

**REGISTERED POST**

Luxembourg, 19 October 2022

**NOTICE TO SHAREHOLDERS**

Dear Shareholders,

The Board of Directors wishes to inform you of the following:

**1/ Candriam Sustainable Equity Climate Action**

The Board of Directors of the SICAV, in accordance with the Management Company's recommendation, intends to drop the mechanism of carbon off-setting that is in place within the sub-fund Candriam Sustainable **Equity Climate Action** to rather focus on nature-based removal projects, based on the following considerations:

- The sub-fund has been using a portfolio temperature measure to measure the alignment of the companies held in the portfolio with the objectives of the Paris agreement.
- This alignment is not only based on carbon emissions but also includes avoided emissions and a forward-looking assessment of a company's investment plans, the credibility of its greenhouse gas emission reduction targets and its strategy in this area.
- This portfolio temperature measurement is currently the most sophisticated method and the one most capable of reporting on the sub-fund's climate positioning and its alignment with the objectives of the Paris agreement.
- The mechanism of carbon off-setting based solely on the carbon footprint is not sufficiently fine-tuned and comprehensive to reflect the sub-fund's climate positioning and its alignment with the Paris agreement.

Therefore, the mechanism of carbon off-setting will be abandoned as from **1<sup>st</sup> January 2023**.

Candriam's commitment to set aside a portion of the net management fees that it collects from the sub-fund will be maintained with the purpose of supporting environmental projects around for example reforestation and ecosystem restoration. These projects will be selected and conducted in collaboration with partners who apply the highest environmental and social standards and who are committed over the long term.

**2/ Conversion fees**

The Board of Directors has decided to set up a conversion fee on the C and R2 share classes of all the sub-funds, amounting max. 2.5% of the net asset value of the share class, for the benefit of the selling agents.

**3/ Operational and administrative charges**

The costs associated to the **order routing platforms** are to be considered as included in the Operational and administrative charges, as well as the **listing and maintenance fees on stock exchange or specific platforms** as defined in the part *Operational and administrative charges* of the Prospectus. This modification has no financial impact on the investors.

**4/ Indicators and targets modification**

To take into consideration the evolution of Candriam's ESG methodology, the Board of Directors has decided to replace some indicators and/or targets for the here below mentioned funds as follows:

**CANDRIAM SUSTAINABLE**Société d'Investissement à Capital Variable  
(the "SICAV")

5, Allée Scheffer

L – 2520 Luxembourg

Registered with the Luxembourg Trade &amp; Companies' Registry under number B-202950

Sub-fund	Old Indicator and/or target		New Indicator and/or target
Candriam Sustainable <b>Bond Emerging Markets</b>	Environmental Performance Index score. Target: Higher than benchmark	Replaced by	CO2 Intensity Country score. Target: 30% reduction vs benchmark
Candriam Sustainable <b>Money Market Euro</b>	ESG Score. Target: Higher than 55	Replaced	ESG Score. Target: Higher than 50
Candriam Sustainable <b>Balanced Asset Allocation &amp; Candriam Sustainable Defensive Asset Allocation</b>	For direct lines: ESG score higher than benchmark ESG score	Removed and replaced by	Corporate issuances have to qualify as sustainable investments.
		NEW indicator added	Carbon footprint. Target: 25% reduction vs benchmark

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The above-mentioned modification under 1/ will take effect on **1<sup>st</sup> January 2023**The above-mentioned changes under 2/, 3/ and 4/ will take effect on **1<sup>st</sup> December 2022**.

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The shareholders who do not agree with the proposed modifications can redeem their shares, free of charge, for a period of one month as from **24 October 2022**.

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The prospectus dated **1<sup>st</sup> December 2022**, and the key investor information documents are available free of charge from the registered office of the SICAV or may be obtained free of charge from the following address: <https://www.candriam.lu/en/private/funds-search#>.

The Board of Directors