam's Oppressive regime list
- Countries considered "Not free" by Freedom House: to ensure that there were no sovereign investments in countries considered "Not free" by Freedom House.

### ● How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change

and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices for the corporates.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	19.41	65.84	
ESG Score - Country and Corporate - Higher than bench	57.03	55.68	
Green Bonds - Country and Corporate - Min 10% / Min 20% 2025	15.45%		

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	21.39	69.83
ESG Score - Country and Corporate - Higher than bench	2022	57.06	55.73
Green Bonds - Min 5% / Min 2% 225	2022	7.16%	

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	99.22%	98.64%
#2 Not sustainable	0.78%	1.16%
Environmental	57.46%	54.05%
Social	41.76%	44.59%
Taxonomy-aligned	0.00%	0.00%
Other	57.46%	54.05%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

For the analysis of corporate issuers, these methods include:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.

2. Negative Country Screening, which includes the following:

- Candriam's list of highly oppressive regimes -States with serious human rights violations;
- Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **DIALOGUE** with non corporate issuers

This financial product is invested in non corporate issuers we engage with. For non-corporate issuers, such as sovereigns, agencies or supranationals, large majority of our engagement is done through collaborative dialogues and statements. Climate (PAI1 to PAI6) and biodiversity (PAI7) are the topics we predominantly engage on with them. For more information, please refer

to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

19 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en/>], a large transparency survey feeding our investment processes : out of the 101 financial product's issuers targeted, 99.01% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 31 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 59 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 86 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **EXCLUSIONS**

### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

#### **PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	11,056.71	55.28%	55.93%
Scope 2 GHG Emissions	6,839.58	55.28%	55.93%
Total GHG Emissions	17,896.29	55.28%	55.80%
2 - Carbon Footprint	19.41	55.28%	55.80%
3 - GHG intensity of investee companies	53.69	55.28%	55.80%
4 - Exposure to companies active in fossil fuel sector	0.68%	54.83%	55.75%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	70.67%	70.67%
13 - Board gender diversity	40.14%	62.30%	70.66%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	70.67%	70.67%
15 - GHG intensity	190.92	23.32%	23.41%
16 - Investee countries subject to social violations	0.00%	23.96%	23.96%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:

01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
SPAIN 0.00 20-25 31/01	Bonds of States, Provinces and municipalities	2.32%	ESP
CANDRIAM SUS MONEY MARKET EURO Z EUR C	Banks and other financial institutions	2.14%	LUX
ITALY BUONI POL TESO 3.5 22-26 15/01S	Bonds of States, Provinces and municipalities	2.05%	ITA
ITALY BUONI POLIENNALI 3.80 23-26 15/04S	Bonds of States, Provinces and municipalities	1.53%	ITA
SPAIN 2.75 14-24 31/10A	Bonds of States, Provinces and municipalities	1.48%	ESP
ITALY 1.45 25 15-03S	Bonds of States, Provinces and municipalities	1.30%	ITA
SPAIN 0 22-25 31/05A	Bonds of States, Provinces and municipalities	1.28%	ESP
ITALY 0.35 19-25 01/02S	Bonds of States, Provinces and municipalities	1.24%	ITA
ITALY 2.5 18-25 15/11S	Bonds of States, Provinces and municipalities	0.92%	ITA
SPAIN 2.8 23-26 31/05A	Bonds of States, Provinces and municipalities	0.76%	ESP
SPAIN 4.65 10-25 30/07A	Bonds of States, Provinces and municipalities	0.76%	ESP
BELGIUM 0.50 17-24 22/10A	Bonds of States, Provinces and municipalities	0.68%	BEL
ITALY 1.2 22-25 15/08S	Bonds of States, Provinces and municipalities	0.63%	ITA
ADIDAS AG 0.00 20-24 09/09A	Textiles and garments	0.63%	DEU
ITALY 3.75 14-24 01/09S	Bonds of States, Provinces and municipalities	0.63%	ITA

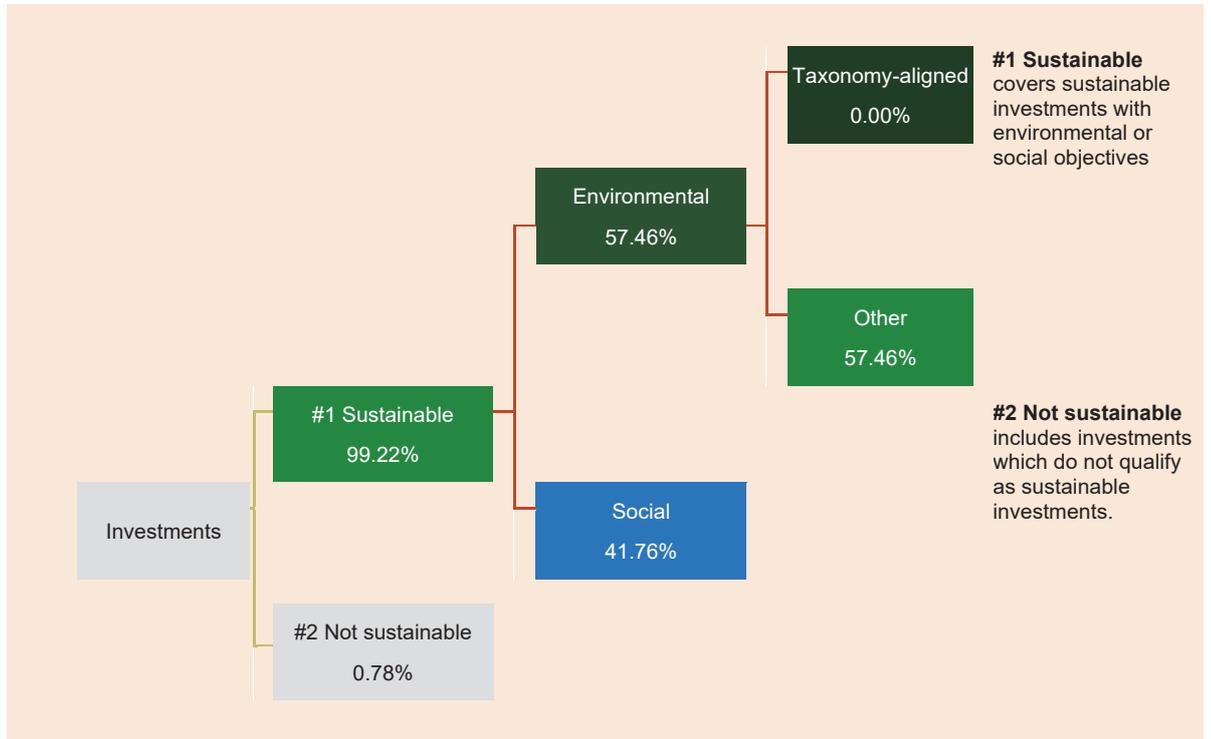
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Banks and other financial institutions	46.84%
Bonds of States, Provinces and municipalities	23.94%
Communication	4.11%
Electronics and semiconductors	2.39%
Pharmaceuticals	2.33%
Electrical engineering	2.03%
Utilities	1.78%
Supranational Organisations	1.78%
Real estate	1.76%
Insurance	1.69%
Internet and internet services	1.57%
Office supplies and computing	1.26%
Miscellaneous consumer goods	1.22%
Foods and non alcoholic drinks	1.10%
Building materials	0.91%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

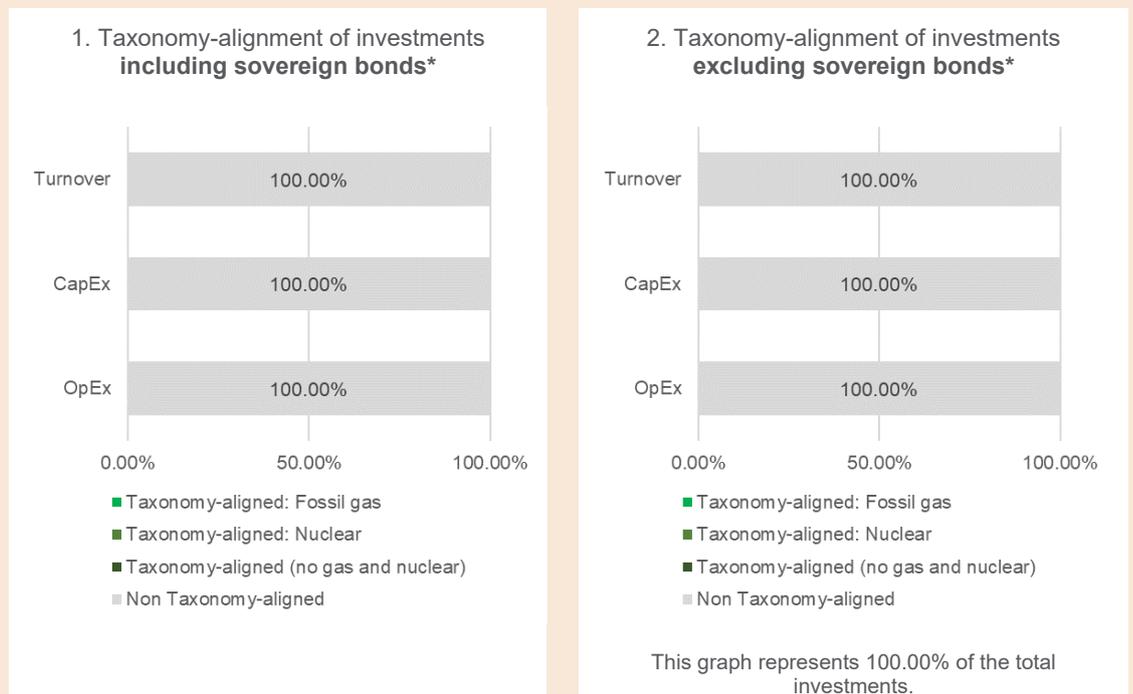
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 57.46% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 41.76%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 0.78% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 19.41 Tons CO2eq per million € invested, 70.52% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 9.25%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 57.03, 2.44% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 3 issuer(s) in Chemicals, Health Care and Integrated Telecommunication Services with improving ESG profiles and divested from 8 issuer(s) in Banks, Industrial Goods & Services and Personal & Household Goods with deteriorating ESG profiles.

The financial product aims to invest at least 10% of net assets in green bonds.

Over the reference period, the financial product invested in 15.45% of its net assets in green bonds.

In comparison the previous year, the proportion of net assets invested green bonds is higher.

The financial product has achieved its objective by continued active participation in green bond markets. Notably, the financial product invested in green bonds issued by Automobiles & Parts, Banks, Basic Resources, Covered - Other, Diversified Banks, Utilities and Wireless Telecommunication Services.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 53.95%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 42.31%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- carbon footprint : a carbon footprint at least 30% lower than the carbon footprint of the Sub-Fund's reference Benchmark.
- Green bonds : investment of at least 10% of the Sub-Fund's total net assets into Green Bonds. The Sub-Fund aimed to increase the proportion of Green Bonds to 20% by the end of 2025.
- ESG score : 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Candriam's Oppressive regime list: to ensure that there were no sovereign investments in countries that are on Candriam's Oppressive regime list
- Countries considered "Not free" by Freedom House: to ensure that there were no sovereign investments in countries considered "Not free" by Freedom House.

### ● How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change

and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices for the corporates.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	22.23	122.30	
ESG Score - Country and Corporate - Higher than bench	54.20	49.63	
Green Bonds - Country and Corporate - Min 10% / Min 20% 2025	17.86%		

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	14.20	122.98
ESG Score - Country and Corporate - Higher than bench	2022	54.89	49.63
Green Bonds - Min 1% / Min 2% 2025	2022	17.03%	

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	96.25%	95.17%
#2 Not sustainable	3.75%	4.05%
Environmental	53.95%	53.76%
Social	42.31%	41.41%
Taxonomy-aligned	0.00%	0.00%
Other	53.95%	53.76%

**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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

For the analysis of corporate issuers, these methods include:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.

2. Negative Country Screening, which includes the following:

- Candriam's list of highly oppressive regimes -States with serious human rights violations;
- Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **DIALOGUE** with non corporate issuers

This financial product is invested in non corporate issuers we engage with. For non-corporate issuers, such as sovereigns, agencies or supranationals, large majority of our engagement is done through collaborative dialogues and statements. Climate (PAI1 to PAI6) and biodiversity (PAI7) are the topics we predominantly engage on with them. For more information, please refer

to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

17 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 81 financial product's issuers targeted, 98.77% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 20 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 52 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 70 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **EXCLUSIONS**

### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	1,420.40	28.22%	28.87%
Scope 2 GHG Emissions	737.63	28.22%	28.87%
Total GHG Emissions	2,158.03	28.22%	28.87%
2 - Carbon Footprint	22.23	28.22%	28.87%
3 - GHG intensity of investee companies	60.11	28.22%	28.87%
4 - Exposure to companies active in fossil fuel sector	0.57%	28.16%	28.89%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	35.34%	35.34%
13 - Board gender diversity	38.38%	30.64%	35.40%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	35.34%	35.34%
15 - GHG intensity	275.43	36.81%	37.72%
16 - Investee countries subject to social violations	0.00%	43.99%	44.04%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
BEI 2.2500 19-24 24/06S	Supranational Organisations	1.45%	LUX
INTL BK RECON DEVEL 1.625 21-28 10/05S	Supranational Organisations	1.44%	USA
UNITED STATES 1.125 20-25 28/02S	Bonds of States, Provinces and municipalities	1.40%	USA
JAPAN 0.005 21-23 01/10S	Bonds of States, Provinces and municipalities	1.15%	JPN
UNITED STATES 0.375 21-24 15/04S	Bonds of States, Provinces and municipalities	1.09%	USA
JAPAN 0.005 21-23 01/11S	Bonds of States, Provinces and municipalities	1.08%	JPN
KFW 0 21-31 15/09A	Banks and other financial institutions	1.05%	DEU
GERMANY 0 21-31 15/08A	Bonds of States, Provinces and municipalities	1.02%	DEU
EUROPEAN BANK FOR RE 4.25 21-28 07/02A	Supranational Organisations	0.99%	GBR
KREDITANSTALT FUER 2.9 23-26 24/02A	Banks and other financial institutions	0.95%	DEU
JAPAN 1.80 03-23 20/12S	Bonds of States, Provinces and municipalities	0.93%	JPN
UNITED STATES TREASU 4.125 23-28 31/07S	Bonds of States, Provinces and municipalities	0.90%	USA
CANDRIAM SUS BD IMPACT Z EUR C	Banks and other financial institutions	0.89%	LUX
KFW 1.0000 21-26 01/10S	Banks and other financial institutions	0.88%	DEU
JAPAN 0.10 19-24 20/09S	Bonds of States, Provinces and municipalities	0.87%	JPN

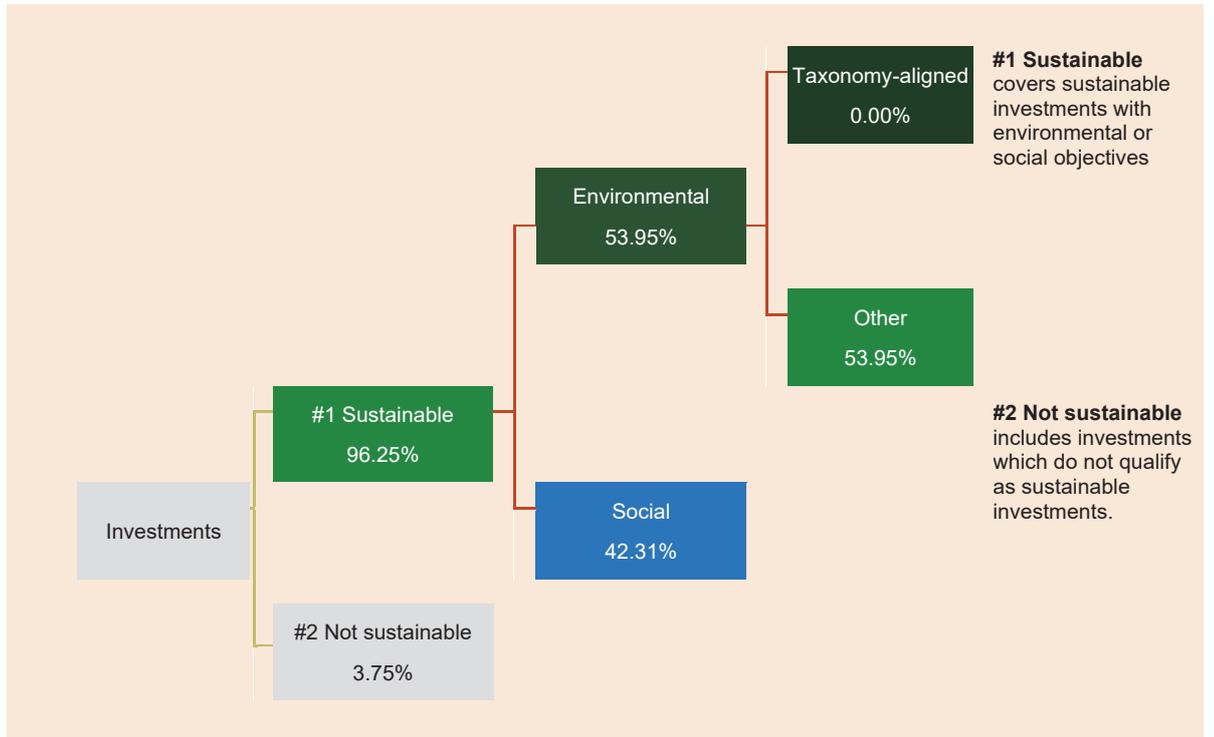
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Bonds of States, Provinces and municipalities	43.25%
Banks and other financial institutions	31.35%
Supranational Organisations	9.79%
Pharmaceuticals	1.72%
Communication	1.57%
Real estate	1.43%
Miscellaneous consumer goods	1.22%
Foods and non alcoholic drinks	1.14%
Electronics and semiconductors	0.91%
Retail trade and department stores	0.91%
Insurance	0.86%
Internet and internet services	0.73%
Miscellaneous services	0.63%
Transportation	0.59%
Electrical engineering	0.53%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

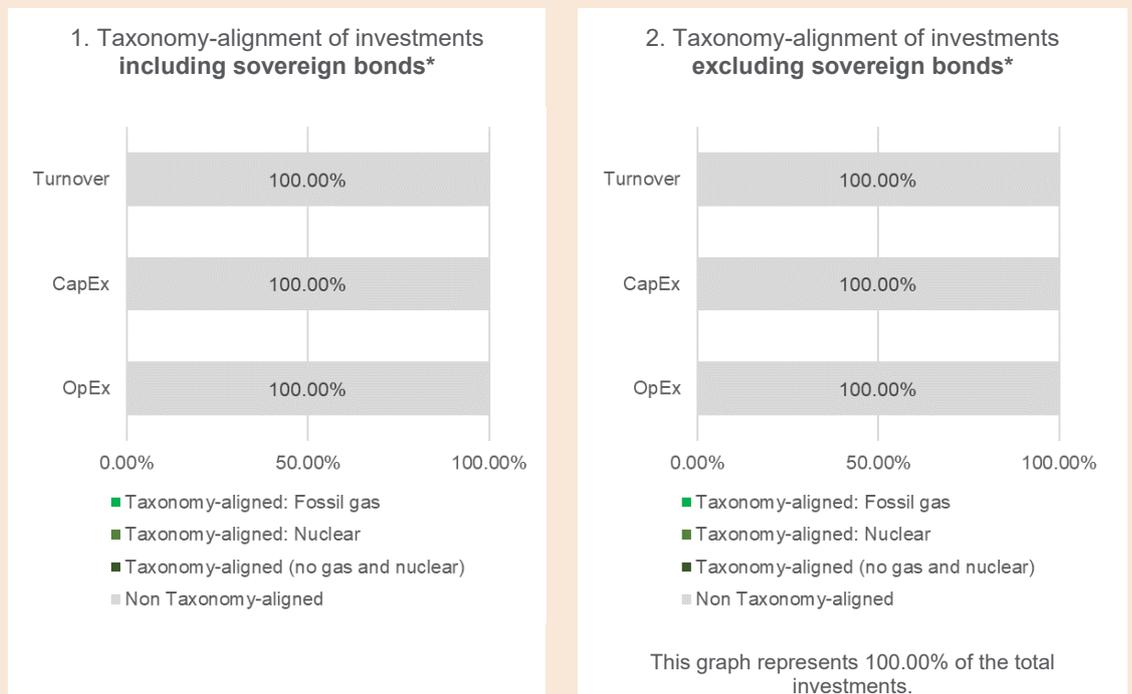
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 53.95% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 42.31%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 3.75% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 22.23 Tons CO2eq per million € invested, 81.83% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 54.2, 9.2% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 1 issuer(s) in Health Care with improving ESG profiles and divested from 7 issuer(s) in Banks, Diversified Banks, Industrial Goods & Services and Personal & Household Goods with deteriorating ESG profiles.

The financial product aims to invest at least 10% of net assets in green bonds.

Over the reference period, the financial product invested in 17.86% of its net assets in green bonds.

In comparison the previous year, the proportion of net assets invested green bonds is higher.

The financial product has achieved its objective by continued active participation in green bond markets. Notably, the financial product invested in green bonds issued by Diversified Banks.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : 34.26% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective</b> : 61.91%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives is measured through the following sustainability indicators:

- Carbon footprint : the Sub-fund aimed 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 aimed 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	38.39	176.03	
ESG Score - Corporate - Higher than bench	57.30	50.10	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	28.22	176.98
ESG Score - Corporate - Higher than bench	2022	56.47	48.44

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	96.16%	93.60%
#2 Not sustainable	3.84%	1.59%
Environmental	34.26%	32.75%
Social	61.91%	60.85%
Taxonomy-aligned	0.00%	0.00%
Other	34.26%	32.75%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## How were the indicators for adverse impacts on sustainability factors taken into account?

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## How did this financial product consider principal adverse impacts on sustainability factors?

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### ENGAGEMENT

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular

to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

4 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 68 financial product's issuers targeted, 80.88% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 1 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 36 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 25 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **EXCLUSIONS**

### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	423.31	90.42%	90.87%
Scope 2 GHG Emissions	371.52	90.42%	90.87%
Total GHG Emissions	794.83	90.42%	90.87%
2 - Carbon Footprint	38.39	90.42%	90.87%
3 - GHG intensity of investee companies	113.66	90.42%	90.87%
4 - Exposure to companies active in fossil fuel sector	2.59%	89.20%	90.90%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	96.16%	96.16%
13 - Board gender diversity	35.49%	88.64%	96.14%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	96.16%	96.16%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
AMADEUS IT GROUP SA CV 1.5 20-25 09/04SS	Internet and internet services	3.22%	ESP
AKAMAI TECHNO CV 0.375 19-27 01/09S	Internet and internet services	3.07%	USA
ON SEMICONDUCTOR 0.5 23-29 01/03S	Electronics and semiconductors	2.62%	USA
SPLUNK INC CV 1.125 18-25 15/09S	Internet and internet services	2.51%	USA
MEITUAN CV 0 21-27 27/04U0 21-27 27/04U	Internet and internet services	2.51%	CYM
DEXCOM INC 0.25 21-25 15/05S	Pharmaceuticals	2.50%	USA
AMERICA MOVIL BV CV 0 21-24 02/03A02/03U	Communication	2.26%	NLD
LINK 2019 CB CV 4.5 22-27 12/12Q	Real estate	2.11%	VGB
JAZZ INVEST I LTD CV 1.5 17-24 15/08S	Banks and other financial institutions	2.05%	BMU
NEXTERA ENERGY CV 0.00 21-24 15/06U	Utilities	2.01%	USA
ZSCALER INC CV 0.125 21-25 01/07S	Internet and internet services	1.97%	USA
SCHNEIDER ELECTRIC CV 0.00 20-26 15/06U	Electrical engineering	1.89%	FRA
VAIL RESORTS IN CV 0.00 20-26 01/01U	Hotels and restaurants	1.80%	USA
BENTLEY SYSTEMS INC 0.375 21-27 01/07S	Internet and internet services	1.77%	USA
BNP PARIBAS SA CV 0 22-25 13/05U5 13/05U	Banks and other financial institutions	1.77%	FRA

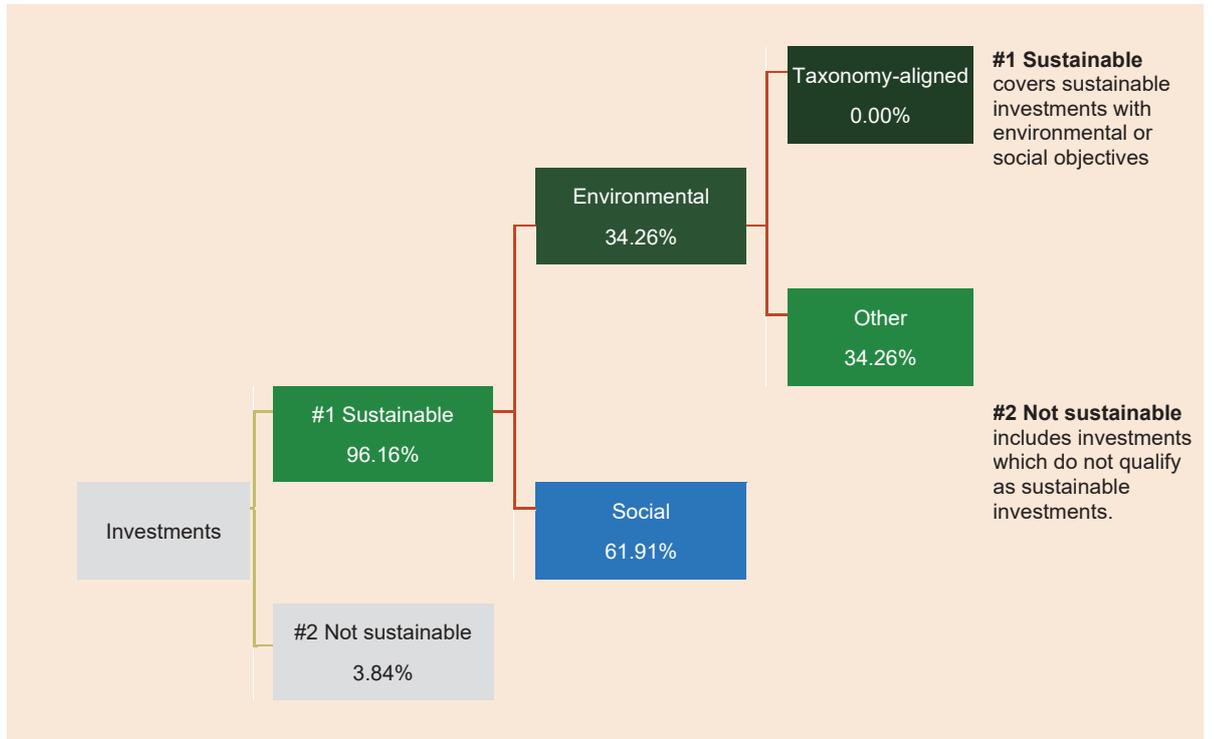
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Internet and internet services	24.19%
Banks and other financial institutions	17.32%
Electronics and semiconductors	10.21%
Utilities	6.68%
Communication	6.15%
Biotechnology	5.77%
Real estate	4.03%
Office supplies and computing	3.71%
Pharmaceuticals	3.26%
Hotels and restaurants	3.22%
Electrical engineering	3.14%
Miscellaneous services	2.79%
Retail trade and department stores	2.53%
Road vehicles	1.66%
Transportation	1.37%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

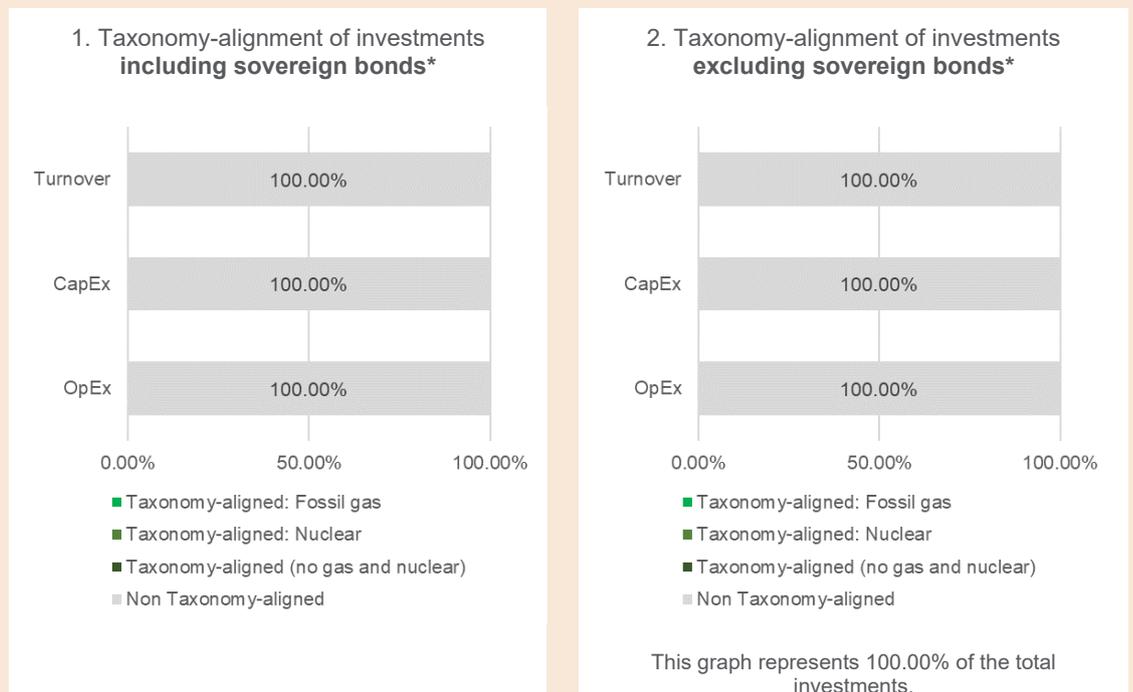
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 34.26% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 61.91%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 3.84% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 38.39 Tons CO2eq per million € invested, 78.19% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 57.3, 14.37% higher compared to its benchmark.

In comparison to the previous year, the financial product overall ESG score is higher by 1.47%.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 4 issuer(s) in Chemicals, Health Care, Media and Telecommunications with improving ESG profiles and divested from 3 issuer(s) in Banks and Technology with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<p><input checked="" type="checkbox"/> <b>YES</b></p> <p><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 37.72%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 49.38%</b></p>	<p><input type="checkbox"/> <b>NO</b></p> <p><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>



### To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives is measured through the following sustainability indicators:

- Carbon footprint : the Sub-fund aimed 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 aimed 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	95.94	223.79	
ESG Score - Corporate - Higher than bench	53.12	46.03	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	81.14	223.95
ESG Score - Corporate - Higher than bench	2022	51.89	45.50

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	87.10%	82.83%
#2 Not sustainable	12.90%	15.78%
Environmental	37.72%	33.09%
Social	49.38%	49.74%
Taxonomy-aligned	0.00%	0.00%
Other	37.72%	33.09%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular

to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

8 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 41 financial product's issuers targeted, 78.05% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 2 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 31 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 13 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **EXCLUSIONS**

### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	79,670.56	71.37%	76.37%
Scope 2 GHG Emissions	25,670.60	71.37%	76.37%
Total GHG Emissions	105,341.16	71.37%	76.05%
2 - Carbon Footprint	95.94	71.37%	76.05%
3 - GHG intensity of investee companies	186.25	70.72%	76.06%
4 - Exposure to companies active in fossil fuel sector	3.47%	67.36%	76.05%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	89.74%	90.15%
13 - Board gender diversity	34.02%	74.51%	90.02%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	89.09%	90.14%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:  
01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
CANDRIAM SUS MONEY MARKET EURO V EUR C	Banks and other financial institutions	5.03%	LUX
TENET HEALTHCARE CORP 5.125 19-27 01/11S	Healthcare	2.02%	USA
AVANTOR FUNDING INC 2.625 20-25 06/11S	Banks and other financial institutions	1.96%	USA
JAZZ SECURITIES DAC 4.375 21-29 15/01S	Banks and other financial institutions	1.89%	IRL
VMED O2 UK FINA 4.7500 21-31 15/07S	Miscellaneous services	1.72%	GBR
VEOLIA ENVIRONNEMENT FL.R 20-XX 20.04A	Utilities	1.63%	FRA
DARLING INGREDI 6.0000 22-30 15/06S	Utilities	1.57%	USA
TELECOM ITALIA SPA 5.303 14-24 30/05S	Communication	1.46%	ITA
VODAFONE GROUP PLC FL.R 18-78 03/10A	Communication	1.41%	GBR
TELEFONICA EUROPE BV FL.R 19-XX 14/03A	Communication	1.31%	NLD
ENERGIAS DE PORTUGA FL.R 21-82 14/03A	Utilities	1.30%	PRT
CHART INDUSTRIE 7.5000 22-30 01/01S	Machine and apparatus construction	1.29%	USA
IRON MOUNTAIN INC 7.0000 23-29 15/02S	Real estate	1.17%	USA
TK ELEVATOR MIDCO 4.375 20-27 15/07S/07S	Banks and other financial institutions	1.16%	DEU
UNITED RENTALS NORTH AM 6.0 22-29 15/12S	Banks and other financial institutions	1.16%	USA

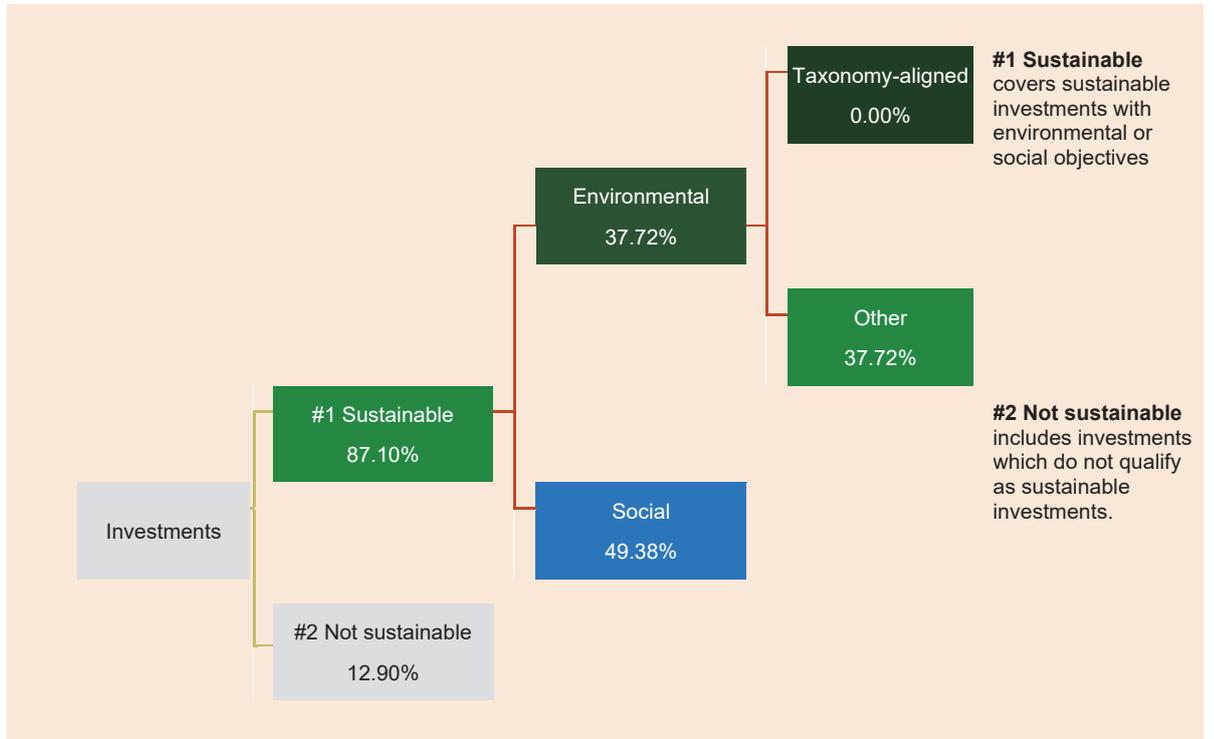
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

<b>Top sector</b>	<b>% of Assets</b>
Banks and other financial institutions	36.24%
Communication	13.69%
Healthcare	10.76%
Utilities	9.89%
Internet and internet services	3.87%
Miscellaneous services	3.78%
Packaging industries	3.34%
Electrical engineering	2.01%
Biotechnology	1.96%
Machine and apparatus construction	1.89%
Pharmaceuticals	1.66%
Building materials	1.54%
Real estate	1.29%
Foods and non alcoholic drinks	1.15%
Textiles and garments	1.12%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

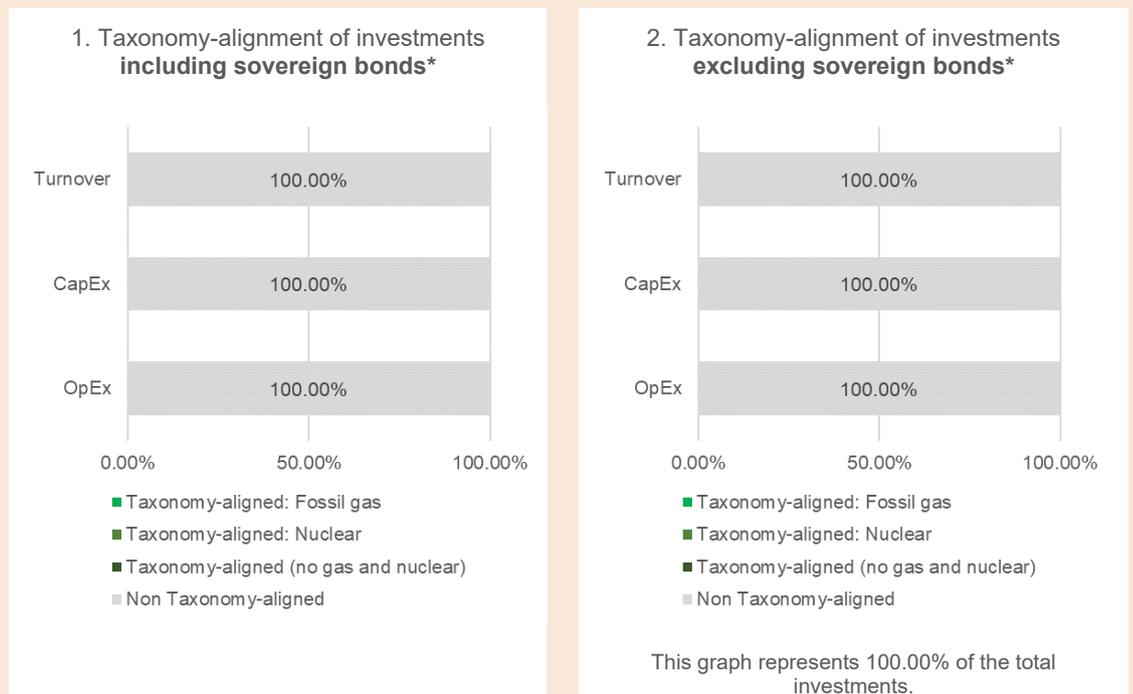
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 37.72% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 49.38%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 12.9% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 95.94 Tons CO2eq per million € invested, 57.13% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 53.12, 15.39% higher compared to its benchmark.

In comparison to the previous year, the financial product overall ESG score is higher by 2.37%.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 1 issuer(s) in Health Care with improving ESG profiles and divested from 2 issuer(s) in Automobiles & Parts and Retail with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 70.05%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 27.94%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Positive contribution to the UN SDGs : the Sub-Fund aimed to invest at least 75% of its total net assets into Green, Social or Sustainability Bonds as defined by international standards such as, for example the Green Bond Principles maintained by the International Capital Market Association (ICMA), the EU Green Bond Standards or Social Bond Principles also developed by the ICMA.

Moreover, the following indicators were monitored:

- to assure that there are no investments in issuers that are in violation with the OECD Guidelines for Multinational Enterprises or the UN Global Compact.
- to assure that there are no investments in issuers that are on the Candriam's SRI Level 3 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 did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices for the corporates.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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.

By investing primarily into bonds for which the use of proceeds contributes to one or several Sustainable Development Goals (SDG) targets - of which SDG 13 Climate Action -, the Sub-Fund thereby delivered a positive impact on the United Nations Sustainable Developments Goals. On a later stage, other steps will be set in order to ensure carbon emissions reduction.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Investments in Green, Social, Sustainable Bonds - Country and Corporate - Minimum 75% of AuM	89.93%		

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Investments in Green, Social, Sustainable Bonds - Minimum 75% of AuM	87.68%		

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	97.99%	94.62%
#2 Not sustainable	2.01%	5.09%
Environmental	70.05%	68.89%
Social	27.94%	25.73%
Taxonomy-aligned	0.00%	0.00%
Other	70.05%	68.89%

**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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

For the analysis of corporate issuers, these methods include:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.

2. Negative Country Screening, which includes the following:

- Candriam's list of highly oppressive regimes -States with serious human rights violations;
- Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **DIALOGUE** with non corporate issuers

This financial product is invested in non corporate issuers we engage with. For non-corporate issuers, such as sovereigns, agencies or supranationals, large majority of our engagement is done through collaborative dialogues and statements. Climate (PAI1 to PAI6) and biodiversity (PAI7) are the topics we predominantly engage on with them. For more information, please refer

to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

14 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 58 financial product's issuers targeted, 96.55% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 19 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 36 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 46 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **EXCLUSIONS**

### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	247.84	21.84%	23.34%
Scope 2 GHG Emissions	55.75	21.84%	23.34%
Total GHG Emissions	303.58	21.84%	23.34%
2 - Carbon Footprint	34.47	21.84%	23.34%
3 - GHG intensity of investee companies	73.94	21.84%	23.34%
4 - Exposure to companies active in fossil fuel sector	0.99%	22.72%	23.35%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	59.02%	59.01%
13 - Board gender diversity	39.00%	47.56%	59.07%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	59.02%	59.01%
15 - GHG intensity	269.79	4.57%	7.20%
16 - Investee countries subject to social violations	0.00%	30.44%	30.44%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
IRELAND 1.35 18-31 18/03A	Bonds of States, Provinces and municipalities	3.28%	IRL
BELGIUM 1.25 18-33 22/04A	Bonds of States, Provinces and municipalities	3.11%	BEL
NETHERLANDS 0.50 19-40 15/01A	Bonds of States, Provinces and municipalities	3.10%	NLD
SPAIN 1 21-42 30/07A	Bonds of States, Provinces and municipalities	2.54%	ESP
BUONI POLIENNAL 1.50 21-45 30/04S	Bonds of States, Provinces and municipalities	2.47%	ITA
GERMANY 0.00 21-50 15/08A	Bonds of States, Provinces and municipalities	2.26%	DEU
GERMANY 1.3 22-27 15/10A	Bonds of States, Provinces and municipalities	1.98%	DEU
CASSA DEPOSITI E PREST 2.0 20-27 20/04A	Banks and other financial institutions	1.87%	ITA
CREDIT AGRICOLE 0.125 20-27 09/12A	Banks and other financial institutions	1.71%	FRA
AIR LIQUIDE FINANCE 0.375 21-31 27/05A	Banks and other financial institutions	1.62%	FRA
LEGRAND SA 0.375 21-31 06/10A	Electrical engineering	1.60%	FRA
BNP PARIBAS SA FL.R 20-27 14/10A	Banks and other financial institutions	1.56%	FRA
FRANCE 1.75 16-39 25/06A	Bonds of States, Provinces and municipalities	1.43%	FRA
MORGAN STANLEY 0.8640 20-25 21/10S	Banks and other financial institutions	1.41%	USA
EUROPEAN UNION 0.4 21-37 04/02A	Supranational Organisations	1.31%	BEL

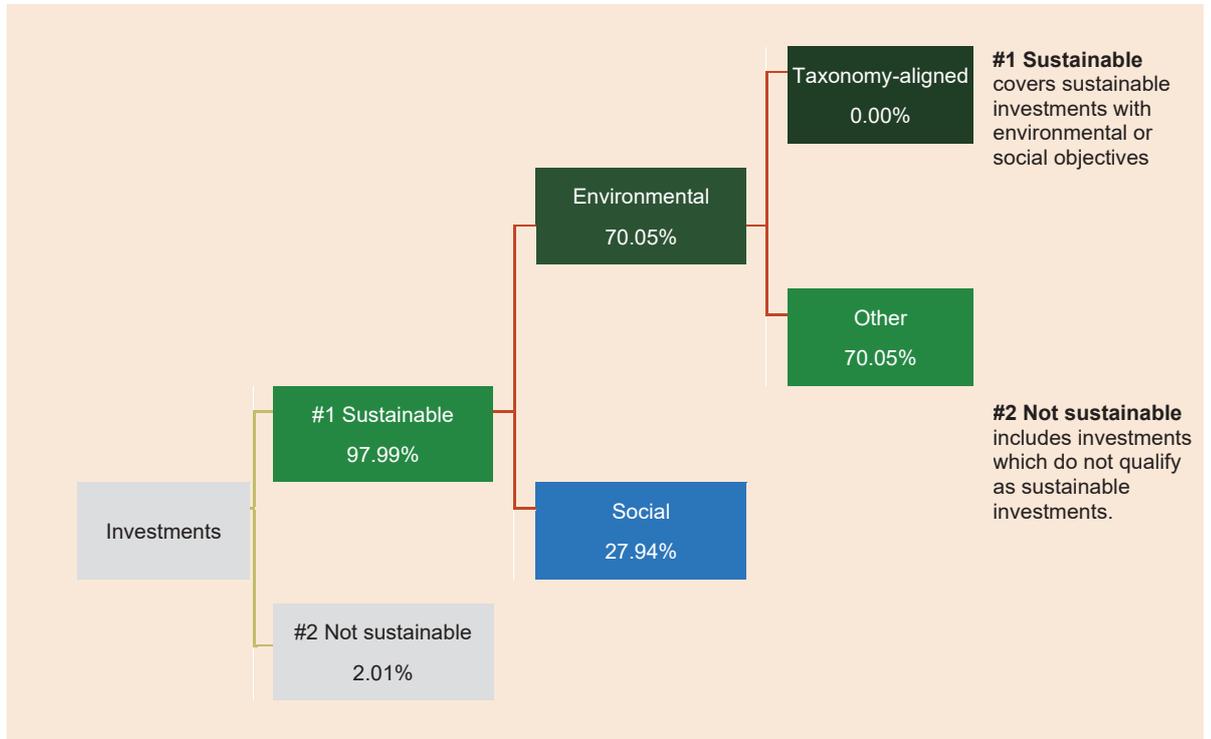
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Banks and other financial institutions	38.18%
Bonds of States, Provinces and municipalities	30.46%
Real estate	4.84%
Communication	4.12%
Insurance	3.02%
Pharmaceuticals	2.99%
Miscellaneous services	2.64%
Utilities	2.59%
Electrical engineering	2.12%
Supranational Organisations	1.92%
Foods and non alcoholic drinks	1.83%
Road vehicles	1.13%
Miscellaneous consumer goods	1.06%
Transportation	0.99%
Other	0.66%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

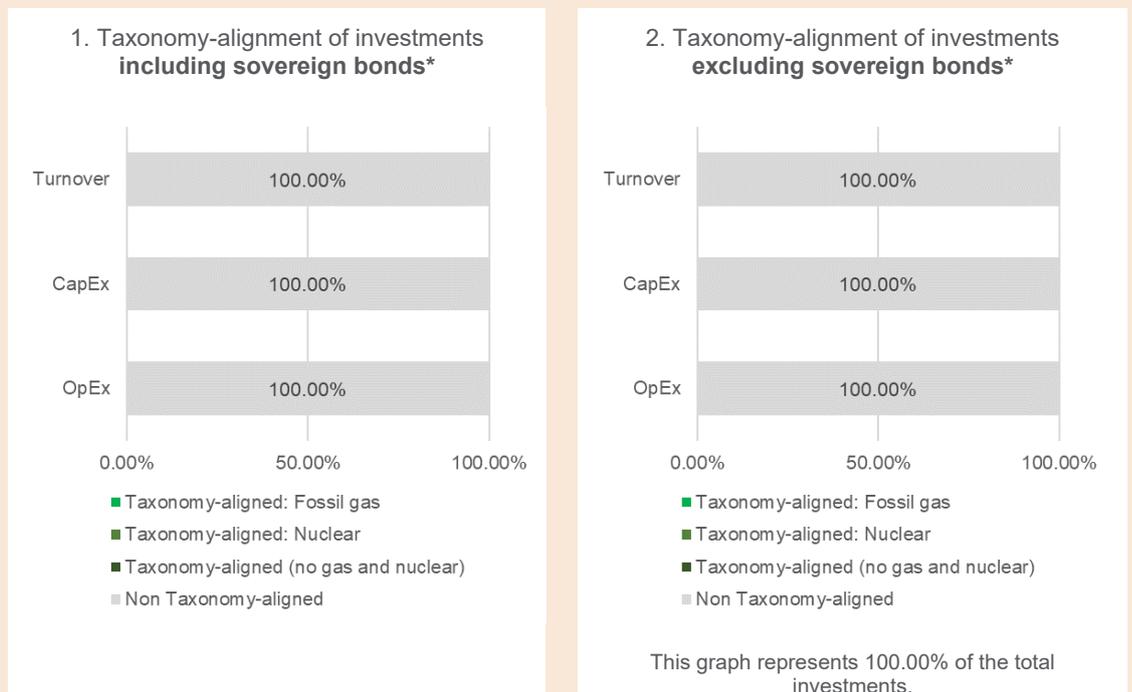
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 70.05% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 27.94%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 2.01% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

➔ **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to invest at least 75% of net assets in green bonds, social or sustainable bonds.

Over the reference period, the financial product invested in 90% of its net assets in green bonds.

The financial product has achieved its objective by continued active participation in green, social and sustainable bond markets. Notably, the financial product invested in issues issued by issuer(s) in Automobiles & Parts and Banks.

➔ **How did this financial product perform compared to the reference sustainable benchmark?**

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

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

# Candriam Sustainable Defensive Asset Allocation

5493008P0C6OS6EDT327

**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

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 52.92%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 43.24%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicator:

- Carbon footprint: the Sub-fund aimed to have a carbon footprint that is at least 25% lower than the carbon footprint of the fund's reference benchmark.

Moreover, the following indicators were monitored either directly for the direct lines investments or indirectly in the underlying UCITS/UCI managed by Candriam :

- to assure that there are no investments in issuers that are in violation with the OECD Guidelines for Multinational Enterprises or the UN Global Compact.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed to have a carbon footprint that is at least 25% lower than the carbon footprint of the Sub-Fund's reference benchmark.

The Sub-Fund aimed to reduce greenhouse gas emissions versus its benchmark is a first step towards the objectives of the Paris agreement. On a later stage, other steps will be set in order to ensure carbon emissions reduction in view of achieving the Paris Agreement

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 25% reduction vs bench	31.49	72.51	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 25% reduction vs bench	2022	27.15	74.50

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	96.16%	93.61%
#2 Not sustainable	3.84%	5.85%
Environmental	52.92%	49.93%
Social	43.24%	43.68%
Taxonomy-aligned	0.00%	0.00%
Other	52.92%	49.93%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

For the analysis of corporate issuers, these methods include:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.

2. Negative Country Screening, which includes the following:

- Candriam's list of highly oppressive regimes -States with serious human rights violations;
- Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

As the current financial product is only investing in funds, for any information on related engagement, we invite you to refer to the annual reports of the invested funds. Candriam engagement policy is available on Candriam website (<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>). Our engagement policy is available on Candriam website (<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>).

### **EXCLUSIONS**

### PAI3

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### PAI4

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

### PAI14

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

### PAI16

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	2,073.20	51.19%	52.40%
Scope 2 GHG Emissions	929.26	51.19%	52.40%
Total GHG Emissions	3,002.46	51.19%	52.29%
2 - Carbon Footprint	31.49	51.19%	52.29%
3 - GHG intensity of investee companies	85.29	51.17%	52.29%
4 - Exposure to companies active in fossil fuel sector	1.23%	50.95%	52.29%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	63.34%	63.38%
13 - Board gender diversity	37.92%	54.39%	63.41%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	63.32%	63.38%
15 - GHG intensity	231.81	21.56%	22.42%
16 - Investee countries subject to social violations	0.00%	25.07%	25.22%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:  
01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
CANDRIAM SUS BD EURO SHORT TERM Z EUR C	Investments Funds	18.87%	LUX
CANDRIAM SUSTAINABLE BOND EURO	Investments Funds	18.80%	LUX
CANDRIAM SUS BD EURO CORPORATE Z EUR C	Investments Funds	13.53%	LUX
CANDRIAM SUS BOND GLOBAL Z EUR C	Investments Funds	8.03%	LUX
CANDRIAM SUST EQUITY US Z USD C	Investments Funds	6.05%	LUX
INDEXIQ FACTORS SUSTAINABLE SOVEREIGN EU	Investments Funds	4.73%	LUX
CANDRIAM SUS BOND EMG MARKETS Z USD C	Investments Funds	4.36%	LUX
CANDRIAM SUS EQUITY EMG MARKETS Z EUR C	Investments Funds	3.94%	LUX
CANDRIAM SUS EQUITY EUROPE Z EUR C	Investments Funds	3.67%	LUX
CANDRIAM SUST EQTY QUANT EUR Z EUR ACC	Investments Funds	3.11%	LUX
CANDRIAM SUS MONEY MARKET EURO Z EUR C	Investments Funds	2.36%	LUX
CANDRIAM SUS BD GLO HIGH YIELD Z EUR C	Investments Funds	2.36%	LUX
CANDRIAM FD SUST EU CO BDS FO FR Z EUR C	Investments Funds	1.62%	LUX
CANDRIAM SUS EQUITY JAPAN Z JPY C	Investments Funds	0.92%	LUX
CANDRIAM SUS EQT CLIMATE ACT Z USD C	Investments Funds	0.62%	LUX

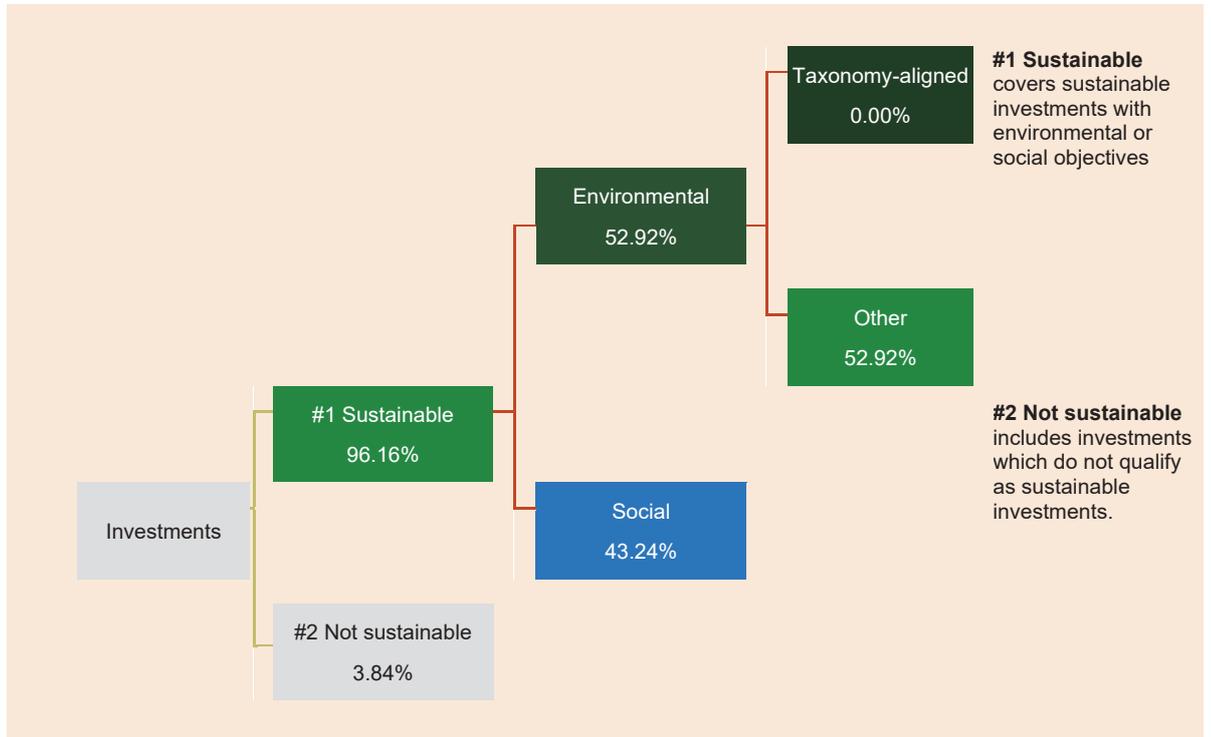
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

<b>Top sector</b>	<b>% of Assets</b>
Banks and other financial institutions	97.94%
Real estate	0.79%
Bonds of States, Provinces and municipalities	0.53%
Insurance	0.42%
Road vehicles	0.33%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

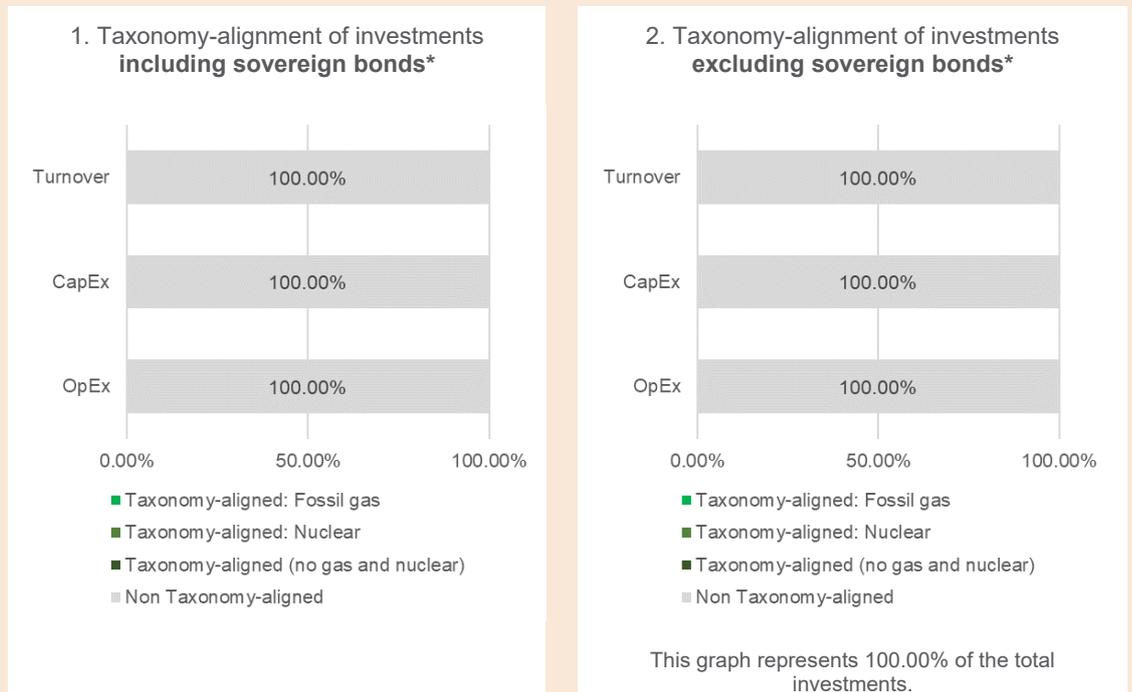
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 52.92% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 43.24%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 3.84% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

→ **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 25% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 31.49 Tons CO2eq per million € invested, 56.57% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

→ **How did this financial product perform compared to the reference sustainable benchmark?**

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

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 18.76%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 77.68%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable objectives was measured through the following sustainability indicators:

- Investment in a portfolio of companies where at least 50% of the weighted average revenues are linked to business activities that contribute to provide essential services (clean water, sanitation, healthcare, nutrition, etc.) and/or to provide products/services that contribute to children's development (education, financial inclusion, sports/leisure, etc.);
- 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 were 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.
- to assure that there are no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.
- to assure that eligible companies have individual revenue / capex / orderbook exposure to the activities contributing to children's essentials and/or development of at least 10%.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change

and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund has a specific social objective. It has not the objective of reducing carbon emissions.

The Sub-Fund's reference benchmark has not 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.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Children - Exposure - Corporate (fund level) - Minimum 50% exposure linked to business activities aligned with theme	49.62%		X
ESG Score - Corporate - Higher than bench	55.46	50.98	X

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
ESG Score - Corporate - Higher than bench	2022	54.85	50.36

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	
	2023	2022
#1 Sustainable	96.44%	95.78%
#2 Not sustainable	3.56%	4.22%
Environmental	18.76%	20.47%
Social	77.68%	75.32%
Taxonomy-aligned	0.00%	0.00%
Other	18.76%	20.47%

**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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 59 meetings: for 88.14 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 10 of which we supported 100 %.

In addition, and for any voted director-election items (451 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 34 resolutions were filed by shareholders and we supported 76.47 % of them.

More specifically 10 were Human Rights, Climate or Diversity & Inclusion related: we supported 100 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

2 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 43 financial product's issuers targeted, 76.74% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 1 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 25 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 13 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	1,366.39	96.45%	96.64%
Scope 2 GHG Emissions	702.34	96.45%	96.64%
Total GHG Emissions	2,068.73	96.45%	96.64%
2 - Carbon Footprint	32.18	96.45%	96.64%
3 - GHG intensity of investee companies	71.46	96.45%	96.64%
4 - Exposure to companies active in fossil fuel sector	0.81%	94.81%	96.64%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	96.64%	96.64%
13 - Board gender diversity	36.11%	92.66%	96.64%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	96.64%	96.64%



## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
MICROSOFT CORP	Internet and internet services	3.93%	USA
ESSILORLUXOTTICA SA	Pharmaceuticals	3.70%	FRA
INFORMA PLC	Graphic art and publishing	3.42%	GBR
STRIDE - REGISTERED SHS	Healthcare	3.23%	USA
ADVANCED DRAINAGE	Environmental services and recycling	3.17%	USA
COMPASS GROUP	Hotels and restaurants	3.04%	GBR
PEARSON PLC	Graphic art and publishing	2.99%	GBR
SIG GROUP PREFERENTIAL SHARE	Banks and other financial institutions	2.91%	CHE
TRACTOR SUPPLY CO	Retail trade and department stores	2.77%	USA
HCA INC	Healthcare	2.69%	USA
AIRTEL AFRICA PLC	Banks and other financial institutions	2.52%	LUX
DEXCOM INC	Pharmaceuticals	2.39%	USA
VEOLIA ENVIRONNEMENT SA	Utilities	2.37%	FRA
KONINKLIJKE AHOLD DELHAIZE NV	Retail trade and department stores	2.36%	NLD
IDP EDUCATION	Healthcare	2.34%	AUS

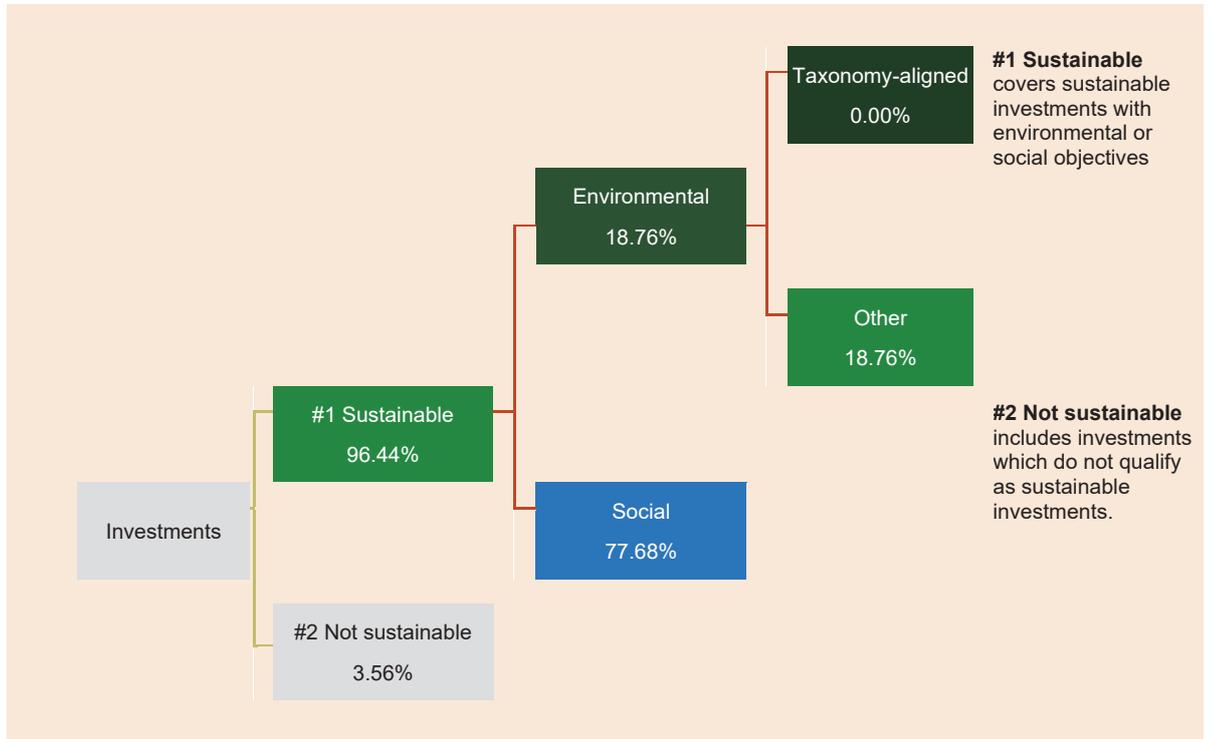
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Banks and other financial institutions	14.68%
Pharmaceuticals	13.12%
Healthcare	11.37%
Graphic art and publishing	8.79%
Internet and internet services	8.66%
Retail trade and department stores	5.94%
Environmental services and recycling	5.16%
Hotels and restaurants	4.45%
Utilities	4.44%
Miscellaneous consumer goods	3.58%
Foods and non alcoholic drinks	2.86%
Machine and apparatus construction	2.79%
Insurance	2.16%
Textiles and garments	2.07%
Electronics and semiconductors	2.01%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

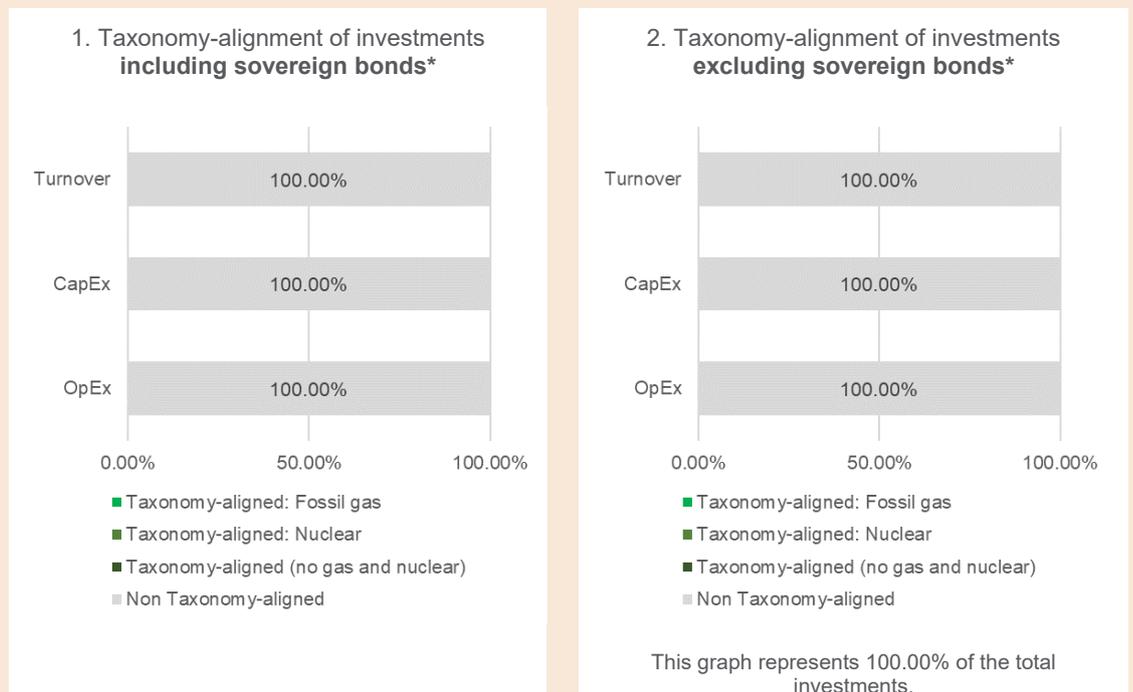
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 18.76% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 77.68%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 3.56% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product's objective is to attain a minimum exposure of 50% to business activities associated with the strategy's thematic.

Over the reference period, the financial product displayed an exposure of 50% to the theme.

The financial product has achieved its objective by allocating at least a similar exposure of investments in issuers with an exposure to business activities associated to the thematic.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 55.46, 8.78% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 1 issuer(s) in Publishing with improving ESG profiles and divested from 3 issuer(s) in Application Software, Drug Retail and General Merchandise Stores with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 61.62%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 33.70%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- an overall portfolio alignment with a temperature scenario equal to or lower than 2.5 degrees. As the availability and reliability of company climate data evolves over time, the Sub-Fund aimed to be aligned with a temperature scenario equal to or lower than 2 degrees by January 1st 2025.
- investment of a higher share of total assets under management in high-stake companies than the Sub-Fund's reference Benchmark. High-stake companies are defined by the EU Climate Benchmark regulation as those belonging to one of the sectors considered to play the biggest role in achieving the Paris Agreement objectives.

Moreover, the following indicators were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.
- to assure that eligible companies have a circularity score of at least 5 (on a scale from 1 to 10).

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change

and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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.

As part of Candriam's commitment to the NZAI, the Sub-Fund aimed to contribute to greenhouse gas emission reduction and the objectives of the Paris Agreement. However, at the Sub-Fund level this contribution was quantified through a temperature metric.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Portfolio Temperature - Corporate - Lower than 2.5°C - Lower than 2°C in 2025	2.38		
Exposure to High Stake Sectors - Corporate - Higher than bench	76.21%	62.09%	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Portfolio Temperature - Corporate - Lower than 2.5°C - Lower than 2°C in 2025	2022	2.49	
Exposure to High Stake Sectors - Corporate - Higher than bench	2022	80.90%	62.39%

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	95.32%	92.84%
#2 Not sustainable	4.68%	7.16%
Environmental	61.62%	61.56%
Social	33.70%	31.28%
Taxonomy-aligned	0.00%	0.00%
Other	61.62%	61.56%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 63 meetings: for 85.71 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 2 of which we supported 100 %.

In addition, and for any voted director-election items (388 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 22 resolutions were filed by shareholders and we supported 68.18 % of them.

More specifically 4 were Human Rights, Climate or Diversity & Inclusion related: we supported 75 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

7 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en/>], a large transparency survey feeding our investment processes : out of the 46 financial product's issuers targeted, 93.48% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 3 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 36 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 28 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	21,752.22	93.23%	95.64%
Scope 2 GHG Emissions	8,197.60	93.23%	95.64%
Total GHG Emissions	29,949.82	93.23%	95.64%
2 - Carbon Footprint	76.56	93.23%	95.64%
3 - GHG intensity of investee companies	200.57	93.23%	95.64%
4 - Exposure to companies active in fossil fuel sector	4.62%	93.90%	95.62%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	95.63%	95.63%
13 - Board gender diversity	36.20%	93.96%	95.63%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	95.55%	95.63%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
WASTE MANAGEMENT	Environmental services and recycling	4.24%	USA
AMERICAN WATER WORKS CO INC	Utilities	3.25%	USA
GRAPHIC PACKAGING	Paper and forest products	3.01%	USA
ECOLAB INC	Chemicals	3.01%	USA
MICROSOFT CORP	Internet and internet services	2.97%	USA
NESTLE SA PREFERENTIAL SHARE	Foods and non alcoholic drinks	2.92%	CHE
UNILEVER	Foods and non alcoholic drinks	2.69%	GBR
TETRA TECH INC	Environmental services and recycling	2.69%	USA
ADOBE INC	Internet and internet services	2.69%	USA
PROCTER & GAMBLE CO	Miscellaneous consumer goods	2.59%	USA
DARLING INGREDIENT INC	Utilities	2.55%	USA
CROWN HOLDINGS INC	Packaging industries	2.47%	USA
CISCO SYSTEMS INC	Office supplies and computing	2.36%	USA
LKQ CORP	Road vehicles	2.32%	USA
PTC INC	Internet and internet services	2.14%	USA

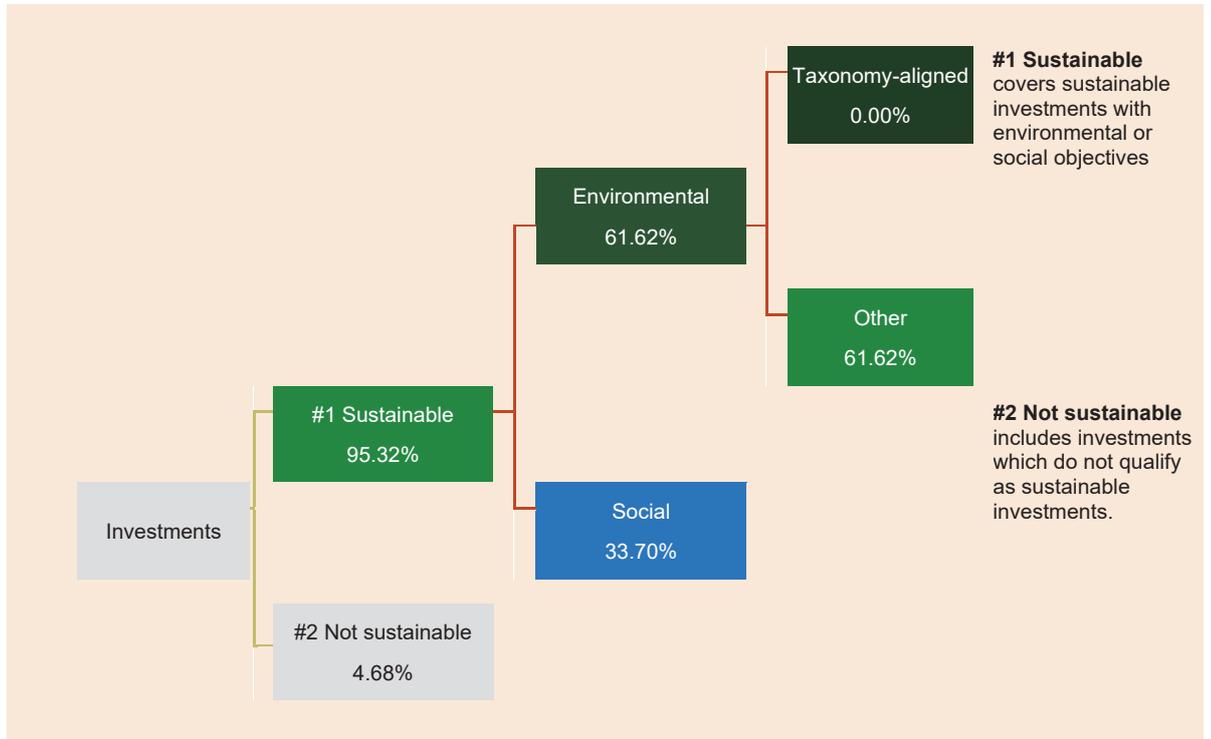
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Environmental services and recycling	13.98%
Internet and internet services	12.99%
Banks and other financial institutions	10.74%
Utilities	10.19%
Electronics and semiconductors	6.20%
Foods and non alcoholic drinks	5.91%
Chemicals	5.50%
Machine and apparatus construction	4.73%
Packaging industries	4.45%
Paper and forest products	4.31%
Miscellaneous consumer goods	3.54%
Retail trade and department stores	2.87%
Pharmaceuticals	2.87%
Office supplies and computing	2.36%
Road vehicles	2.32%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

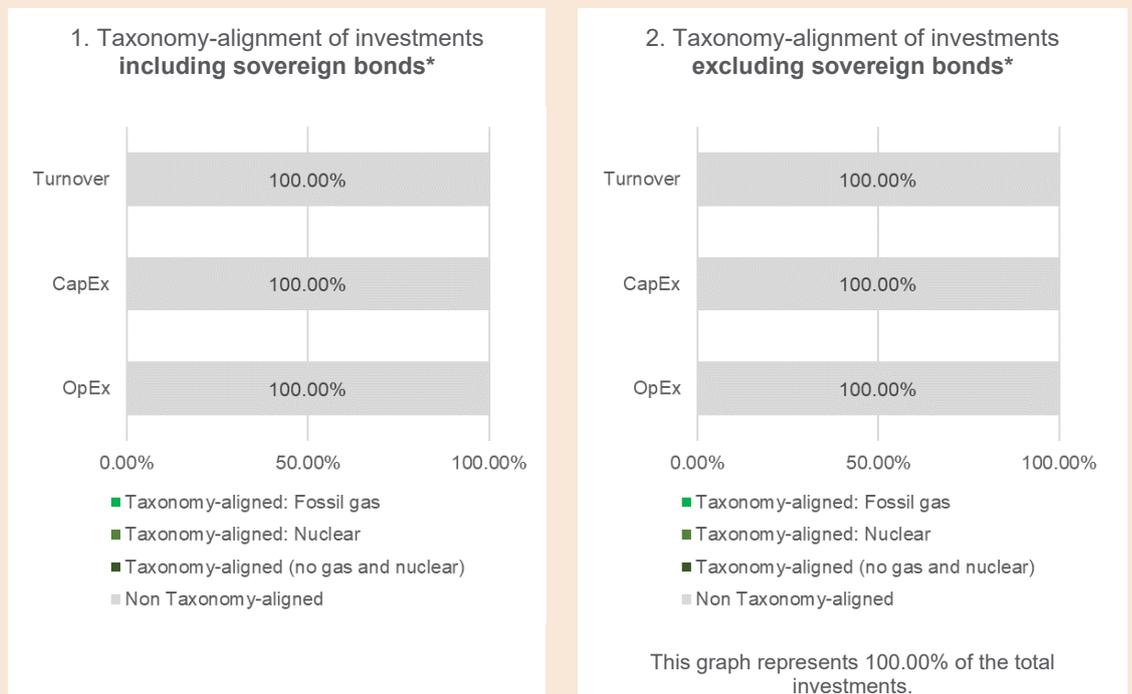
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 61.62% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 33.7%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 4.68% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to invest primarily in issuers that demonstrate a positive contribution to the objectives of the Paris Agreement and therefore intends to propose a temperature figure of 2.5 degrees or less.

Over the period, the financial product displayed a temperature of 2.38°C.

In comparison to the previous year, the financial product temperature is lower.

The financial product has achieved its objective by allocating a higher proportion of investments in issuers that demonstrate a positive contribution to the objectives of the Paris Agreement.

The financial product aims to invest a higher proportion of total assets under management in high stake issuers than the benchmark.

Over the reference period, the financial product invested in 76.21% of its net assets in high stake issuers, 22.74% higher compared to its benchmark.

The financial product has achieved its objective by allocating a higher proportion of investments in high stake issuers as compare to its benchmark.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 66.61%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<input checked="" 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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 29.69%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- an overall portfolio alignment with a temperature scenario equal to or lower than 2.5 degrees. As the availability and reliability of company climate data evolves over time, the Sub-Fund aimed to be aligned with a temperature scenario equal to or lower than 2 degrees by January 1st 2025.
- investment of a higher share of total assets under management in high-stake companies than the Sub-Fund's reference Benchmark. High-stake companies are defined by the EU Climate Benchmark regulation as those belonging to one of the sectors considered to play the biggest role in achieving the Paris Agreement objectives;

Moreover, the following indicators were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.
- to assure that eligible companies have individual revenue / capex / orderbook exposure to the activities contributing positively to reducing greenhouse gases of at least 10%.

The sub-fund partially contributed to :

- Climate change mitigation

### ● **How did the sustainability indicators perform?**

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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.

As part of Candriam's commitment to the NZAI, the Sub-Fund aimed to contribute to greenhouse gas emission reduction and the objectives of the Paris Agreement. However, at the Sub-Fund level this contribution was quantified through a temperature metric.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Portfolio Temperature - Corporate - Lower than 2.5°C - Lower than 2°C in 2025	2.16		
Exposure to High Stake Sectors - Corporate - Higher than bench	78.58%	62.09%	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Portfolio Temperature - Corporate - Lower than 2.5°C - Lower than 2°C in 2025	2022	2.39	
Exposure to High Stake Sectors - Corporate - Higher than bench	2022	80.19%	62.39%

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	96.30%	96.38%
#2 Not sustainable	3.70%	3.62%
Environmental	66.61%	69.77%
Social	29.69%	26.61%
Taxonomy-aligned	13.10%	13.40%
Other	53.52%	56.37%

**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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 73 meetings: for 89.04 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 5 of which we supported 100 %.

More specifically, 1 proposals were related to climate (100 % support).

In addition, and for any voted director-election items (404 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 20 resolutions were filed by shareholders and we supported 65 % of them.

More specifically 4 were Human Rights, Climate or Diversity & Inclusion related: we supported 100 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

12 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 55 financial product's issuers targeted, 85.45% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 6 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 42 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 26 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	39,055.29	95.59%	96.30%
Scope 2 GHG Emissions	18,413.23	95.59%	96.30%
Total GHG Emissions	57,468.52	95.59%	96.30%
2 - Carbon Footprint	56.68	95.59%	96.30%
3 - GHG intensity of investee companies	302.19	95.59%	96.30%
4 - Exposure to companies active in fossil fuel sector	9.29%*	94.91%	96.31%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	96.30%	96.30%
13 - Board gender diversity	34.76%	94.97%	96.30%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	96.30%	96.30%

*\*This PAI does not reflect the % of income invested in the portfolio but the % of issuers who have part, even if marginal, of their income exposed to Fossil fuel. In order to accommodate the integration of renewable energy and handle their intermittency, even the greenest Electrical Utilities need to maintain some gas-based capacity as storage based solutions are still in their infancy.*

*As example, Orsted is the global leader in Offshore wind. The Danish developer started as a O&G company and went through a successful transition to exit its fossil fuel assets and focus solely on renewables. Due to its core position in the Danish energy system and the 50% ownership by the Danish government, Orsted still owns thermal generation assets in Denmark.*

*As of end 2022, Orsted's green share of energy generation was 91%. As example, Iberdrola, as of end 2022, total installed capacity was made of 69% renewables, gas represented 26% and the remaining is Nuclear. In its 2030 generation mix, the company plans to have 85% of Renewable energy, meeting the IEA's expectation of 60% share of renewables by 2030.*



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
WASTE CONNECTIONS INC	Environmental services and recycling	4.32%	CAN
MICROSOFT CORP	Internet and internet services	4.31%	USA
AIR PRODUCTS & CHEMICALS INC	Chemicals	3.07%	USA
AIR LIQUIDE SA	Chemicals	2.84%	FRA
SYNOPSYS	Internet and internet services	2.63%	USA
TRIMBLE	Electronics and semiconductors	2.61%	USA
THERMO FISHER SCIENT SHS	Electronics and semiconductors	2.58%	USA
BALL CORP	Packaging industries	2.53%	USA
AMERICAN WATER WORKS CO INC	Utilities	2.48%	USA
DARLING INGREDIENT INC	Utilities	2.47%	USA
APTIV PLC	Road vehicles	2.45%	JEY
MASTEC INC	Electrical engineering	2.41%	USA
SCHNEIDER ELECTRIC SE	Electrical engineering	2.29%	FRA
TETRA TECH INC	Environmental services and recycling	2.26%	USA
CONTEMPORARY AMPEREX TECHN-A	Machine and apparatus construction	2.22%	CHN

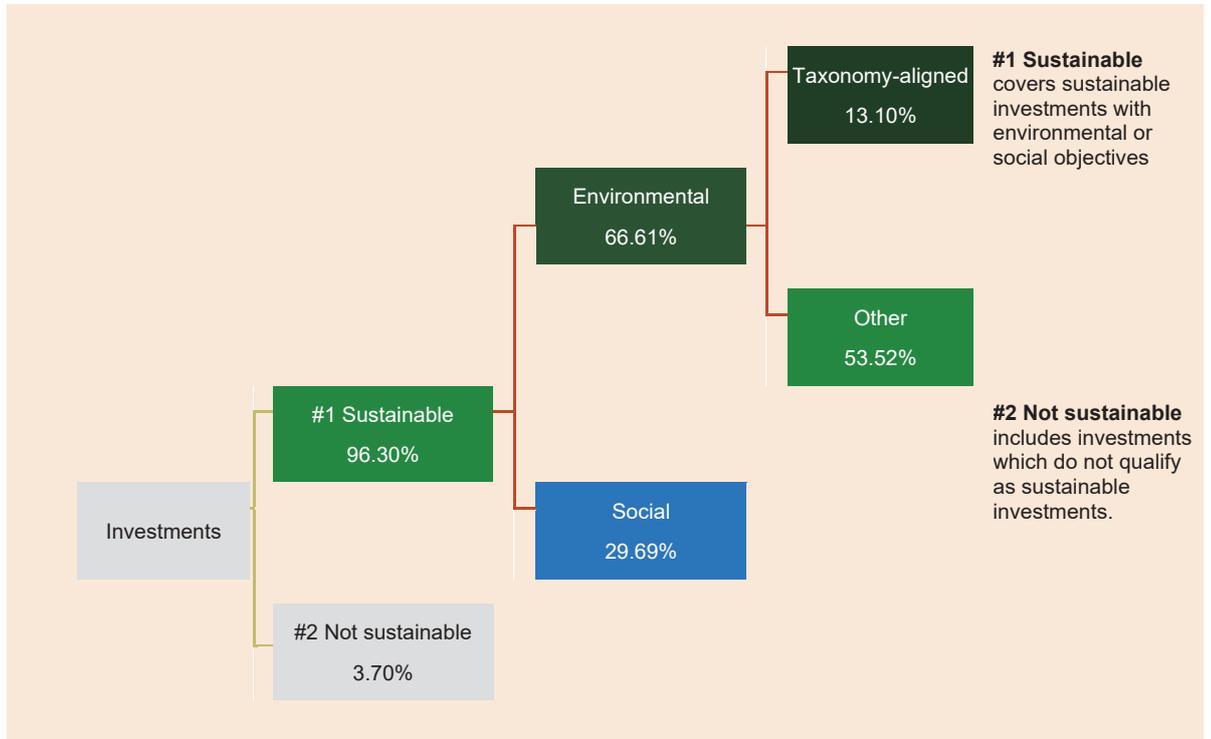
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Utilities	16.40%
Internet and internet services	13.53%
Electronics and semiconductors	12.18%
Environmental services and recycling	10.42%
Machine and apparatus construction	9.93%
Chemicals	9.50%
Electrical engineering	8.65%
Banks and other financial institutions	5.65%
Building materials	3.12%
Real estate	2.95%
Packaging industries	2.53%
Road vehicles	2.45%
Petroleum	1.88%
Foods and non alcoholic drinks	0.38%
Biotechnology	0.30%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

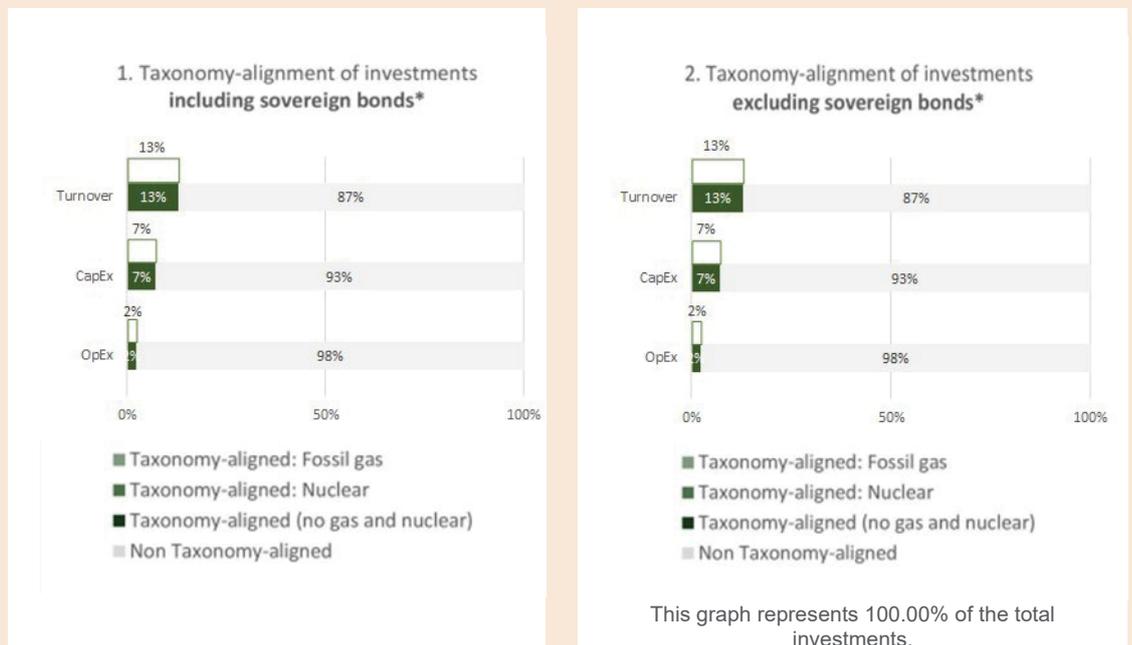
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund had a minimum share of 0% in transitional activities and of 7.89% in enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	13.10%
2022	13.40%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as null.

Climate change adaptation	0.03%
Climate change mitigation	13.07%

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 53.52% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 29.69%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 3.7% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to invest primarily in issuers that demonstrate a positive contribution to the objectives of the Paris Agreement and therefore intends to propose a temperature figure of 2.5 degrees or less.

Over the period, the financial product displayed a temperature of 2.16°C.

In comparison to the previous year, the financial product temperature is lower.

The financial product has achieved its objective by allocating a higher proportion of investments in issuers that demonstrate a positive contribution to the objectives of the Paris Agreement.

The financial product aims to invest a higher proportion of total assets under management in high stake issuers than the benchmark.

Over the reference period, the financial product invested in 78.58% of its net assets in high stake issuers, 26.56% higher compared to its benchmark.

The financial product has achieved its objective by allocating a higher proportion of investments in high stake issuers as compare to its benchmark.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

### Did this financial product have a sustainable investment objective?



**YES**



**NO**

It made **sustainable investments with an environmental objective: 33.33%**

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 made **sustainable investments with a social objective: 61.39%**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_\_% of sustainable investment

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 promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- carbon footprint: the Sub-Fund had 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 had 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	24.86	168.60	
ESG Score - Corporate - Higher than bench	50.70	45.84	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	22.10	167.82
ESG Score - Corporate - Higher than bench	2022	50.56	44.87

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	94.72%	96.46%
#2 Not sustainable	5.28%	3.63%
Environmental	33.33%	34.72%
Social	61.39%	61.74%
Taxonomy-aligned	0.00%	0.00%
Other	33.33%	34.72%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 136 meetings: for 57.35 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 2 of which we supported 0 %.

In addition, and for any voted director-election items (357 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 14 resolutions were filed by shareholders and we supported 64.29 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

1 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en/>], a large transparency survey feeding our investment processes : out of the 70 financial product's issuers targeted, 65.71% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 1 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 44 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 29 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

#### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	25,769.03	95.18%	95.82%
Scope 2 GHG Emissions	34,102.80	95.18%	95.82%
Total GHG Emissions	59,871.83	95.18%	95.82%
2 - Carbon Footprint	24.86	95.18%	95.82%
3 - GHG intensity of investee companies	91.60	95.18%	95.82%
4 - Exposure to companies active in fossil fuel sector	1.34%	95.20%	95.82%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	95.82%	95.82%
13 - Board gender diversity	21.67%	51.99%	95.82%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	95.82%	95.82%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:

01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
TAIWAN SEMICONDUCTOR CO	Electronics and semiconductors	8.69%	TWN
ALIBABA GROUP	Internet and internet services	3.92%	CYM
SK HYNIX INC	Electronics and semiconductors	2.65%	KOR
NETEASE INC	Internet and internet services	2.18%	CYM
BANCO DO BRASIL SA	Banks and other financial institutions	2.01%	BRA
AXIS BANK	Banks and other financial institutions	1.97%	IND
PING AN INS (GRP) CO -H-	Insurance	1.85%	CHN
AMERICA MOVIL SAB DE CV	Communication	1.71%	MEX
BANK CENTRAL ASIA DEP	Banks and other financial institutions	1.64%	IDN
E.SUN FINANCIAL HOLDING	Banks and other financial institutions	1.63%	TWN
MEITUAN - SHS 114A/REG S	Internet and internet services	1.62%	CYM
DELTA ELECTRONIC INCS	Electrical engineering	1.61%	TWN
SIEMENS DEMATERIALISED	Electrical engineering	1.52%	IND
ACCTON TECHNOLOGY CORPORATION	Office supplies and computing	1.50%	TWN
BYD COMPANY LTD -H-	Electronics and semiconductors	1.43%	CHN

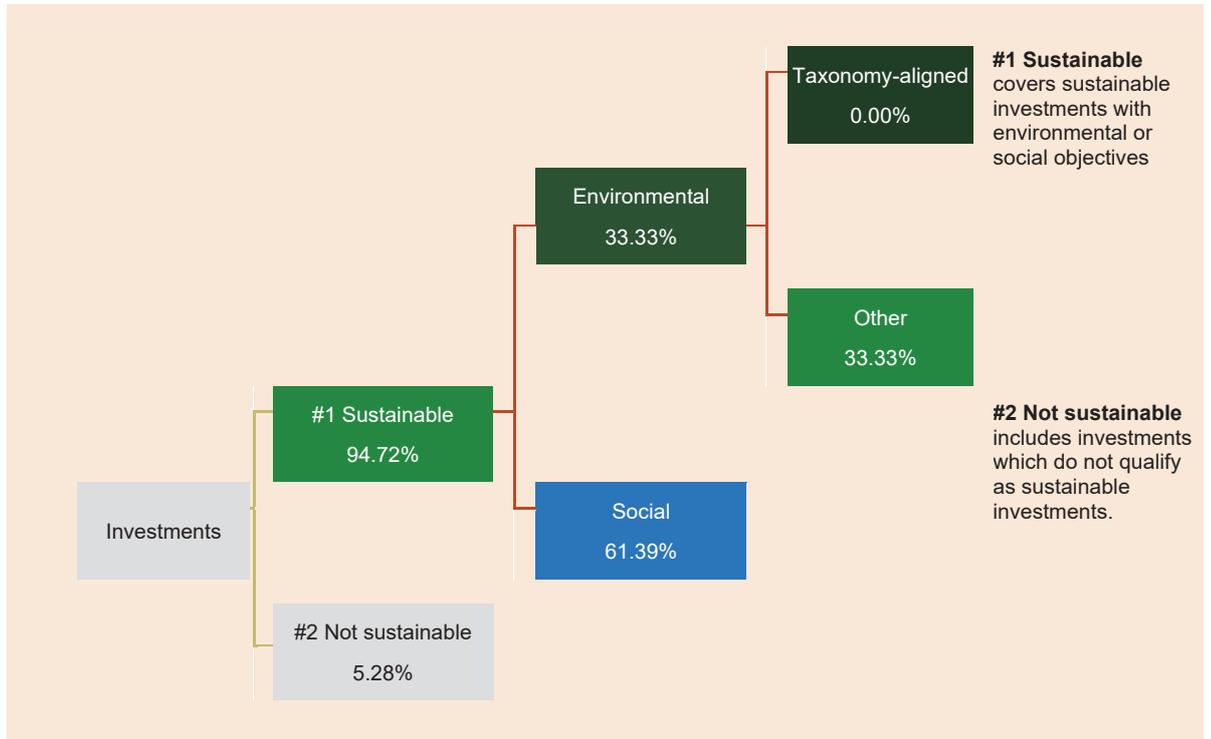
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Banks and other financial institutions	24.96%
Electronics and semiconductors	14.96%
Internet and internet services	13.35%
Pharmaceuticals	4.97%
Electrical engineering	4.80%
Foods and non alcoholic drinks	4.65%
Communication	4.62%
Machine and apparatus construction	4.61%
Insurance	4.38%
Office supplies and computing	3.40%
Road vehicles	3.31%
Retail trade and department stores	3.13%
Utilities	1.74%
Tobacco and alcoholic drinks	1.34%
Biotechnology	1.31%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

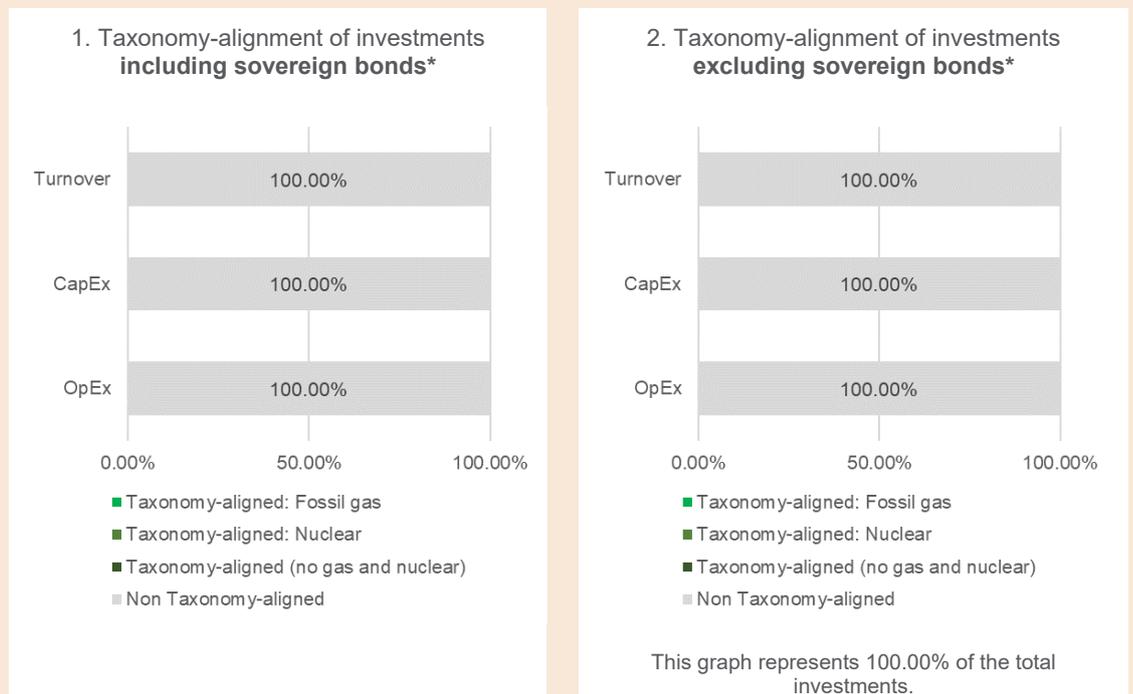
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 33.33% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 61.39%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 5.28% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 24.86 Tons CO2eq per million € invested, 85.25% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 50.7, 10.6% higher compared to its benchmark.

In comparison to the previous year, the financial product overall ESG score is flat.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 7 issuer(s) in Broadline Retail, Diversified Banks, Drug Retail, Electric Utilities, Packaged Foods & Meats and Personal Care Products with improving ESG profiles and divested from 7 issuer(s) in Copper, Diversified Banks, Electrical Components & Equipment, Electronic Components, Movies & Entertainment, Restaurants and Soft Drinks & Non-alcoholic Beverages with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 34.70%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 59.22%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint: the Sub-Fund had 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 had 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	25.32	87.43	
ESG Score - Corporate - Higher than bench	57.53	53.23	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	24.22	94.48
ESG Score - Corporate - Higher than bench	2022	58.84	53.34

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	93.93%	97.47%
#2 Not sustainable	6.07%	2.53%
Environmental	34.70%	35.89%
Social	59.22%	61.58%
Taxonomy-aligned	0.00%	0.00%
Other	34.70%	35.89%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 52 meetings: for 94.23 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 6 of which we supported 100 %.

More specifically, 1 proposals were related to climate (100 % support).

In addition, and for any voted director-election items (155 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 8 resolutions were filed by shareholders and we supported 75 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

13 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en/>], a large transparency survey feeding our investment processes : out of the 54 financial product's issuers targeted, 98.15% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 11 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 38 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 45 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

#### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	6,926.26	93.93%	93.93%
Scope 2 GHG Emissions	3,597.05	93.93%	93.93%
Total GHG Emissions	10,523.31	93.93%	93.93%
2 - Carbon Footprint	25.32	93.93%	93.93%
3 - GHG intensity of investee companies	68.95	93.93%	93.93%
4 - Exposure to companies active in fossil fuel sector	1.90%	92.75%	93.94%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	93.93%	93.93%
13 - Board gender diversity	41.60%	92.82%	93.92%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	93.93%	93.93%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:  
01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
ASML HOLDING NV	Electronics and semiconductors	5.09%	NLD
DASSAULT SYST.	Internet and internet services	4.27%	FRA
KBC GROUPE SA	Banks and other financial institutions	4.13%	BEL
BEIERSDORF AG	Pharmaceuticals	4.06%	DEU
KERRY GROUP -A-	Foods and non alcoholic drinks	3.75%	IRL
SANOFI	Pharmaceuticals	3.60%	FRA
SCHNEIDER ELECTRIC SE	Electrical engineering	3.34%	FRA
L'OREAL SA	Pharmaceuticals	3.10%	FRA
INTESA SANPAOLO	Banks and other financial institutions	2.91%	ITA
LVMH MOET HENNESSY LOUIS VUITTON SE	Miscellaneous services	2.83%	FRA
FINECOBANK	Banks and other financial institutions	2.83%	ITA
ESSILORLUXOTTICA SA	Pharmaceuticals	2.79%	FRA
KINGSPAN GROUP	Building materials	2.69%	IRL
BUREAU VERITAS SA	Miscellaneous services	2.65%	FRA
UNILEVER	Foods and non alcoholic drinks	2.18%	GBR

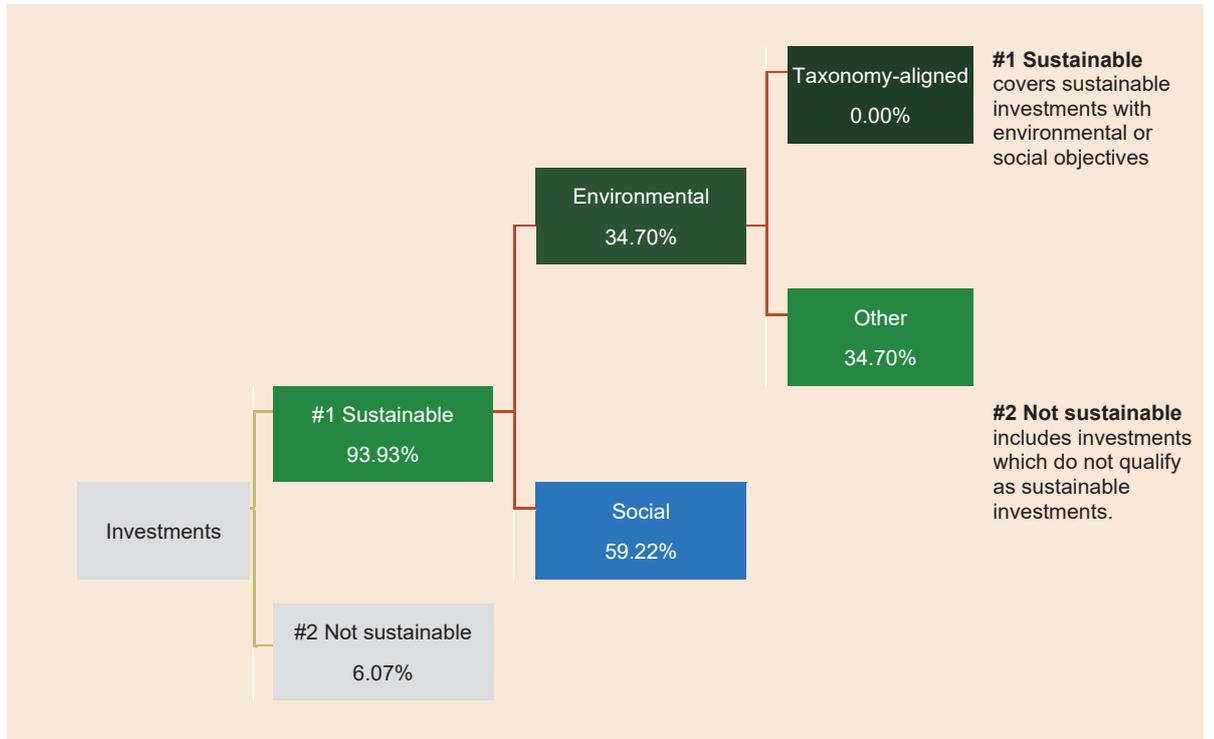
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

<b>Top sector</b>	<b>% of Assets</b>
Banks and other financial institutions	22.42%
Pharmaceuticals	18.29%
Electronics and semiconductors	6.60%
Internet and internet services	6.44%
Foods and non alcoholic drinks	6.12%
Miscellaneous services	5.48%
Electrical engineering	5.31%
Insurance	5.29%
Chemicals	4.64%
Building materials	2.95%
Real estate	2.46%
Textiles and garments	2.39%
Retail trade and department stores	2.28%
Utilities	2.12%
Graphic art and publishing	1.64%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

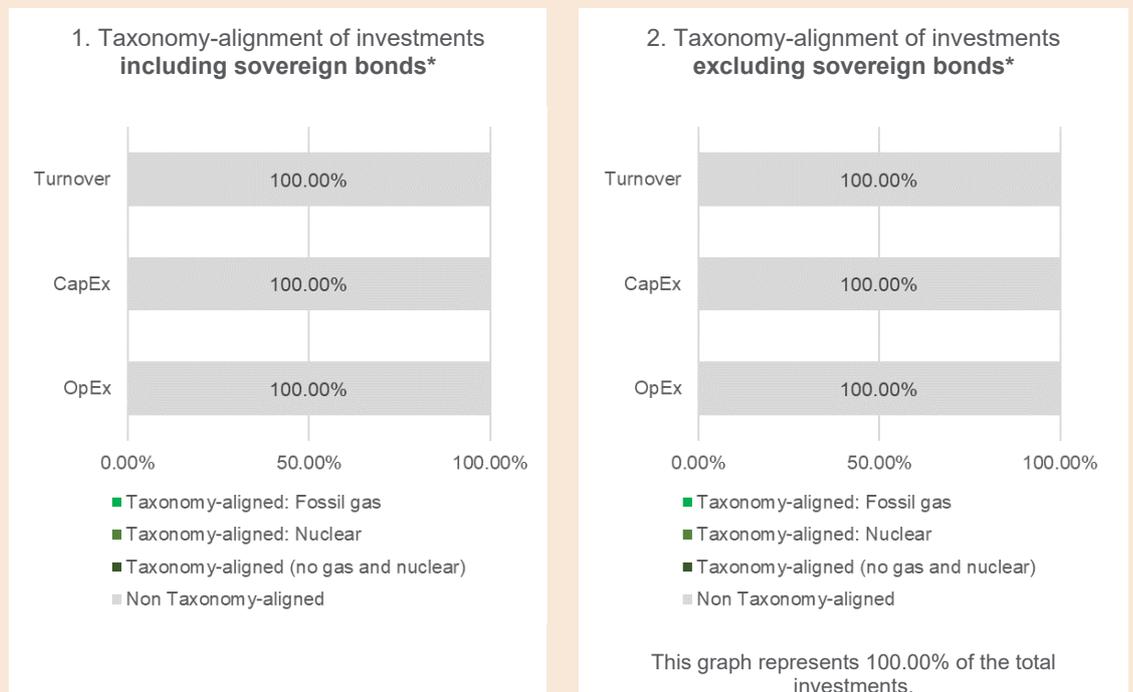
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 34.7% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 59.22%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 6.07% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 25.32 Tons CO2eq per million € invested, 71.04% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 57.53, 8.07% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 1 issuer(s) in Specialty Chemicals with improving ESG profiles and divested from 1 issuer(s) in Apparel, Accessories & Luxury Goods with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

### Did this financial product have a sustainable investment objective?



**YES**



**NO**

It made **sustainable investments with an environmental objective: 34.51%**

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 made **sustainable investments with a social objective: 59.18%**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investment

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 promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint: the Sub-Fund had 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 had 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	17.64	76.15	
ESG Score - Corporate - Higher than bench	58.36	53.67	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	17.67	77.43
ESG Score - Corporate - Higher than bench	2022	59.84	53.65

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	93.69%	98.46%
#2 Not sustainable	6.31%	1.54%
Environmental	34.51%	37.20%
Social	59.18%	61.25%
Taxonomy-aligned	0.00%	0.00%
Other	34.51%	37.20%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 76 meetings: for 96.05 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 17 of which we supported 100 %.

More specifically, 1 proposals were related to climate (100 % support).

In addition, and for any voted director-election items (384 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 8 resolutions were filed by shareholders and we supported 75 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

15 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en/>], a large transparency survey feeding our investment processes : out of the 81 financial product's issuers targeted, 97.53% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 12 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 56 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 69 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	14,742.02	93.69%	93.69%
Scope 2 GHG Emissions	8,963.06	93.69%	93.69%
Total GHG Emissions	23,705.08	93.69%	93.69%
2 - Carbon Footprint	17.64	93.69%	93.69%
3 - GHG intensity of investee companies	53.87	93.69%	93.69%
4 - Exposure to companies active in fossil fuel sector	1.56%	93.10%	93.69%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	93.69%	93.69%
13 - Board gender diversity	40.38%	92.91%	93.69%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	93.69%	93.69%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:

01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
NESTLE SA PREFERENTIAL SHARE	Foods and non alcoholic drinks	4.42%	CHE
KBC GROUPE SA	Banks and other financial institutions	3.79%	BEL
COMPASS GROUP	Hotels and restaurants	3.13%	GBR
RECKITT BENCKISER GROUP PLC	Miscellaneous consumer goods	3.00%	GBR
ROCHE HOLDING LTD	Pharmaceuticals	2.86%	CHE
ASML HOLDING NV	Electronics and semiconductors	2.85%	NLD
BEIERSDORF AG	Pharmaceuticals	2.67%	DEU
SANOFI	Pharmaceuticals	2.46%	FRA
UNILEVER	Foods and non alcoholic drinks	2.44%	GBR
ASTRAZENECA PLC	Pharmaceuticals	2.43%	GBR
FINECOBANK	Banks and other financial institutions	2.42%	ITA
KERRY GROUP -A-	Foods and non alcoholic drinks	2.38%	IRL
DASSAULT SYST.	Internet and internet services	2.29%	FRA
INTESA SANPAOLO	Banks and other financial institutions	2.03%	ITA
ESSILORLUXOTTICA SA	Pharmaceuticals	1.94%	FRA

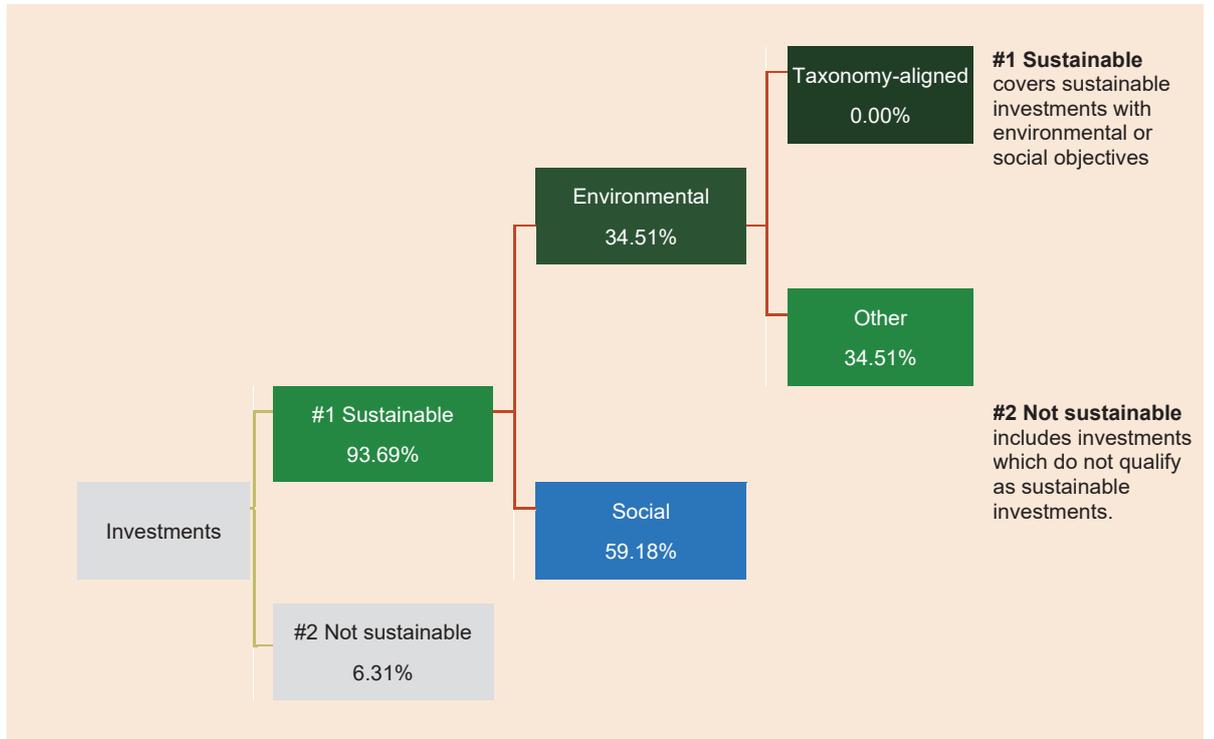
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Pharmaceuticals	20.45%
Banks and other financial institutions	19.51%
Foods and non alcoholic drinks	9.35%
Machine and apparatus construction	5.34%
Electronics and semiconductors	4.96%
Chemicals	4.94%
Insurance	3.82%
Miscellaneous services	3.66%
Miscellaneous consumer goods	3.55%
Internet and internet services	3.16%
Hotels and restaurants	3.13%
Electrical engineering	2.79%
Utilities	2.41%
Real estate	2.27%
Textiles and garments	2.14%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

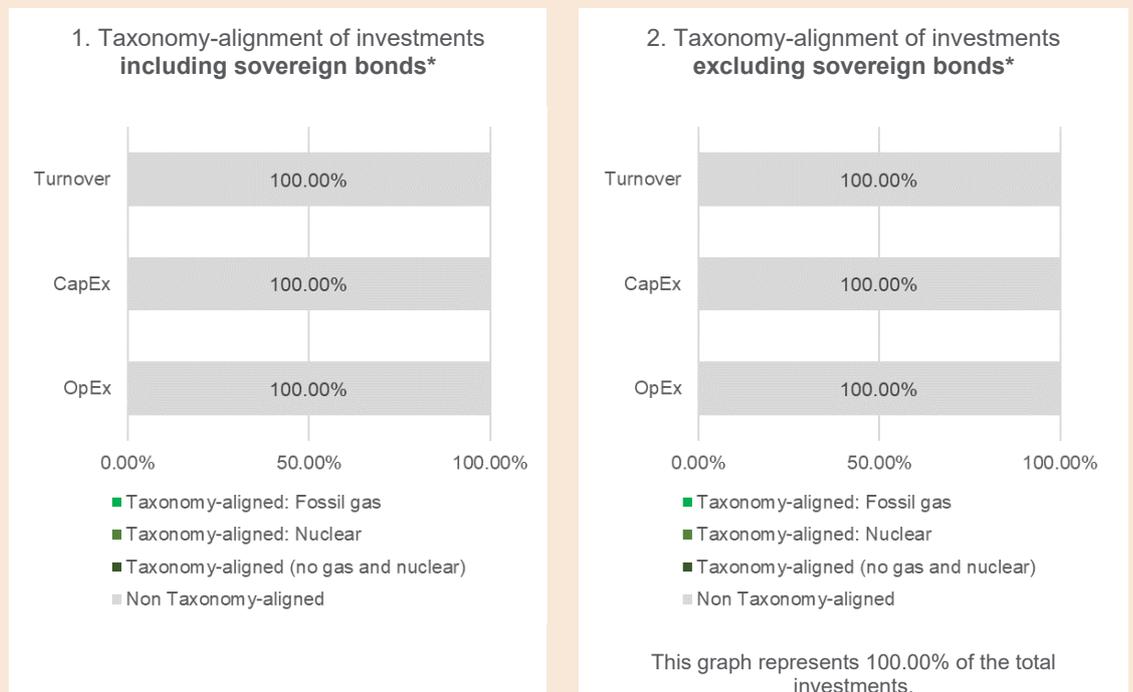
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 34.51% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 59.18%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 6.31% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 17.64 Tons CO2eq per million € invested, 76.84% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has remained stable.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 58.36, 8.75% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 1 issuer(s) in Specialty Chemicals with improving ESG profiles and divested from 1 issuer(s) in Apparel, Accessories & Luxury Goods with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

54930007EIIIG5DZ61751

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 28.68%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 65.65%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint: the Sub-Fund had 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 had 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	9.61	94.56	
ESG Score - Corporate - Higher than bench	60.47	53.29	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	10.98	108.04
ESG Score - Corporate - Higher than bench	2022	60.84	52.33

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	94.33%	98.12%
#2 Not sustainable	5.67%	1.88%
Environmental	28.68%	26.77%
Social	65.65%	71.35%
Taxonomy-aligned	0.00%	0.00%
Other	28.68%	26.77%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 66 meetings: for 92.42 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 12 of which we supported 91.67 %.

In addition, and for any voted director-election items (325 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 8 resolutions were filed by shareholders and we supported 75 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

2 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en/>], a large transparency survey feeding our investment processes : out of the 55 financial product's issuers targeted, 81.82% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 25 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 23 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	992.16	93.79%	94.34%
Scope 2 GHG Emissions	1,135.89	93.79%	94.34%
Total GHG Emissions	2,128.05	93.79%	94.34%
2 - Carbon Footprint	9.61	93.79%	94.34%
3 - GHG intensity of investee companies	34.12	93.79%	94.34%
4 - Exposure to companies active in fossil fuel sector	0.58%	91.70%	94.34%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	94.33%	94.33%
13 - Board gender diversity	40.42%	86.41%	94.34%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	94.33%	94.33%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:

01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
HALMA PLC	Electronics and semiconductors	4.03%	GBR
BIOMERIEUX SA	Pharmaceuticals	3.98%	FRA
KBC ANCORA CVA	Banks and other financial institutions	3.82%	BEL
INTERTEK GROUP PLC	Textiles and garments	3.41%	GBR
SPIRAX-SARCO ENGIN	Machine and apparatus construction	3.16%	GBR
FINECOBANK	Banks and other financial institutions	3.16%	ITA
BANKINTER SA - REG SHS	Banks and other financial institutions	3.07%	ESP
SIG GROUP PREFERENTIAL SHARE	Banks and other financial institutions	2.78%	CHE
UNITE GROUP PLC	Real estate	2.68%	GBR
BARCO - REG SHS	Internet and internet services	2.66%	BEL
ADMIRAL GROUP PLC	Insurance	2.64%	GBR
TECAN GROUP NAM.AKT	Pharmaceuticals	2.56%	CHE
BFF BANK S.P.A	Banks and other financial institutions	2.55%	ITA
TOPDANMARK AS	Insurance	2.41%	DNK
KINGSPAN GROUP	Building materials	2.39%	IRL

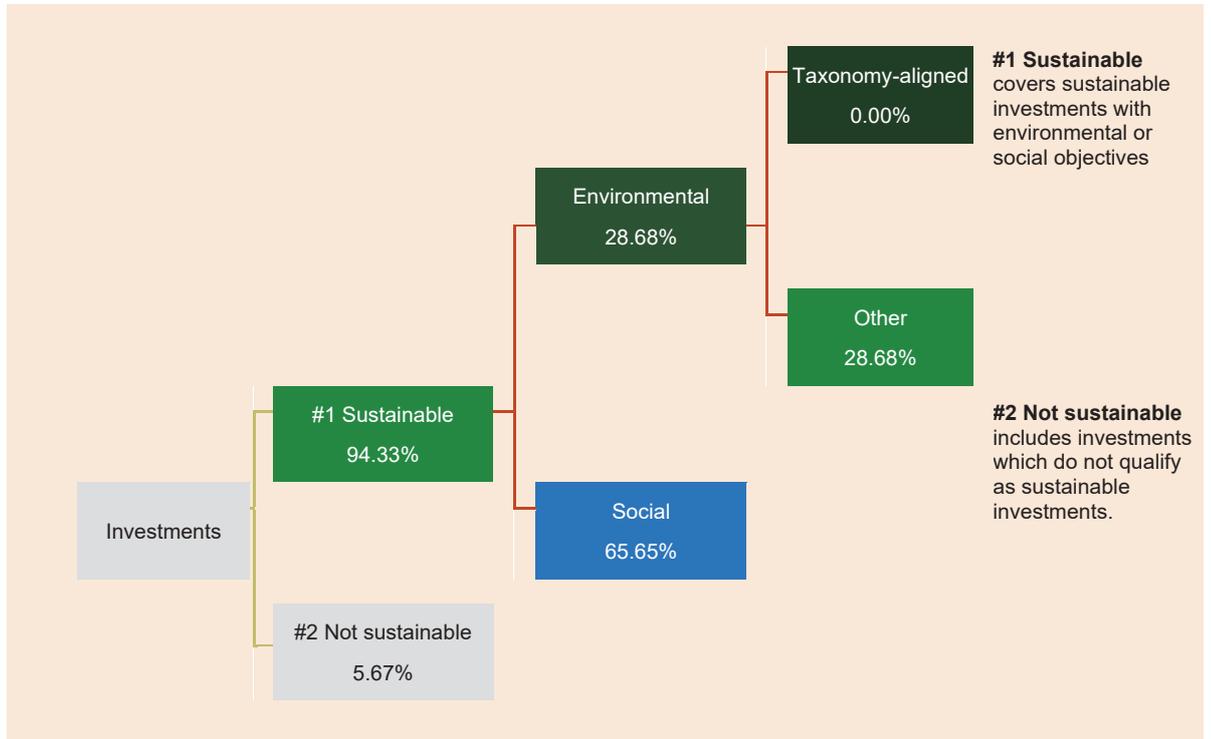
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Banks and other financial institutions	24.13%
Real estate	11.85%
Pharmaceuticals	9.86%
Machine and apparatus construction	8.06%
Insurance	5.76%
Electronics and semiconductors	5.71%
Textiles and garments	5.58%
Internet and internet services	5.50%
Miscellaneous services	4.62%
Foods and non alcoholic drinks	3.86%
Building materials	3.49%
Miscellaneous consumer goods	3.47%
Precious metals and stones	1.85%
Chemicals	1.61%
Biotechnology	1.60%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

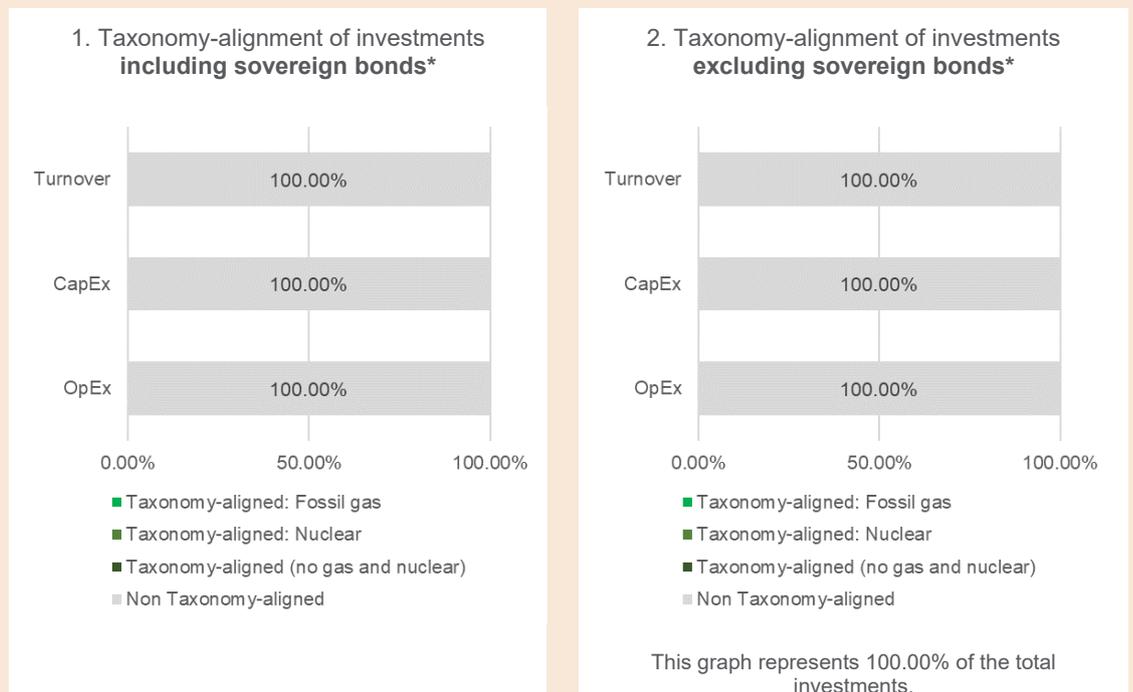
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 28.68% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 65.65%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 5.67% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 9.61 Tons CO2eq per million € invested, 89.84% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 12.46%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 60.47, 13.48% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 1 issuer(s) in Industrial Machinery & Supplies & Components with improving ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 52.72%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 41.11%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- an overall portfolio alignment with a temperature scenario equal to or lower than 2.5 degrees. As the availability and reliability of company climate data evolves over time, the Sub-Fund aimed to be aligned with a temperature scenario equal to or lower than 2 degrees by January 1st 2025.
- investment of a higher share of total assets under management in high-stake companies than the Sub-Fund's reference Benchmark. High-stake companies are defined by the EU Climate Benchmark regulation as those belonging to one of the sectors considered to play the biggest role in achieving the Paris Agreement objectives;

Moreover, the following indicators were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.
- to assure that eligible companies have individual revenue / capex / orderbook exposure to the activities contributing to a cleaner, safer or smarter mobility of at least 10%.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change

and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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.

As part of Candriam's commitment to the NZAI, the Sub-Fund aimed to contribute to greenhouse gas emission reduction and the objectives of the Paris Agreement. However, at the Sub-Fund level this contribution was quantified through a temperature metric.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Portfolio Temperature - Corporate - Lower than 2.5°C - Lower than 2°C in 2025	2.46		
Exposure to High Stake Sectors - Corporate - Higher than bench	69.32%	62.09%	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Portfolio Temperature - Corporate - Lower than 2.5°C - Lower than 2°C in 2025	2022	2.39	
Exposure to High Stake Sectors - Corporate - Higher than bench	2022	76.48%	62.39%

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	93.83%	93.45%
#2 Not sustainable	6.17%	6.55%
Environmental	52.72%	53.17%
Social	41.11%	40.28%
Taxonomy-aligned	0.00%	0.00%
Other	52.72%	53.17%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 47 meetings: for 80.85 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 2 of which we supported 100 %.

More specifically, 1 proposals were related to climate (100 % support).

In addition, and for any voted director-election items (282 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 30 resolutions were filed by shareholders and we supported 70 % of them.

More specifically 6 were Human Rights, Climate or Diversity & Inclusion related: we supported 100 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>],

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

3 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en/>], a large transparency survey feeding our investment processes : out of the 39 financial product's issuers targeted, 94.87% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 2 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 33 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 23 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

#### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	2,002.82	93.83%	93.83%
Scope 2 GHG Emissions	3,687.22	93.83%	93.83%
Total GHG Emissions	5,690.04	93.83%	93.83%
2 - Carbon Footprint	21.62	93.83%	93.83%
3 - GHG intensity of investee companies	66.98	93.83%	93.83%
4 - Exposure to companies active in fossil fuel sector	0.25%	93.05%	93.82%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	93.83%	93.83%
13 - Board gender diversity	33.05%	91.04%	93.84%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	93.83%	93.83%



## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
TE CONNECTIVITY LTD - REG SHS	Banks and other financial institutions	4.57%	CHE
CISCO SYSTEMS INC	Office supplies and computing	4.45%	USA
MICROSOFT CORP	Internet and internet services	4.25%	USA
APTIV PLC	Road vehicles	4.21%	JEY
SCHNEIDER ELECTRIC SE	Electrical engineering	4.16%	FRA
WABTEC CORP	Machine and apparatus construction	4.12%	USA
PALO ALTO NETWORKS	Internet and internet services	4.04%	USA
PTC INC	Internet and internet services	3.58%	USA
SERVICENOW INC	Internet and internet services	3.55%	USA
SIEMENS AG PREFERENTIAL SHARE	Electrical engineering	3.31%	DEU
ON SEMICONDUCTOR CORP	Electronics and semiconductors	3.24%	USA
NXP SEMICONDUCTORS	Electronics and semiconductors	2.80%	NLD
TAIWAN SEMICONDUCTOR CO ADR (REPR 5 SHS)	Electronics and semiconductors	2.79%	USA
TOYOTA MOTOR CORP	Road vehicles	2.79%	JPN
ITT INC	Miscellaneous services	2.66%	LUX

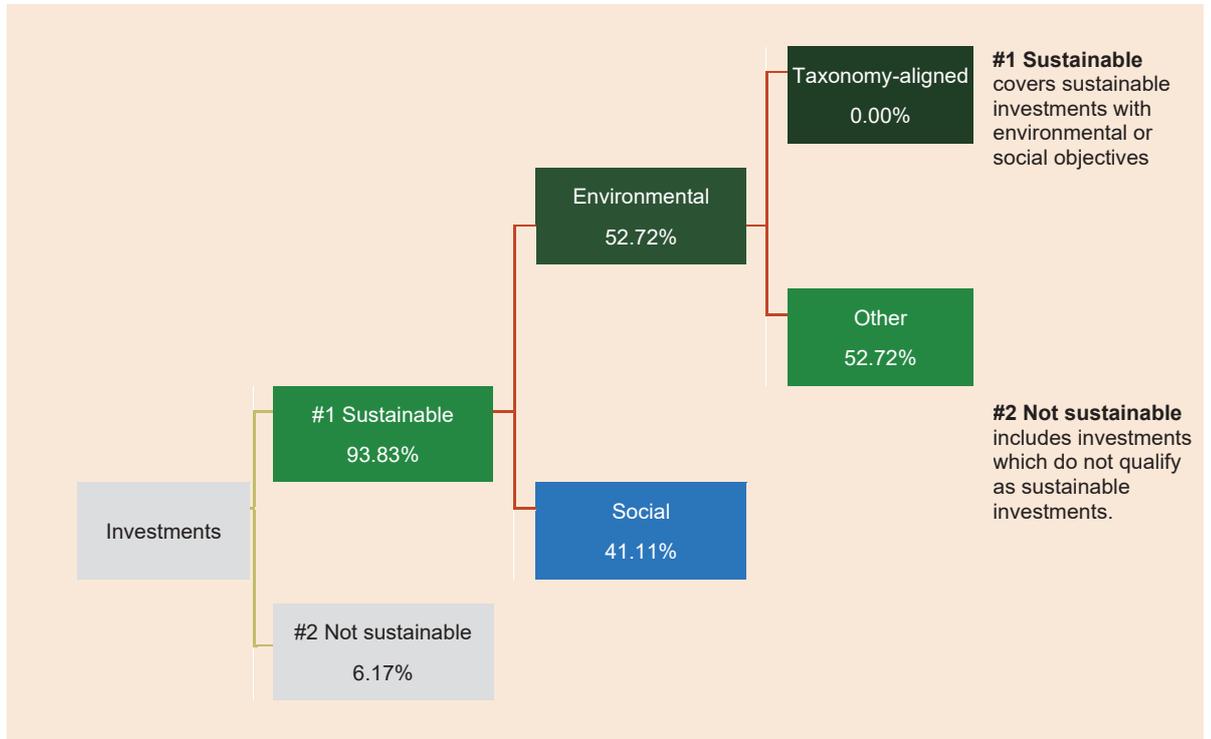
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Electronics and semiconductors	26.00%
Internet and internet services	19.25%
Electrical engineering	13.74%
Road vehicles	12.46%
Banks and other financial institutions	10.64%
Machine and apparatus construction	6.42%
Office supplies and computing	4.45%
Miscellaneous services	2.65%
Tires and rubber	2.52%
Precious metals and stones	1.18%
Biotechnology	0.65%
Healthcare	0.02%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

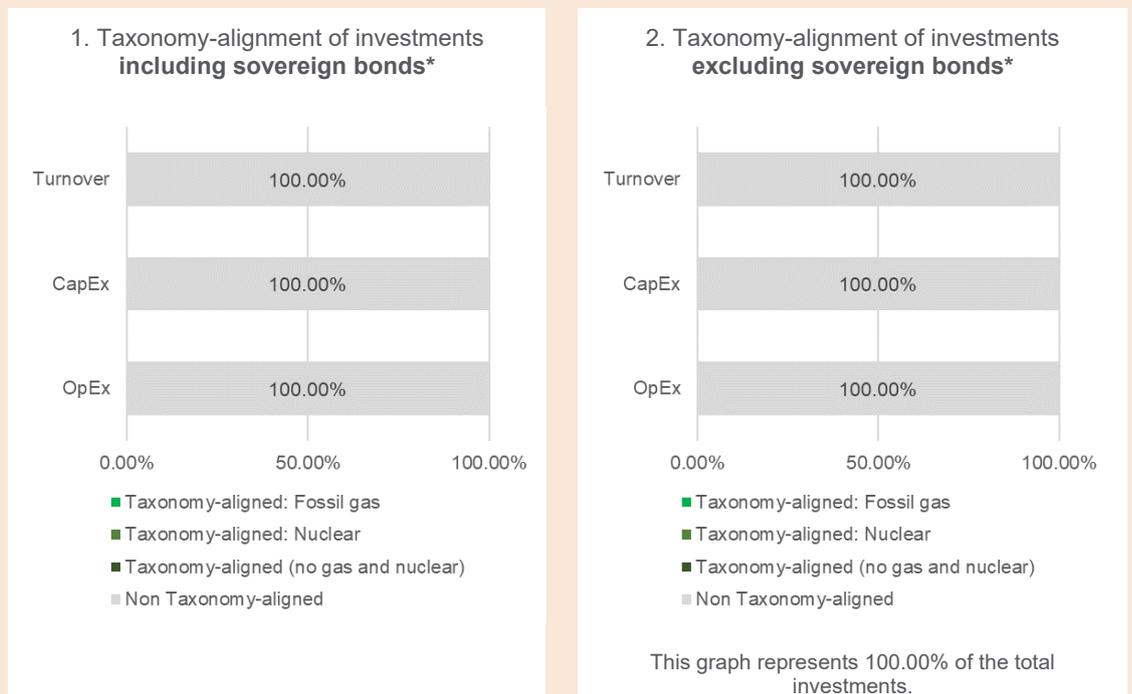
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 52.72% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 41.11%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 6.17% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to invest primarily in issuers that demonstrate a positive contribution to the objectives of the Paris Agreement and therefore intends to propose a temperature figure of 2.5 degrees or less.

Over the period, the financial product displayed a temperature of 2.46°C.

The financial product has achieved its objective by allocating a higher proportion of investments in issuers that demonstrate a positive contribution to the objectives of the Paris Agreement.

The financial product aims to invest a higher proportion of total assets under management in high stake issuers than the benchmark.

Over the reference period, the financial product invested in 69.32% of its net assets in high stake issuers, 11.64% higher compared to its benchmark.

The financial product has achieved its objective by allocating a higher proportion of investments in high stake issuers as compare to its benchmark.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 37.75%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 61.40%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint: the Sub-Fund had 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 had 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	30.45	64.24	
ESG Score - Corporate - Higher than bench	53.69	50.56	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	35.33	69.62
ESG Score - Corporate - Higher than bench	2022	53.22	49.34

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	99.15%	99.49%
#2 Not sustainable	0.85%	0.75%
Environmental	37.75%	37.88%
Social	61.40%	61.61%
Taxonomy-aligned	0.00%	0.00%
Other	37.75%	37.88%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 88 meetings: for 39.77 % of them we cast at least once against management.

In addition, and for any voted director-election items (849 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 9 resolutions were filed by shareholders and we supported 55.56 % of them.

More specifically 3 were Human Rights, Climate or Diversity & Inclusion related: we supported 100 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE with corporate issuers**

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 86 financial product's issuers targeted, 97.67% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 4 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 64 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 19 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, 1 issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	5,599.93	99.07%	99.15%
Scope 2 GHG Emissions	8,415.37	99.07%	99.15%
Total GHG Emissions	14,015.30	99.07%	99.15%
2 - Carbon Footprint	30.45	99.07%	99.15%
3 - GHG intensity of investee companies	53.78	99.07%	99.15%
4 - Exposure to companies active in fossil fuel sector	0.03%	97.75%	99.15%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	99.15%	99.15%
13 - Board gender diversity	18.88%	97.06%	99.15%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	99.15%	99.15%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:  
01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
TOYOTA MOTOR CORP	Road vehicles	5.16%	JPN
SONY CORP	Electronics and semiconductors	3.40%	JPN
SUMITOMO MITSUI FINANCIAL GROUP INC	Banks and other financial institutions	3.02%	JPN
HITACHI LTD	Electronics and semiconductors	2.79%	JPN
TAKEDA PHARMACEUTICAL	Pharmaceuticals	2.69%	JPN
MIZUHO FINANCIAL GROUP INC	Banks and other financial institutions	2.32%	JPN
FANUC CORP SHS	Electrical engineering	2.21%	JPN
CANON INC	Electronics and semiconductors	2.16%	JPN
FAST RETAILING CO LTD	Retail trade and department stores	2.15%	JPN
CENTRAL JAPAN RAILWAY CO	Transportation	2.01%	JPN
NIPPON TELEGRAPH AND TELEPHONE CORP	Communication	1.96%	JPN
DAIICHI SANKYO CO LTD	Pharmaceuticals	1.96%	JPN
NINTENDO CO LTD	Electronics and semiconductors	1.95%	JPN
SEKISUI HOUSE LTD	Building materials	1.89%	JPN
DAIWA HOUSE INDUSTRY CO LTD	Building materials	1.88%	JPN

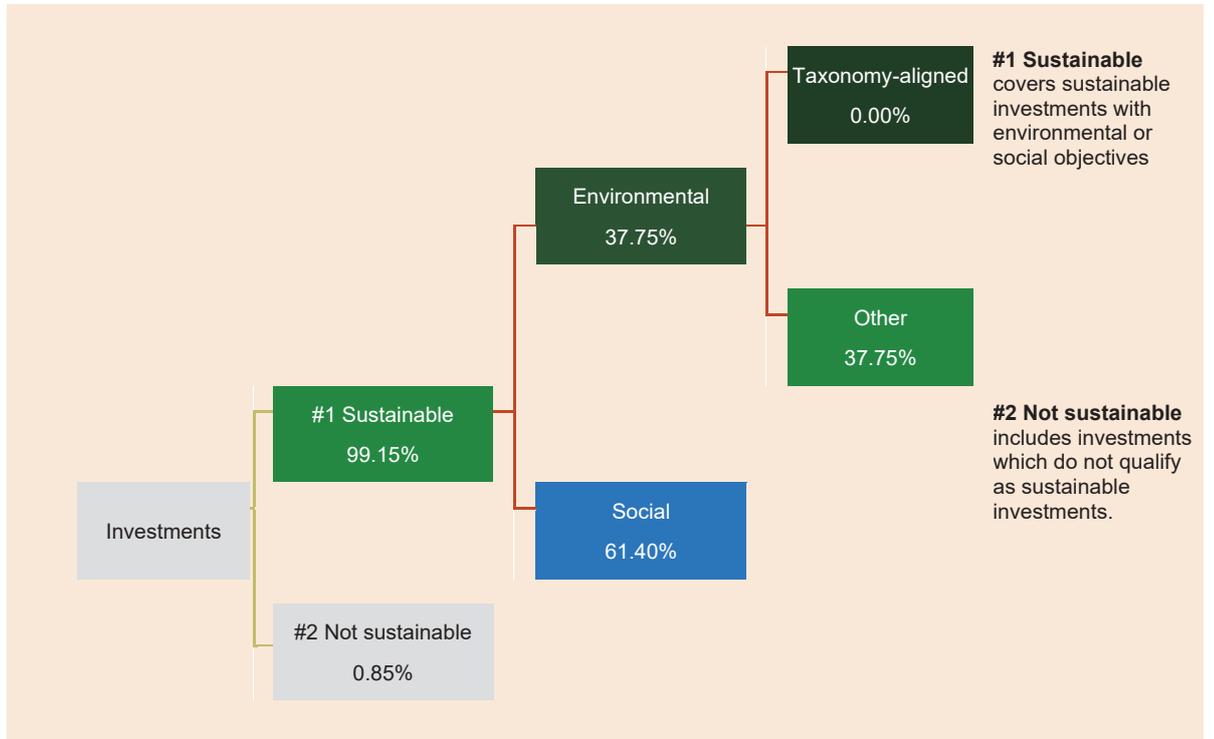
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Electronics and semiconductors	21.98%
Banks and other financial institutions	16.59%
Pharmaceuticals	8.58%
Road vehicles	6.50%
Machine and apparatus construction	6.20%
Building materials	5.04%
Transportation	4.63%
Graphic art and publishing	3.56%
Foods and non alcoholic drinks	3.47%
Communication	3.46%
Retail trade and department stores	2.93%
Internet and internet services	2.82%
Office supplies and computing	2.80%
Chemicals	2.78%
Real estate	2.54%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

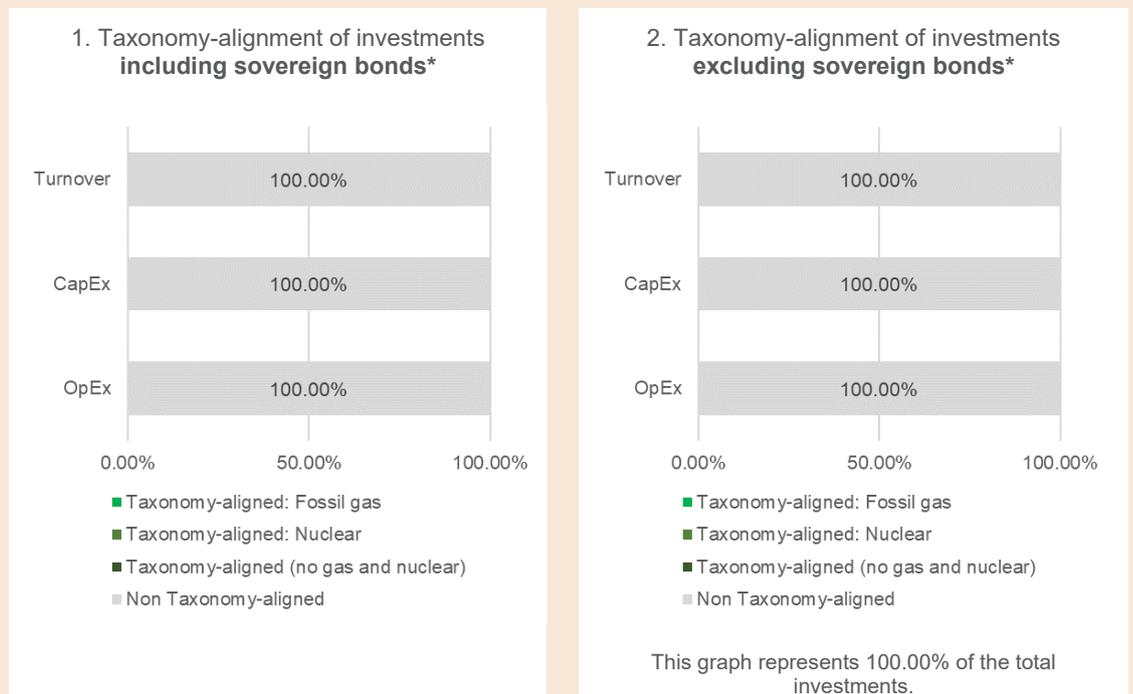
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 37.75% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 61.4%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 0.85% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 30.45 Tons CO2eq per million € invested, 52.59% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 13.81%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint. More precisely, the financial product divested from 1 issuer(s) in Trading Companies & Distributors with deteriorating carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 53.69, 6.2% higher compared to its benchmark.

In comparison to the previous year, the financial product overall ESG score is flat.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 9 issuer(s) in Advertising, Broadline Retail, Diversified Banks, Diversified Real Estate Activities, Industrial Machinery & Supplies & Components, Steel and Trading Companies & Distributors with improving ESG profiles and divested from 6 issuer(s) in Building Products, Construction & Engineering, Diversified Banks, Homebuilding, Marine Transportation and Specialized Finance with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

### Did this financial product have a sustainable investment objective?

●● <input checked="" type="checkbox"/> YES	●○ <input type="checkbox"/> NO
<p><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective</b>: 32.49%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective</b>: 67.36%</p>	<p><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>



### To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint: the Sub-Fund had 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 had 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.

### ● How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	40.46	76.15	
ESG Score - Corporate - Higher than bench	56.61	53.67	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	39.84	77.43
ESG Score - Corporate - Higher than bench	2022	57.05	53.65

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	99.85%	99.05%
#2 Not sustainable	0.15%	0.95%
Environmental	32.49%	32.60%
Social	67.36%	66.45%
Taxonomy-aligned	0.00%	0.00%
Other	32.49%	32.60%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 143 meetings: for 94.41 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 36 of which we supported 100 %.

More specifically, 3 proposals were related to climate (100 % support).

In addition, and for any voted director-election items (780 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 20 resolutions were filed by shareholders and we supported 30 % of them.

More specifically 4 were Human Rights, Climate or Diversity & Inclusion related: we supported 25 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

14 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en/>], a large transparency survey feeding our investment processes : out of the 137 financial product's issuers targeted, 96.35% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 21 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 90 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 105 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

#### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	15,299.64	99.54%	99.96%
Scope 2 GHG Emissions	5,307.41	99.54%	99.96%
Total GHG Emissions	20,607.04	99.54%	99.96%
2 - Carbon Footprint	40.46	99.54%	99.96%
3 - GHG intensity of investee companies	85.33	99.54%	99.96%
4 - Exposure to companies active in fossil fuel sector	4.09%	98.55%	99.97%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	99.96%	99.96%
13 - Board gender diversity	40.57%	98.82%	99.95%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	99.96%	99.96%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:  
01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
ASML HOLDING NV	Electronics and semiconductors	3.33%	NLD
NOVARTIS AG PREFERENTIAL SHARE	Pharmaceuticals	3.04%	CHE
ASTRAZENECA PLC	Pharmaceuticals	3.04%	GBR
NESTLE SA PREFERENTIAL SHARE	Foods and non alcoholic drinks	2.80%	CHE
LVMH MOET HENNESSY LOUIS VUITTON SE	Miscellaneous services	2.52%	FRA
ROCHE HOLDING LTD	Pharmaceuticals	2.26%	CHE
SIEMENS AG PREFERENTIAL SHARE	Electrical engineering	2.05%	DEU
SANOFI	Pharmaceuticals	2.00%	FRA
NOVO NORDISK - BEARER AND/OR - REG SHS	Pharmaceuticals	1.93%	DNK
L'OREAL SA	Pharmaceuticals	1.74%	FRA
NOVO NORDISK	Pharmaceuticals	1.71%	DNK
SAP AG	Internet and internet services	1.70%	DEU
ABB LTD PREFERENTIAL SHARE	Electrical engineering	1.65%	CHE
GSK REG SHS	Pharmaceuticals	1.54%	GBR
DEUTSCHE TELEKOM AG - REG SHS	Communication	1.46%	DEU

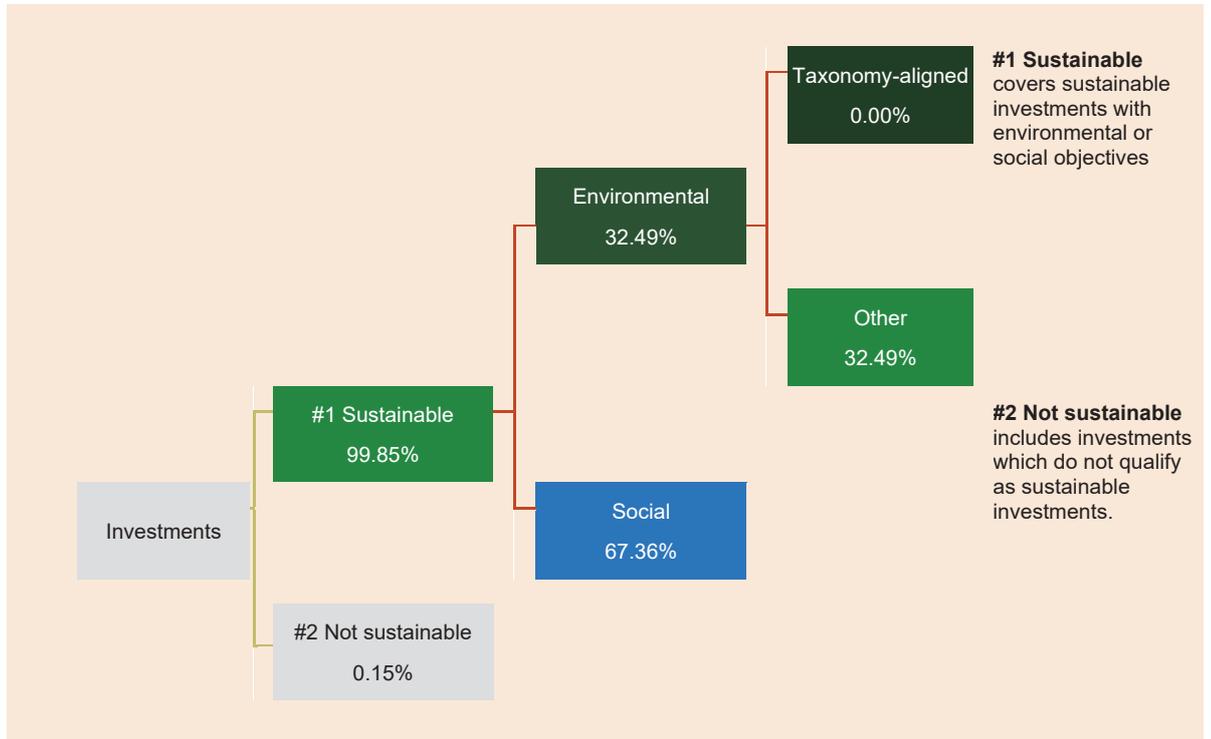
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Pharmaceuticals	20.67%
Banks and other financial institutions	8.81%
Communication	5.79%
Insurance	5.57%
Electrical engineering	4.59%
Retail trade and department stores	4.49%
Real estate	4.49%
Electronics and semiconductors	4.30%
Road vehicles	4.21%
Utilities	3.89%
Hotels and restaurants	3.84%
Foods and non alcoholic drinks	3.73%
Building materials	3.71%
Machine and apparatus construction	3.44%
Graphic art and publishing	3.39%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

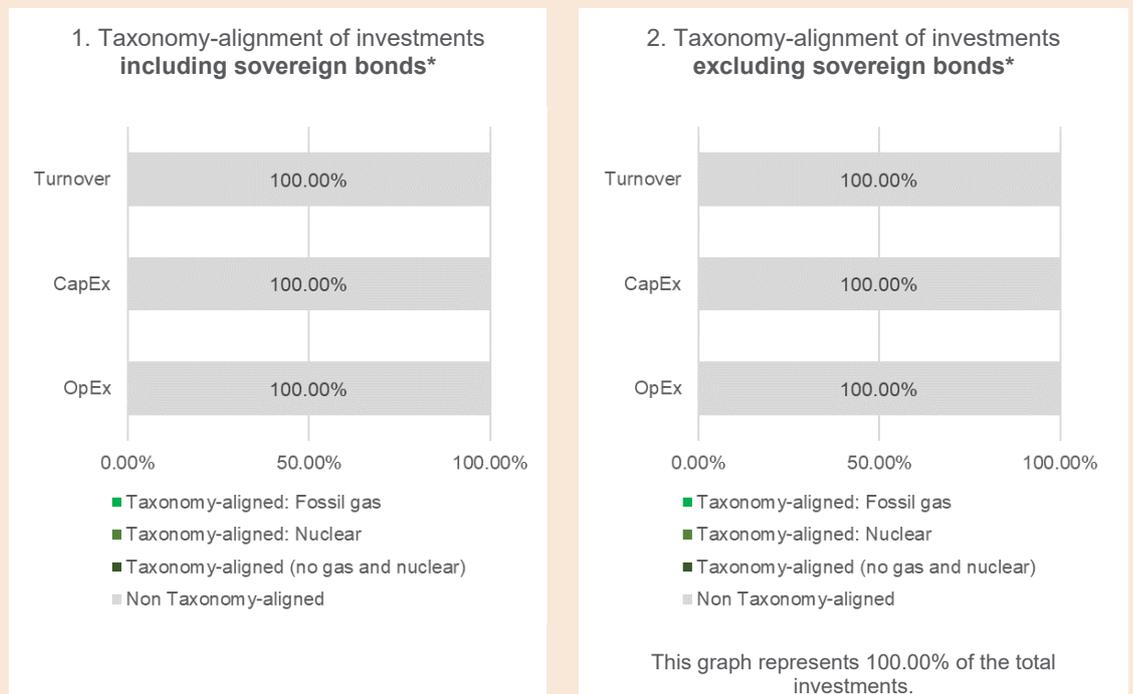
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 32.49% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 67.36%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 0.15% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 40.46 Tons CO2eq per million € invested, 46.86% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 56.61, 5.49% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 5 issuer(s) in Broadline Retail, Construction & Engineering, Construction Machinery & Heavy Transportation Equipment and IT Consulting & Other Services with improving ESG profiles and divested from 9 issuer(s) in Apparel,

Accessories & Luxury Goods, Cable & Satellite, Construction Machinery & Heavy Transportation Equipment, Copper, Diversified Banks, Integrated Telecommunication Services, Marine Transportation and Specialty Chemicals with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<p><input checked="" type="checkbox"/> <b>YES</b></p> <p><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 30.07%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 69.39%</b></p>	<p><input type="checkbox"/> <b>NO</b></p> <p><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investment</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint: the Sub-Fund had 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 had 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	19.02	35.22	
ESG Score - Corporate - Higher than bench	55.12	51.08	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	19.98	40.24
ESG Score - Corporate - Higher than bench	2022	54.34	50.51

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	99.46%	99.28%
#2 Not sustainable	0.54%	0.71%
Environmental	30.07%	35.11%
Social	69.39%	64.17%
Taxonomy-aligned	0.00%	0.00%
Other	30.07%	35.11%

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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 123 meetings: for 96.75 % of them we cast at least once against management.

In addition, and for any voted director-election items (1146 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 149 resolutions were filed by shareholders and we supported 71.81 % of them.

More specifically 39 were Human Rights, Climate or Diversity & Inclusion related: we supported 92.31 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

4 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en/>], a large transparency survey feeding our investment processes : out of the 113 financial product's issuers targeted, 87.61% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 6 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 74 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 53 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, 2 issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

#### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	16,164.49	99.19%	99.78%
Scope 2 GHG Emissions	13,076.00	99.19%	99.78%
Total GHG Emissions	29,240.49	99.19%	99.78%
2 - Carbon Footprint	19.02	99.19%	99.78%
3 - GHG intensity of investee companies	109.91	99.19%	99.78%
4 - Exposure to companies active in fossil fuel sector	2.58%	98.72%	99.78%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	99.73%	99.78%
13 - Board gender diversity	33.97%	98.31%	99.78%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	99.73%	99.78%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:  
01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
APPLE INC	Office supplies and computing	7.80%	USA
MICROSOFT CORP	Internet and internet services	7.51%	USA
NVIDIA CORP	Electronics and semiconductors	2.83%	USA
ALPHABET INC -A-	Internet and internet services	2.61%	USA
ALPHABET INC -C-	Internet and internet services	2.34%	USA
UNITEDHEALTH GROUP INC	Healthcare	2.08%	USA
VISA INC -A-	Internet and internet services	1.99%	USA
PROCTER & GAMBLE CO	Miscellaneous consumer goods	1.74%	USA
HOME DEPOT INC	Retail trade and department stores	1.74%	USA
MASTERCARD INC -A-	Banks and other financial institutions	1.69%	USA
TESLA MOTORS INC	Road vehicles	1.58%	USA
LINDE PLC	Chemicals	1.52%	IRL
ELI LILLY & CO	Biotechnology	1.47%	USA
THERMO FISHER SCIENT SHS	Electronics and semiconductors	1.44%	USA
CISCO SYSTEMS INC	Office supplies and computing	1.39%	USA

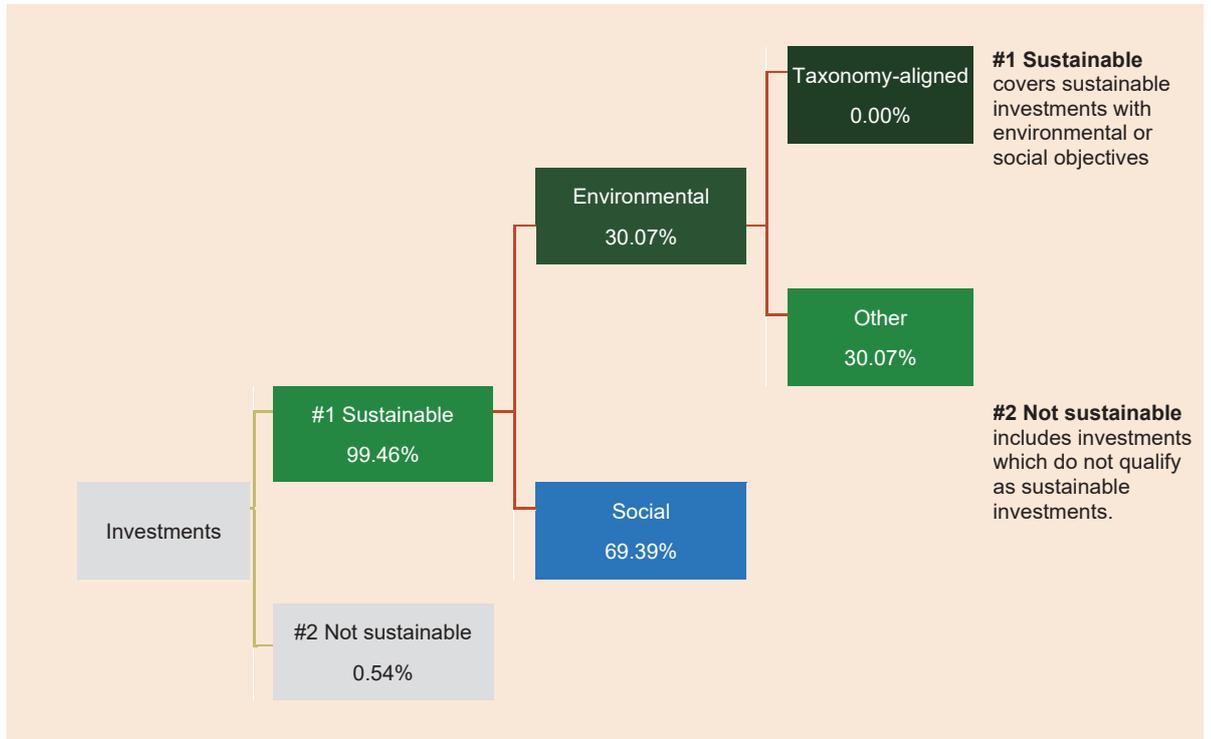
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Internet and internet services	22.11%
Office supplies and computing	9.52%
Banks and other financial institutions	8.91%
Pharmaceuticals	7.71%
Electronics and semiconductors	7.42%
Retail trade and department stores	5.21%
Real estate	4.52%
Healthcare	4.43%
Biotechnology	3.18%
Chemicals	3.07%
Miscellaneous consumer goods	2.86%
Textiles and garments	2.82%
Utilities	2.25%
Road vehicles	2.03%
Electrical engineering	1.92%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

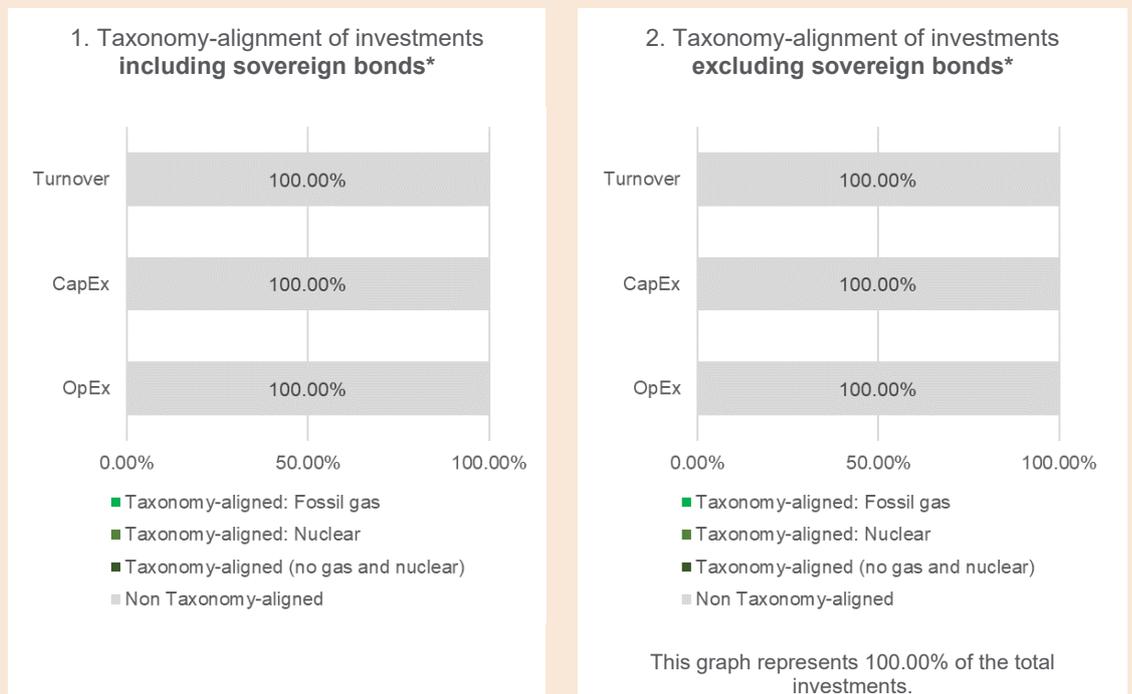
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 30.07% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 69.39%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 0.54% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 19.02 Tons CO2eq per million € invested, 45.99% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 4.8%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint. More precisely, the financial product divested from 2 issuer(s) in Rail Transportation with deteriorating carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 55.12, 7.91% higher compared to its benchmark.

In comparison to the previous year, the financial product overall ESG score is higher by 1.44%.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 17 issuer(s) in Apparel Retail, Asset Management & Custody Banks, Cable & Satellite, Construction Machinery & Heavy Transportation Equipment, Data Processing & Outsourced Services, Diversified Banks, Electronic Manufacturing Services, Financial Exchanges & Data, Footwear, Health Care Equipment, Hotel & Resort REITs, Industrial Gases, Industrial REITs, Movies & Entertainment, Packaged Foods & Meats, Real Estate Services and Regional Banks with improving ESG profiles and divested from 12 issuer(s) in Department Stores, Diversified Banks, Industrial Conglomerates, Investment Banking & Brokerage, Movies & Entertainment, Packaged Foods & Meats, Regional Banks, Semiconductors and Specialty Chemicals with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 29.27%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 70.11%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint: the Sub-Fund had 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 had 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 were monitored:

- OECD Guidelines for Multinational Enterprises, UN Global Compact: to ensure that there were no investments in companies that are in violation with the these principles.
- Candriam's Exclusion Policy: to ensure that there were no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed 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 aimed to reduce greenhouse gas emissions.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	23.29	47.39	
ESG Score - Corporate - Higher than bench	55.58	51.59	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - 30% reduction vs bench	2022	15.15	51.74
ESG Score - Corporate - Higher than bench	2022	55.28	51.03

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	99.38%	99.33%
#2 Not sustainable	0.62%	0.66%
Environmental	29.27%	32.52%
Social	70.11%	66.81%
Taxonomy-aligned	0.00%	0.00%
Other	29.27%	32.52%

**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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been 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.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 203 meetings: for 91.13 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 15 of which we supported 100 %.

In addition, and for any voted director-election items (1660 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 121 resolutions were filed by shareholders and we supported 66.94 % of them.

More specifically 33 were Human Rights, Climate or Diversity & Inclusion related: we supported 81.82 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [<https://vds.issgovernance.com/vds/#/NDA0Nw==/>]

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

9 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 175 financial product's issuers targeted, 84% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 19 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 109 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 92 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, 2 issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	19,342.60	98.81%	99.39%
Scope 2 GHG Emissions	13,224.98	98.81%	99.39%
Total GHG Emissions	32,567.58	98.81%	99.39%
2 - Carbon Footprint	23.29	98.81%	99.39%
3 - GHG intensity of investee companies	81.67	98.81%	99.39%
4 - Exposure to companies active in fossil fuel sector	2.28%	98.43%	99.39%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	99.38%	99.39%
13 - Board gender diversity	34.84%	97.69%	99.39%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	99.38%	99.39%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
APPLE INC	Office supplies and computing	5.80%	USA
MICROSOFT CORP	Internet and internet services	5.06%	USA
ALPHABET INC -A-	Internet and internet services	1.95%	USA
ALPHABET INC -C-	Internet and internet services	1.83%	USA
NVIDIA CORP	Electronics and semiconductors	1.77%	USA
VISA INC -A-	Internet and internet services	1.63%	USA
PROCTER & GAMBLE CO	Miscellaneous consumer goods	1.43%	USA
MASTERCARD INC -A-	Banks and other financial institutions	1.38%	USA
LINDE PLC	Chemicals	1.36%	IRL
NOVARTIS AG PREFERENTIAL SHARE	Pharmaceuticals	1.23%	CHE
UNITEDHEALTH GROUP INC	Healthcare	1.23%	USA
ELI LILLY & CO	Biotechnology	1.19%	USA
LOWE'S CO INC	Retail trade and department stores	1.02%	USA
THERMO FISHER SCIENT SHS	Electronics and semiconductors	0.93%	USA
TESLA MOTORS INC	Road vehicles	0.93%	USA

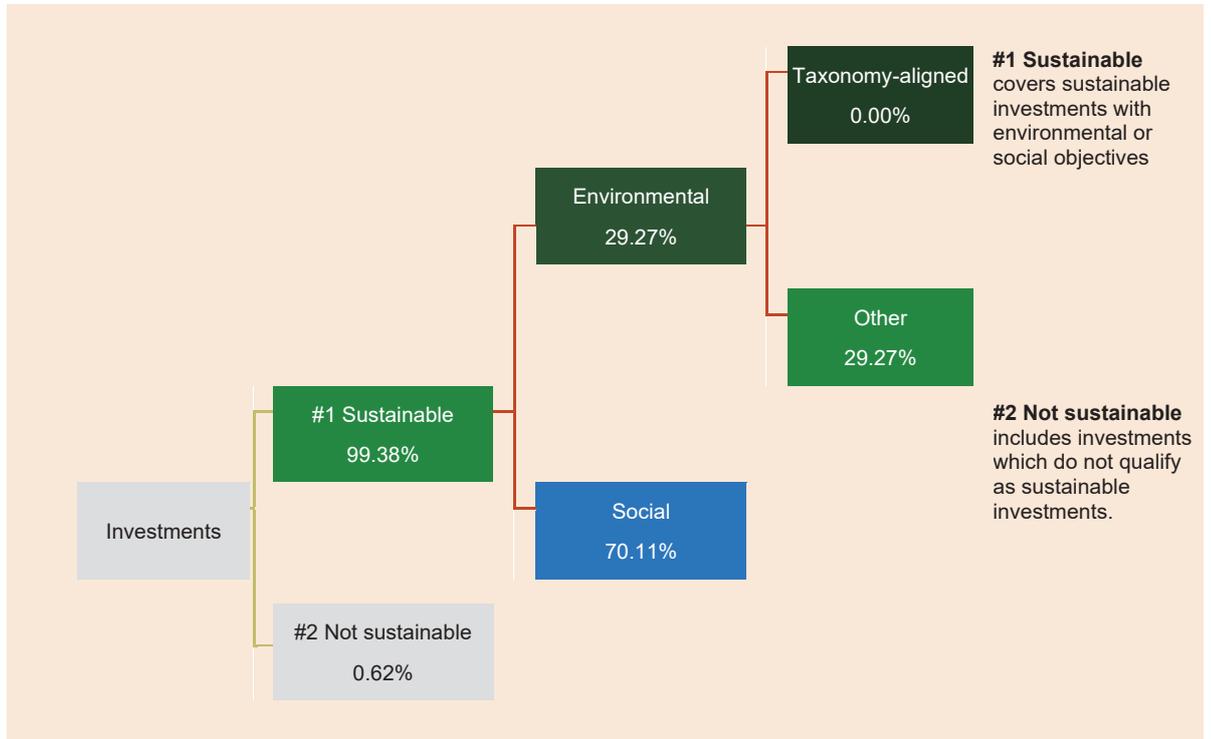
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Internet and internet services	18.81%
Banks and other financial institutions	13.78%
Pharmaceuticals	8.21%
Office supplies and computing	6.56%
Electronics and semiconductors	5.69%
Retail trade and department stores	5.20%
Real estate	3.71%
Graphic art and publishing	2.99%
Biotechnology	2.98%
Textiles and garments	2.95%
Insurance	2.77%
Chemicals	2.44%
Miscellaneous consumer goods	2.38%
Healthcare	2.32%
Transportation	2.24%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

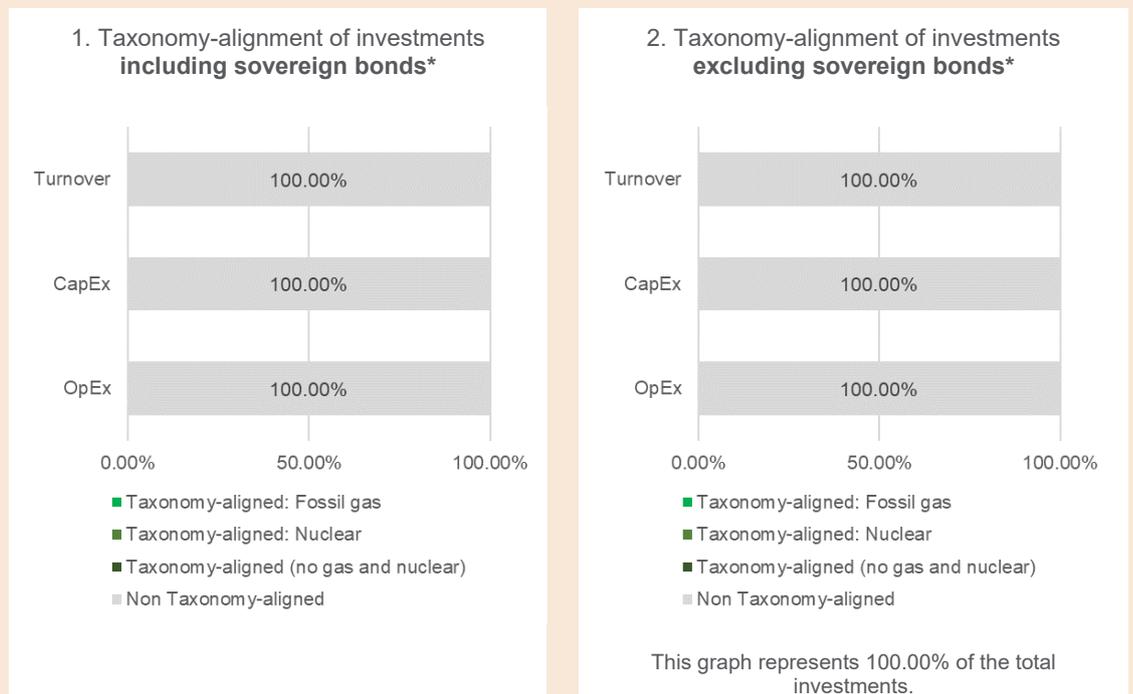
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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

<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 29.27% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 70.11%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 0.62% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is at least 30% lower than the carbon footprint of the Benchmark.

Over the reference period, the financial product emitted 23.29 Tons CO2eq per million € invested, 50.86% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint. More precisely, the financial product divested from 2 issuer(s) in Rail Transportation and Trading Companies & Distributors with deteriorating carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 55.58, 7.74% higher compared to its benchmark.

In comparison to the previous year, the financial product overall ESG score is flat.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 15 issuer(s) in Apparel Retail, Asset Management & Custody Banks, Cable & Satellite, Construction Machinery & Heavy Transportation Equipment, Electronic Manufacturing Services, Financial Exchanges & Data, Footwear, Hotel & Resort REITs, Human Resource & Employment Services, Industrial Gases, Internet Services & Infrastructure, Packaged Foods & Meats and Real Estate Services with improving ESG profiles and divested from 11 issuer(s) in Apparel, Accessories & Luxury Goods, Broadline Retail, Construction & Engineering, Diversified Banks, General Merchandise Stores, Investment Banking & Brokerage, Multi-Sector Holdings and Regional Banks with deteriorating ESG profiles.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 45.03%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<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 checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 45.07%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint : the Sub-fund aimed 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 aimed 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 were monitored:

- to assure that there are no investments in issuers that are in violation with the OECD Guidelines for Multinational Enterprises or the UN Global Compact.
- to assure that there are no investments in issuers that are on the Candriam's SRI Level 3 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 did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices for the corporates.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 80%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not 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 aimed to have a carbon footprint below a determined absolute threshold. This threshold has been set at around 30% lower than the investment universe.

The Sub-Fund aimed to reduce greenhouse gas emissions versus its benchmark is a first step towards the objectives of the Paris agreement. On a later stage, other steps will be set in order to ensure carbon emissions reduction.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 100)	51.82		
ESG Score - Country and Corporate - Higher than 50	57.45		

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 100)	2022	40.41	
ESG Score - Country and Corporate - Higher than 55	2022	56.09	

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	90.10%	91.39%
#2 Not sustainable	9.90%	8.61%
Environmental	45.03%	52.43%
Social	45.07%	38.96%
Taxonomy-aligned	0.00%	0.00%
Other	45.03%	52.43%

**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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments do not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology sets clear requirements and minimum thresholds to identify those issuers - companies and sovereigns - that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

For the analysis of corporate issuers, these methods include:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.

2. Negative Country Screening, which includes the following:

- Candriam's list of highly oppressive regimes -States with serious human rights violations;
- Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations 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 our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

2 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 17 financial product's issuers targeted, 94.12% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 6 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 9 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 16 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## EXCLUSIONS

### PAI3

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### PAI4

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	25,657.33	75.30%	79.43%
Scope 2 GHG Emissions	6,102.35	75.30%	79.43%
Total GHG Emissions	31,759.68	75.30%	79.15%
2 - Carbon Footprint	51.82	75.30%	79.15%
3 - GHG intensity of investee companies	92.86	76.03%	79.13%
4 - Exposure to companies active in fossil fuel sector	3.78%	74.39%	79.02%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	78.59%	79.06%
13 - Board gender diversity	40.62%	65.99%	79.38%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	78.59%	79.06%
15 - GHG intensity	215.09	5.21%	9.19%
16 - Investee countries subject to social violations	0.00%	9.19%	9.19%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:  
01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
THERMO FISCHER FL.R 21-23 18/11Q	Banks and other financial institutions	2.13%	NLD
ABN AMRO BK FL.R 23-25 10/01Q	Banks and other financial institutions	2.08%	NLD
CANDRIAM MONEY MARKET USD SUST Z USD C	Non Classifiable Institutions	1.97%	LUX
ROYAL BANK OF CANADA FL.R 23-25 17/01Q	Banks and other financial institutions	1.89%	CAN
TORONTO DOMINION BK FL.R 23-25 20/01Q	Banks and other financial institutions	1.84%	CAN
REPU OF FINL SUOM ZCP 13-02-24	Bonds of States, Provinces and municipalities	1.74%	FIN
SG FL.R 23-25 13/01Q	Banks and other financial institutions	1.34%	FRA
ABN AMRO CANDRIAM SUSTAINABLE TREASURY I	Investments funds	1.19%	FRA
BANK OF MONTREAL FL.R 23-25 06/06Q	Banks and other financial institutions	1.16%	CAN
JAPA TREA DISC BIL ZCP 19-02-24	Bonds of States, Provinces and municipalities	1.13%	JPN
BANK OF NOVA SCOTIA FL.R 23-25 02/05Q	Banks and other financial institutions	1.09%	CAN
BANCO BILBAO VIZCAYA FL.R 21-23 09/09Q	Banks and other financial institutions	1.06%	ESP
COMPAGNIE DE SAINT G FL.R 23-24 18/07Q	Building materials	1.04%	FRA
SOCIETE GENERALE FL.R 17-24 22/05Q	Banks and other financial institutions	0.91%	FRA
THE TO OISEST+0.41% 14-11-23	Banks and other financial institutions	0.90%	GBR

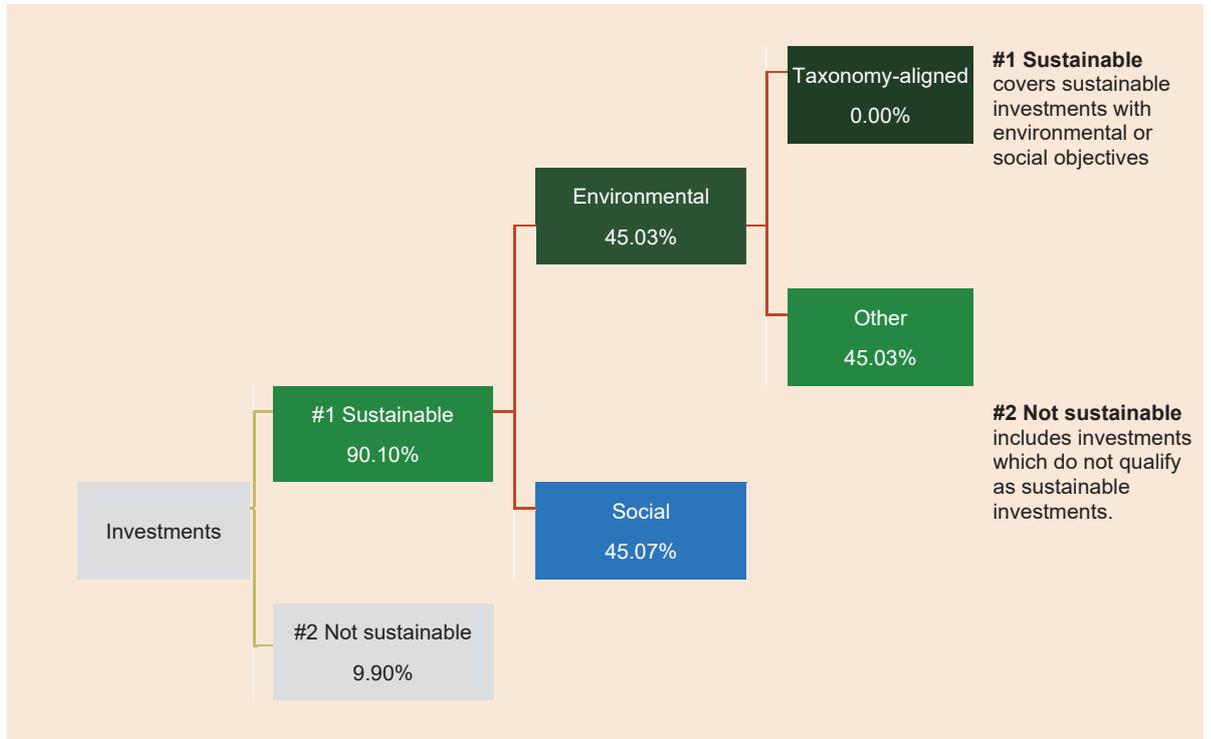
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Banks and other financial institutions	57.46%
Bonds of States, Provinces and municipalities	8.64%
Investments funds	6.62%
Real estate	4.48%
Internet and internet services	3.38%
Utilities	2.85%
Non Classifiable Institutions	2.66%
Building materials	1.81%
Electrical engineering	1.77%
Chemicals	1.46%
Machine and apparatus construction	1.33%
Pharmaceuticals	1.06%
Retail trade and department stores	0.93%
Road vehicles	0.83%
Foods and non alcoholic drinks	0.83%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

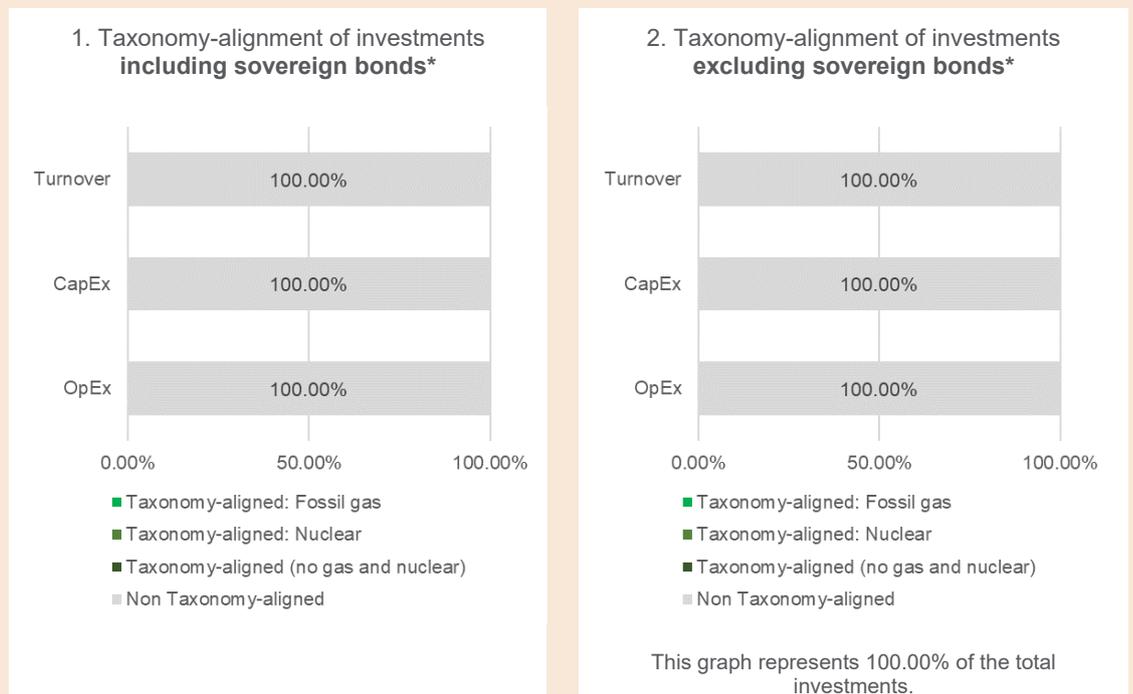
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



<sup>1</sup>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.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

● **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 45.03% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 45.07%

● **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 9.9% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers 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 have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

➔ **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than 100 Tons CO2eq per million € invested.

Over the reference period, the financial product emitted 51.82 Tons CO2eq per million € invested.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than an absolute threshold, currently set at 50.

Over the reference period, the financial product displayed an ESG score of 57.45.

In comparison to the previous year, the financial product overall ESG score is higher by 2.42%.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. More precisely, the financial product divested from 5 issuer(s) in Apparel, Accessories & Luxury Goods and Banks with deteriorating ESG score.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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