

# Edmond de Rothschild

## Group Policy for taking into account the Principal Adverse Impacts in sustainability

January 2026

C1 : Public



EDMOND  
DE ROTHSCHILD



# Table of contents

<b>Foreword</b> .....	<b>3</b>
<b>Description of policies to identify and prioritize the principal adverse impacts on sustainability factors</b> .....	<b>4</b>
<b>Scope</b> .....	<b>6</b>
<b>Methodology to identify and prioritize Principal Adverse Impacts</b> .....	<b>7</b>
Sustainability assessment framework.....	10
Engagement policy .....	12
Climate policy .....	14
Biodiversity policy.....	15
Exclusion policy .....	15
<b>Methodologies and data sources</b> .....	<b>18</b>
<b>Initiatives and commitments</b> .....	<b>20</b>
<b>Governance</b> .....	<b>21</b>
<b>Explanatory notes on international standards</b> .....	<b>22</b>
<b>Appendix A</b> .....	<b>22</b>



# Foreword

Regulation (EU) 2019/2088<sup>1</sup> of the European Parliament and of the Council, dated 27 November 2019 and commonly referred to as the Disclosure Regulation or SFDR, lays the foundations for the European framework for sustainable finance. Effective from 10 March 2021, this regulation imposes rules designed to harmonize the sustainability practices of financial entities.

This Regulation mandates financial market participants and financial advisors offering investment advice to publish written policies detailing the integration of sustainability risks and to ensure transparency in the application of these integrations.

To comply, financial market participants are required to publish information on their websites about how sustainability risks are integrated into their investment decision-making processes. Edmond de Rothschild considers the Principal Adverse Impacts (PAI) of its investment decisions on sustainability factors.

According to the SFDR, Principal Adverse Impacts (PAI) refer to the negative effects that investment decisions and advice may have on sustainability factors. When a financial market participant considers principal adverse impacts, it implies that they should aim to mitigate the negative impacts of the companies in which they invest.

In line with the SFDR's transparency requirements, Edmond de Rothschild reports annually on the principal adverse impact at two levels:

- At entity level (article 4 of the SFDR): Edmond de Rothschild<sup>2</sup> provides a report on the total assets under management for the past year and the previous year, detailing the evolution of significant adverse impacts, along with the objectives or measures that have been implemented.
- At product level (article 7 of the SFDR): Edmond de Rothschild publishes information on the consideration of PAIs in its SFDR periodic disclosures (annual report annex) for Article 8 and 9 products and communicates the relevant data to distributors via EETs (the production frequency of EETs varies by asset class). For Article 8 and 9 private assets funds, PAI-related information is provided in the relevant SFDR disclosures and/or investor reporting, where applicable and subject to data availability. In-scope funds are listed in Appendix A.

---

<sup>1</sup> Regulation (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures in the financial services sector

<sup>2</sup> refer to the "Scope" section for list of entities publishing an entity PAI report



# Description of policies to identify and prioritize the principal adverse impacts on sustainability factors

The primary mandatory and voluntary Principal Adverse Impacts (PAI) required by Delegated Regulation (EU) 2022/1288<sup>3</sup> are presented in Tables below.

## Primary mandatory Principal Adverse Impacts indicators (Table 1):

Applicable to	Thematic	PAI Indicator	Table	Number
Investee Companies	Climate and other environment related indicators	GHG emissions	1	1
		Carbon footprint	1	2
		GHG intensity of investee companies	1	3
		Exposure to companies active in the fossil fuel sector	1	4
		Share of consumption and production of nonrenewable energy	1	5
		Energy consumption intensity per high-impact climate sector	1	6
		Activities negatively affecting biodiversity sensitive areas	1	7
		Emissions to water	1	8
		Hazardous waste ratio	1	9
	Social and Employee, Respect for Human Rights, Anti-corruption and Anti-bribery matters	Violations of UN Global Compact (UNGCC) principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	1	10
		Lack of processes and compliance mechanisms to monitor compliance with UNGCC principles and OECD Guidelines for Multinational Enterprises	1	11
		Unadjusted gender pay gap	1	12
		Board gender diversity	1	13

<sup>3</sup> [Commission delegated regulation \(EU\) 2022/1288 of 6 April 2022](#)



		Exposure to unauthorized weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	1	14
<b>Sovereigns and Supranationals</b>	<b>Environmental</b>	GHG emissions intensity	1	15
	<b>Social</b>	Invested countries experiencing violations of social norms	1	16
<b>Real Estate</b>	<b>Environmental</b>	Exposure to fossil fuels via real estate assets	1	17
		Exposure to energy-inefficient real estate assets	1	18

#### Other Voluntary Principal Adverse Impacts indicators (Table 2):

<b>Applicable to</b>	<b>Thematic</b>	<b>PAI Indicator</b>	<b>Table</b>	<b>Number</b>
<b>Investee Companies</b>	<b>Additional Climate and other environment related indicators</b>	Investments in companies that have not taken measures to reduce their carbon emissions	2	4 (bis)

#### Other Voluntary Principal Adverse Impacts indicators (Table 3):

<b>Applicable to</b>	<b>Thematic</b>	<b>PAI Indicator</b>	<b>Table</b>	<b>Number</b>
<b>Investee Companies</b>	<b>Additional Social and Employee, Respect for Human Rights, Anti-corruption and Anti-bribery matters</b>	Investments in companies without a workplace accident prevention policy	3	1 (bis)



As an independent family business committed to principles of sustainability founded over 250 years ago, such actions come naturally to us. We describe ourselves as “genetically responsible”, having developed innovative solutions, gathered evidence and measured effectiveness for much longer than most. We accompany the monitoring of the principal adverse impacts of our investments with exclusion mechanisms and engagement actions, raising companies’ awareness of the negative externalities arising from their production models, and encouraging them to adopt investment plans that accelerate their sustainable journey.

Edmond de Rothschild reports on 20 Principal Adverse Impact (PAI) indicators, of which 18 are mandatory.

Each PAI is relevant to a specific type of issuer, such as companies, states, or real estate. In line with the guidelines of the Sustainable Finance Disclosure Regulation (SFDR), we have identified the necessary data points needed to calculate the PAI indicators.

We use these indicators not only as a measure of sustainability risks but also to monitor the progress of our three key themes related to responsible investment:

- A low-carbon economy
- Natural capital
- A human-centered economy

## Scope

This policy covers the entities attached to Edmond de Rothschild (Suisse) S.A., the Group’s operational parent company, namely:

- Edmond de Rothschild (France)\*<sup>4</sup>
- Edmond de Rothschild (Europe) and its subsidiaries\*
- Edmond de Rothschild Asset Management (Luxembourg)\*
- Edmond de Rothschild Asset Management (France)\*
- Edmond de Rothschild Asset Management (UK) Ltd
- Edmond de Rothschild Private Equity (France)\*
- Edmond de Rothschild Private Equity Luxembourg S.A.\*
- Edmond de Rothschild Real Estate Investment Management (France)\*

The policy applies to investment funds and discretionary mandates

- Scope 1: the policy applies to liquid investment funds, including funds reserved for clients of Edmond de Rothschild private banks
- Scope 2: the policy applies to discretionary mandates
- Scope 3: the policy applies to private equity investment funds
- Scope 4: the policy applies to debt infrastructure investment funds
- Scope 5: the policy applies to real estate investment funds

At product level:

For liquid assets, we integrate the consideration of PAI for issuers of all corporate and sovereign investments across all Article 8 and Article 9 products. For private assets, PAIs consideration is applied to the issuers of all investee companies in Article 8 and Article 9 products, with the list of relevant private equity funds provided in Appendix A.

---

<sup>4</sup> \*: Entities marked with an asterisk are those for which a Principal Adverse Impact (PAI) report is produced at the entity level.



# Methodology to identify and prioritize Principal Adverse Impacts

Edmond de Rothschild applies the following policies to identify, monitor and mitigate principal adverse impacts:

**Table A**

<b>Policy</b>	<b>Principal adverse impacts - thematic priorities</b>	<b>Approval and review process</b>	<b>Website link</b>
<b>Sustainability assessment framework</b>	<ul style="list-style-type: none"> <li>– ESG proprietary analysis methodology, due diligence and pre - investment analysis</li> </ul>	<ul style="list-style-type: none"> <li>– Annual review</li> <li>– Ad-hoc reviews and pre-investments review</li> </ul>	<a href="https://am.edmond-de-rothschild.com/media/h32fp02o/e-dr-group-en-responsible-investment-policy.pdf">https://am.edmond-de-rothschild.com/media/h32fp02o/e-dr-group-en-responsible-investment-policy.pdf</a>
			<a href="https://am.edmond-de-rothschild.com/media/nptfi4ob/edram-responsible-investment-policy.pdf">https://am.edmond-de-rothschild.com/media/nptfi4ob/edram-responsible-investment-policy.pdf</a>
			<a href="https://www.edmond-de-rothschild.com/media/5shjehko/e-dr-group-en-responsible-investment-policy.pdf">https://www.edmond-de-rothschild.com/media/5shjehko/e-dr-group-en-responsible-investment-policy.pdf</a>
			<a href="https://am.edmond-de-rothschild.com/media/rpqheaf1/250411-edr-reim-sustainability-policy-2025.pdf">https://am.edmond-de-rothschild.com/media/rpqheaf1/250411-edr-reim-sustainability-policy-2025.pdf</a>
			<a href="https://am.edmond-de-rothschild.com/media/yz0dxbcm/eu-sustainable-finance-disclosure-regulation.pdf">https://am.edmond-de-rothschild.com/media/yz0dxbcm/eu-sustainable-finance-disclosure-regulation.pdf</a>
<b>Stewardship</b>	<ul style="list-style-type: none"> <li>– Engagement</li> <li>– Climate policy</li> <li>– Biodiversity policy</li> </ul>	<ul style="list-style-type: none"> <li>– Dialogue and Engagement Committee, annual review</li> </ul>	<a href="https://am.edmond-de-rothschild.com/media/ib2nbcap/e-dram-en-engagement-policy.pdf">https://am.edmond-de-rothschild.com/media/ib2nbcap/e-dram-en-engagement-policy.pdf</a>



---

		<ul style="list-style-type: none"><li>– Voting committee, annual review</li><li>– Controversy committee, quarterly review</li></ul>	<p><a href="https://am.edmond-de-rothschild.com/media/pz2lih1r/edram-climate-policy.pdf">https://am.edmond-de-rothschild.com/media/pz2lih1r/edram-climate-policy.pdf</a></p> <p><a href="https://am.edmond-de-rothschild.com/media/rrdjkhue/dram-biodiversity-policy.pdf">https://am.edmond-de-rothschild.com/media/rrdjkhue/dram-biodiversity-policy.pdf</a></p>
<b>Exclusions</b>	Categories of exclusion: <ul style="list-style-type: none"><li>– Responsible business conduct (UNGC, unauthorized weapons...)</li><li>– Sector-based exclusions (non-conventional oil and gas, Palm oil...)</li></ul>	<ul style="list-style-type: none"><li>– Exclusion Committee, annual + Ad-Hoc review</li></ul>	<p><a href="https://am.edmond-de-rothschild.com/media/j4gek0wp/edram-en-exclusion-policy.pdf">https://am.edmond-de-rothschild.com/media/j4gek0wp/edram-en-exclusion-policy.pdf</a></p> <p><a href="https://www.edmond-de-rothschild.com/media/hzpbqm4s/edr-private-equity-exclusion-list-en.pdf">https://www.edmond-de-rothschild.com/media/hzpbqm4s/edr-private-equity-exclusion-list-en.pdf</a></p>

---





## Sustainability assessment framework

- Addressing PAI 1 to 14 (including PAI 4 bis and PAI 1 bis), Scope 1 to 4; PAI 15 and 16: Scope 1 and 2; PAI 17 and 18: Scope 5

Within the Edmond de Rothschild Group, the PAIs are systematically addressed through a rigorous sustainability due diligence process. This process includes ESG scoring, detailed analysis, and thorough pre-investment assessments. The approach varies according to asset classes and investment themes, ensuring that PAIs are effectively managed and aligned with the specific characteristics and objectives of each investment. This tailored strategy underscores the Group's commitment to integrating sustainability and responsible investment practices across all its activities.

### Liquid Assets (scope 1 and 2)

The proprietary ESG analysis model, called EDR BUILD MSCI (Bold, Universal, Innovation, Long Term and Differentiation), developed over 10 years ago, is regularly reviewed and improved. It enables the Responsible Investment team to express its extra-financial convictions independently of external databases. It is fed by research and practice, resulting in a detailed and balanced methodology concerning the three pillars (E, S and G), and integrating proprietary indicators. Since 2018, it incorporates the 17 United Nations Sustainable Development Goals, which are activated in a differentiated manner depending on their materiality for a given company. To rate a company, our ESG analysis considers company specific characteristics (sector, market capitalization, capital structure) based on our exhaustive set of ESG criteria (approx. 50 criteria).

Climate and environmental indicators are considered into the analysis of the Environment pillar and its relevant sub-pillars, which include Environmental Risk Management, Environmental Footprint, Green Innovation, and Environmental Impact of Products. This analysis entails evaluating greenhouse gas emissions, climate transition plans, biodiversity conservation, water consumption, and waste management practices.

Social and workforce indicators are considered in the analysis of the Social and Governance pillars and their associated sub-pillars. Among these, Human Resources Management, Business Ethics, Fundamental Rights, and the Board of Directors sub-pillars include analyses of factors such as gender equality, diversity and independence of the board of directors, and adherence to procedures preventing violations of the UN Global Compact or OECD Guidelines.

For further details, please refer to the Responsible Investment Policy for Liquid assets<sup>5</sup>.

### Private Equity (scope 3)

The Edmond de Rothschild Private Equity (EdRPE) addresses Principal Adverse Impacts (PAIs) through its robust Sustainability Assessment Framework. This framework ensures the integration of environmental, social, and governance (ESG) factors throughout the entire investment process, as follows:

- Sourcing: We screen potential investments to ensure alignment with exclusion policies and sustainability objectives, identifying any PAIs early.
- Due Diligence: A thorough ESG risk and impact analysis is conducted, guiding investment decisions to mitigate any identified adverse impacts.

---

<sup>5</sup> <https://am.edmond-de-rothschild.com/media/h32fp02o/edr-group-en-responsible-investment-policy.pdf> and <https://am.edmond-de-rothschild.com/media/nptfi4ob/edram-responsible-investment-policy.pdf>



- Investment & Ownership: We define specific ESG action plans and set measurable impact targets for each investment, focusing on minimizing PAIs during our ownership period.
- Monitoring: Continuous assessment and regular reporting on ESG performance help track the effectiveness of actions taken against PAIs.
- Exit: At the time of exiting an investment, we evaluate the sustainability outcomes, ensuring long-term positive impact and minimized adverse effects.

The framework aligns with 13 of the 17 UN Sustainable Development Goals (SDGs), addressing PAIs comprehensively across environmental, social, and governance dimensions. For funds primarily focused on social aspects rather than environmental ones, due diligence is adapted accordingly to address theme-specific PAIs through tailored risk analysis and ESG strategies.

For further details, please refer to the Responsible Investment Policy for Private equity assets<sup>6</sup>.

#### **Infrastructure debt assets (scope 4)**

Edmond de Rothschild BRIDGE addresses Principal Adverse Impacts (PAIs) through a comprehensive Sustainability Assessment Framework that integrates ESG principles into all stages of the investment lifecycle. This policy ensures negative impacts on sustainability factors are systematically identified, monitored, and mitigated, complying with SFDR and NZAM standards.

Key components include:

- SG Review Tool (ESGRT): Mandatory scoring at origination, due diligence, and monitoring stages using 36 ESG indicators to detect risks and adverse impacts.
- Exclusion Policy: Prohibits investments in sectors with significant harm, such as fossil fuels and projects violating human rights.
- EU Taxonomy and SFDR Compliance: Ensures investments contribute to environmental objectives aligned with UN SDGs without causing harm.
- Net Zero Commitment: Integration of climate data and net-zero alignment assessing each project.
- Governance and Oversight: Joint review by ESG Officers and Investment Management Team, with independent audits by Risk Management.

Through rigorous monitoring and reporting, BRIDGE ensures all investments mitigate PAIs, promoting climate resilience, social value, and governance integrity.

For further details, please refer to the Responsible Investment Policy for Infrastructure debt assets available to our investors upon request.

#### **Real Estate (scope 5)**

Edmond de Rothschild Real Estate Investment Management (EdR REIM) addresses Principal Adverse Impacts (PAIs) through its Sustainability Policy, which serves as a strategic framework for managing and reducing these impacts across its property portfolios. By embedding ESG principles into every phase of the investment lifecycle, EdR REIM aims to create resilient, low-carbon, and socially responsible real estate assets that deliver long-term performance and positive impact. Here's how EdR REIM addresses PAI:

- Pre-acquisition Due Diligence: We conduct thorough ESG risk analysis before investing in properties to prevent exposure to environmental, social, or governance controversies.

---

<sup>6</sup> <https://www.edmond-de-rothschild.com/media/5shiehko/edr-group-en-responsible-investment-policy.pdf>



- Integration of ESG Data: ESG factors are integrated into investment decisions and asset management practices, ensuring that sustainability considerations are central to investment strategies.
- Monitoring and Reporting: ESG performance is regularly tracked and disclosed through independent benchmarks and annual reports, providing transparency and accountability.
- Stakeholder Engagement: We engage actively with tenants, contractors, and communities to improve sustainability outcomes, focusing on collaboration for better results.
- Supply Chain Oversight: We ensure ethical sourcing, human rights compliance, and environmental risk reduction throughout our value chain.

Our approach is governed by a structured Environmental Management System (EMS) aligned with ISO 14001, forming the Sustainability Assessment Framework. This framework supports consistent management of sustainability objectives and continuous improvement across all assets, centered on:

- Integrating sustainability and climate risk considerations into every investment stage.
- Promoting health, well-being, and inclusion within communities.
- Upholding transparency, compliance, and ethical conduct in all operations.
- Leveraging ESG integration to enhance value and resilience.

Through these measures, we systematically mitigate PAIs, aligning with global sustainability transitions and supporting responsible investment commitments through ESG integration, growth opportunities, and transparency in reporting and evaluations.

For further details, please refer to the Responsible Investment Policy for REIM assets<sup>7</sup>.

## Engagement policy

- Addressing PAI 1 to 8, PAI 10 to 13, PAI 15, Scope 1

### Liquid Assets (scope 1)

Dialogue and engagement are an essential part of Edmond de Rothschild's fiduciary responsibility and role as responsible investor. It helps target expectations as a responsible investor on resolutions presented at AGMs. Engagement with companies fosters positive influence on specific themes and encourages best practices. This constructive dialogue makes it possible to support companies in their transparency efforts and improved performance over the long term. Our approach encompasses all equity and corporate credit asset classes. Our structured approach involves individual and collective dialogue with companies, pre-assembly dialogue, voting in general meetings and, if necessary, participation in filing resolutions at meetings. Our voting policy applies uniformly across all securities held. Please note that funds and SICAVs that are managed externally are excluded. The voting policy applies to all managed portfolios and institutional mandates, unless the client declines.

Our voting exercise incorporates expectations related to climate change, biodiversity, and social issues, as outlined in our dialogue and engagement and voting policy.

For further details on this section, please refer to the Dialogue and Engagement policy for the Liquid assets<sup>8</sup>.

---

<sup>7</sup> <https://www.reim-edr.com/en/sustainability>

<sup>8</sup> <https://am.edmond-de-rothschild.com/media/ib2nbcap/edram-en-engagement-policy.pdf>



### Private Equity Assets (scope 3)

Edmond de Rothschild Private Equity (France) offers a range of conviction-based strategies in areas where our expertise is recognized. We are committed to monitoring the strategy, financial performance and risks of the companies in our portfolios. The Group strives to build solid, long-term relationships with its partners, in order to guarantee the development of long-term strategies. The aim of this commitment and dialogue is fourfold:

- Strategy, including sustainability
- Operational and financial performance
- Governance and composition of the management team
- Transparency in reporting Edmond de Rothschild Private Equity (France) is committed to defending the unique interests of its shareholders.

Analysis and voting on ESG (Environmental, Social and Governance) resolutions are guided by the principles detailed in the Edmond de Rothschild Private Equity (France) shareholder engagement policy.

For further details on this section, please refer to the Dialogue and Engagement policy Private equity assets<sup>9</sup>.

### Infrastructure debt assets (scope 4)

BRIDGE engages with borrowers to fulfill SFDR disclosure obligations through annual Principal Adverse Impact (PAI) disclosures, required for all BRIDGE SFDR Article 8 funds. Although there's no formal policy, BRIDGE uses a standardized questionnaire to collect data on greenhouse gas emissions, energy use, biodiversity, water impact, waste, and social effects. Each year, ESG officers prompt the Investment Management Team to request borrowers complete the PAI form, allowing six weeks for responses. The ESG team tracks, stores, and reviews submissions, seeking clarifications for any discrepancies, thereby ensuring effective engagement despite the absence of a written policy.

### Real Estate (scope 5):

Despite the absence of a written policy, at Edmond de Rothschild REIM, engagement is considered of great importance as it allows stakeholders to contribute to the development, evaluation and implementation of policies in the field of real estate. Engagement with policymakers involves direct interaction or participation through leadership roles or active involvement in collaborative initiatives. For this reason, Edmond de Rothschild REIMs sustainability manager is involved in multiple workgroups, committees and round table discussions through different positions. Furthermore, we work with tenants to encourage the sharing of usage data year-on-year. We engage with tenants and via green lease clauses to encourage tenants to reduce their energy usage and implement energy saving measures.

---

<sup>9</sup> <https://www.edmond-de-rothschild.com/media/5bpbtk3/voting-rights-policy-march-2021.pdf>



---

## Stakeholder engagement

---

<b>Sustainability engagement with all commercial tenants via a tenant satisfaction survey every three years, as a minimum.</b>	ongoing - every three years	<ul style="list-style-type: none"><li>– Commission independent tenant survey across mandated funds that covers all aspects of sustainability. Aligned with GRESB requirements and including the net promoter score.</li><li>– Disseminate results to fund/property management teams.</li><li>– Seek opportunities for improvements utilising results.</li></ul>
<b>Industry engagement: what we learn, we will share through membership bodies.</b>	ongoing	<ul style="list-style-type: none"><li>– Sustainability Team to encourage membership of industry bodies.</li><li>– Monitor initiatives with industry partners.</li></ul>

---

## Climate policy

- Addressing PAI 1 to 3 for scope 1, 3 and 4
- Addressing PAI 4 to 7 and 15 for scope 1
- Addressing PAI 17 and 18 for scope 5

Following the signature of the Net Zero Asset Managers (NZAM) initiative<sup>10</sup> and the Institutional Investors Group on Climate Change (IIGCC) in 2023, Edmond de Rothschild Asset Management announced in May 2024 its commitment to achieving carbon neutrality by 2050 across assets under management within the scope of eligible assets<sup>11</sup>.

For all our asset classes, we are committed to completely exiting and halting new investments in business sectors exposed to thermal coal mining and power generation for all asset management entities:

- Since 2021 for any new transaction within the scope of infrastructure private debt
- By 2030 for OECD countries and by 2040 for non-OECD countries for the scope of Edmond de Rothschild Private Equity for direct exclusion, applicable to outstanding holdings and new investments and indirect exposure to thermal coal through the turnover of invested companies.
- By 2030 for OECD countries and 2034 for non-OECD countries for liquid assets.

For further details on this section and scope 1, please refer to the Climate policy<sup>12</sup>.

---

<sup>10</sup> <https://www.netzeroassetmanagers.org/>

<sup>11</sup> <https://www.edmond-de-rothschild.com/media/ci0bi2yu/290524-pr-edr-am-nzam-objectives-eng.pdf>

<sup>12</sup> <https://am.edmond-de-rothschild.com/media/pz2ljh1r/edram-climate-policy.pdf>



## Biodiversity policy

- Addressing PAI 7 for scope 1

Edmond de Rothschild Asset Management's biodiversity policy addresses the PAI 7 by integrating a comprehensive approach to monitoring and mitigating biodiversity risks within its investment strategies. The policy leverages established frameworks like the Taskforce on Nature-related Financial Disclosures (TNFD) to enhance transparency and reporting of biodiversity risks. It focuses on high-risk sectors through a sector-based and thematic approach, targeting issues such as deforestation and water management.

The policy also includes stringent exclusion criteria for industries that significantly impact biodiversity, like palm oil production. Through structured shareholder engagement, Edmond de Rothschild encourages active dialogue with companies to mitigate biodiversity impacts, prioritizing those in high-risk sectors. Furthermore, advanced measurement tools, like biodiversity dashboards, enable the prioritization and tracking of biodiversity indicators, facilitating improved management of adverse impacts.

Moreover, we joined the following initiatives as part of our engagement approach, which is based on active and targeted shareholder dialogue:

- Finance for Biodiversity, launched in 2021 as part of COP 15, aims to leverage financial activities to restore biodiversity and ecosystems, drawing on the principles of the Convention on Biological Diversity.
- Nature Action 100 is a global, investor-led engagement initiative aimed at promoting increased corporate ambition and action to reverse nature and biodiversity loss.

For further details on this section and scope 1, please refer to the biodiversity policy<sup>13</sup>.

## Exclusion policy

For more information on this section, including criteria, thresholds, and data sources, please consult the responsible investment policy and exclusion policy specific to each asset class (Liquid, Private Equity, Infrastructure Private Debt, and Real Estate assets). Reference links can be found in Table A from Section "Methodology to Identify and Prioritize Principal Adverse Impacts."

### **United nations global compact (UNGC) and OECD guidelines**

- Addressing PAI 10, 11 and 16 for scope 1 to 4

As signatories of the United Nations Global Compact, we have decided to exclude from our investments any companies considered to be in violation of any of the ten fundamental principles of the UN Global Compact (Human Rights, Labour, Environment, Anti-Corruption) or the Guidelines for Multinational Enterprises<sup>14</sup> of the Organization for Economic Co-operation and Development (OECD).

---

<sup>13</sup> <https://am.edmond-de-rothschild.com/media/rrdjkhuv/edram-biodiversity-policy.pdf>

<sup>14</sup> [OECD Principles of Corporate Governance](#), OECD Legal Instruments, 2025



### Unauthorized weapons

- Addressing PAI 14 for scope 1 to 4

Edmond de Rothschild excludes anti-personnel mines, cluster munitions, chemical and biological weapons from all its investments. This exclusion applies to all investments within the scope of this policy. The exclusion applies to companies that do not comply with the following treaties:

- The Ottawa Treaty<sup>15</sup> (1997) prohibits the use, stockpiling, production and transfer of anti-personnel mines.
- The Oslo Convention on Cluster Munitions<sup>16</sup> (2008), which prohibits the use, stockpiling, production and transfer of cluster munitions.
- The Chemical Weapons Convention<sup>17</sup> (1997), which bans the use, stockpiling, production and transfer of chemical weapons.
- Biological Weapons Convention<sup>18</sup> (1975), which prohibits the use, stockpiling, production and transfer of biological weapons.

### Thermal coal

- Addressing PAI 1 to 4 for scope 1 to 4

The burning of coal is the most important source of global warming, while electricity generation is the main user of coal. Reducing coal-related emissions is therefore one of the most effective ways to ensure an energy transition in line with the Paris Agreement.

### Non-conventional fossil fuel

- Addressing PAI 1 to 4, PAI 17 and 18 for scope 1 to 5

Edmond de Rothschild has chosen to implement a climate policy focused on gradually reducing its investments in oil and gas extraction companies, initially targeting non-conventional sources. These sources require non-traditional extraction techniques or face more complex and costly extraction conditions, resulting in notably harmful impacts on the climate, as well as on biodiversity and water resources.

### Conventional fossil fuel

- Addressing PAI 1 to 4 for scope 3 and 4; PAI 17 and 18 for Scope 5

When managing investments in private markets, we apply certain exclusions to encourage sustainability. We avoid investing in sectors tied to extracting, exploring, refining, and generating electricity from fossil fuels. We also exclude companies that earn over 10% of their revenue from producing, transporting, and distributing equipment and services related to conventional fossil fuels. These actions demonstrate our commitment to responsible investing by directing funds away from industries that heavily impact the environment.

### Nuclear power

- Addressing PAI 1 to 3 for scope 4

We exclude investments involved in producing electricity from nuclear energy, as well as those whose electricity generation carbon intensity does not align with the targets set forth in the Paris Agreement.

---

<sup>15</sup> [Ottawa Treaty \(1997\)](#)

<sup>16</sup> [Oslo Convention \(2008\)](#)

<sup>17</sup> [Chemical Weapons Convention \(1997\)](#)

<sup>18</sup> [The Biological Weapons Convention \(1975\)](#)



These exclusions are part of our commitment to reducing environmental impact and fostering investment in industries that prioritize long-term ecological health and global carbon reduction standards.

### **Palm oil**

- Addressing PAI 7 for scope 1 and 4

Biodiversity and climate change are closely linked. Deforestation is a major cause of biodiversity loss, and among the causes of deforestation for which the European Union is responsible, palm oil comes first (34%)<sup>19</sup>. The risk associated with growing and trading palm oil include deforestation and forest degradation, land appropriation and human rights violations. RSPO certification<sup>20</sup> (Roundtable on Sustainable Palm oil) with the most stringent requirements is the only risk mitigation measure we can rely on. Controversies reveal environmental and /or social risks.

### **Activities with a negative impact on biodiversity- sensitive areas**

- Addressing PAI 7 for scope 4

Exclusion criteria designed to preserve biodiversity are emerging based on recommendations from several standards, such as the PRI (Principles for Responsible Investment). These criteria specifically focus on excluding activities conducted in ecologically sensitive geographical areas.

### **Convention on international trade in endangered species of wild fauna and flora (cites convention)**

- Addressing PAI 7 for scope 4

The Convention on International Trade in Endangered Species of Wild Fauna and Flora<sup>21</sup>, known by its acronym CITES or as the Washington Convention, is an international agreement between States. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten the survival of the species to which they belong. Edmond de Rothschild Private Equity apply exclusion on companies involved in trade in species or plants regulated by the CITES convention.

### **Destruction of areas of high conservation**

- Addressing PAI 7 for scope 3

Edmond de Rothschild Private Equity (EDRPE) enforces a direct exclusion policy to avoid investing in companies engaged in the destruction of High Conservation Value (HCV) areas. This strategy removes from investment portfolios those firms that harm vital ecosystems through activities like illegal deforestation, intensive agriculture, and real estate development in biodiversity-rich regions. Such actions contribute to forest loss and endanger many species. The policy also bars activities that harm sensitive ecosystems such as mangroves, wetlands, and coral reefs, and prohibits resource extraction in protected areas, safeguarding biodiversity and promoting long-term financial stability by mitigating environmental risks.

### **Ozone-depleting substances, chemical pesticides and herbicides, unrestricted asbestos fibers**

- Addressing PAI 7 and 8 for scope 3 and 4

---

<sup>19</sup> Regulation (EU) 2023/1115 of the European Parliament and of the Council

<sup>20</sup> RSPO: The RSPO (Roundtable on Sustainable Palm Oil) certification is a global certification system that ensures the production of sustainable palm oil. It guarantees that producers and handlers of RSPO Certified Sustainable Palm Oil (CSPO) adhere to environmental and social sustainability criteria.

<sup>21</sup> CITES Convention



Target 7 of the Kunming-Montreal Global Biodiversity Framework<sup>22</sup> focuses on reducing pollution to levels that do not harm biodiversity, with specific goals to halve the amount of fertilizer released into the environment and reduce pesticide use by two-thirds. In alignment with directive 2000/60/EC of the European Parliament and Council, which establishes a framework for Community action in water policy<sup>23</sup>, we exclude companies engaged in the production and trade of chemical pesticides and herbicides. This directive specifically addresses “emissions into water,” meaning direct emissions of priority substances, nitrates, phosphates, and pesticides, as defined in Article 2(30). The exclusion is based on the health risks associated with substances like asbestos, the ecological damage caused by chemicals, and a commitment to ethical development in line with the United Nations’ Sustainable Development Goals (SDGs).

### **Radioactive materials and asbestos fibers**

- Addressing PAI 9 for scope 4

We enforce exclusions on companies involved in the production and trade of radioactive materials and asbestos fibers. This policy is in accordance with Directive (EU) 2023/2668 of the European Parliament and of the Council, which amends Directive 2009/148/EC concerning the protection of workers from asbestos exposure at work<sup>24</sup>. The directive’s primary aim is to safeguard workers from the safety and health risks posed by asbestos exposure, establishing minimum requirements at the EU level while allowing Member States to implement stricter measures.

## Methodologies and data sources

### Liquid assets

For liquid assets, Edmond de Rothschild outsources the calculation PAI indicators to an external provider. Edmond de Rothschild provides inventories of the relevant internal funds/mandates/securities, along with relevant ESG data sourced from:

- Primarily from Carbon 4, supplemented by MSCI for climate-related ESG data
- MSCI for biodiversity and social-related ESG data

Regarding investments in external funds, the provider bases its calculation of PAI indicators on values declared by external investment managers in their European ESG template (EET). The calculation is performed at the fund/mandate level based on end-of-quarter positions (considering value, coverage, and eligibility).

The provider uses six different calculation methodologies: for GHG emissions, carbon footprint, GHG intensity of companies, “numerical” PAI indicators (e.g., the proportion of consumption/production from non-renewable energy sources), “binary” PAI indicators (e.g., exposure to companies active in the fuel sector), and PAI indicators requiring “counting” (e.g., the number of countries associated with sovereign debt subject to social violations). Regarding the margin of error in the calculation methodologies used, we indicate the data coverage for each.

---

<sup>22</sup> [Kunming-Montreal Global Biodiversity Framework](#)

<sup>23</sup> [Directive 2000/60/EC](#)

<sup>24</sup> [Directive \(EU\) 2023/2668 on the protection of workers from the risks related to exposure to asbestos at work](#)



## Private Equity assets

For private equity assets, to explain the methodologies and data utilization in calculating the Principal Adverse Impacts (PAI), we have implemented enhanced systems for greater transparency and traceability of ESG data.

During pre-investment stages, Altitude has been implemented for our risk team to focus on climate & biodiversity-related risks and to calculate the biodiversity footprint of target companies and assets. Our ongoing use of the Altitude tool for climate and biodiversity risk analysis aids in investment refinement during due diligence phases. It provides initial estimates of carbon footprint (scopes 1 and 2) and biodiversity impact while monitoring physical and transitional risks associated with climate change, aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

As regards to portfolio monitoring during ownership phase, we ensure accurate data collection, streamline the creation of regulatory reports, and support portfolio companies in their ESG roadmap by using the ESG reporting platform Apiday. To unify our approach, we have established a common set of indicators that are monitored across all investment strategies, applicable to both companies and real assets.

## Infrastructure debt assets

For infrastructure debt assets, to adhere to the disclosure obligations of SFDR, BRIDGE requires its borrowers to complete a Principal Adverse Impact (“PAI”) disclosure annually. This is a requirement for all BRIDGE SFDR Article 8 compliant funds. BRIDGE has developed a standardised PAI questionnaire (shared with all relevant borrowers). The PAI questionnaire form seeks information concerning, amongst other metrics, the company’s greenhouse gas emissions, energy consumption mix, biodiversity impact, water impact, waste management, and social impacts. The form will typically show data over the past two reporting periods to enable comparability.

Each year, at the beginning of Q2, our ESG officers will instruct the Investment Management Team (IMT) members to send an email to each of the relevant borrowers, requesting them to complete our standard PAI questionnaire form provided by the BRIDGE ESG team. Borrowers are granted a period of several weeks to respond to these requests (period over April and early May each year). The ESG team keeps a tracker of all the requests and PAIs received. The ESG team will then send regular reminders to the IMT to follow-up on any outstanding PAIs during this period. The collected documents are saved in a dedicated ESG folder. The ESG team checks that the saved documents are complete and labelled consistently by project name.

If any issues are observed (e.g. reported data does not look comparable to previous years with no explanation provided) the ESG team will instruct the IMT to request the necessary details, amendments, or explanations from borrowers before signing off the PAIs as final. PAIs are then shared with our third-party consultants who support BRIDGE to a) review the PAIs used as part of the SFDR periodic reporting and audit and b) use the PAIs to complete the SFDR required EET (European ESG Template) for each relevant BRIDGE sub-fund.

## Real estate assets

For real estate assets, we independently assess our exposure to PAI 17, which pertains to fossil fuel-related real estate assets, and PAI 18, concerning energy-inefficient real estate assets. Additionally, we utilize our Environmental Management System software, Scaler, to independently calculate the optional PAIs for energy usage per square meter and carbon emissions.



# Initiatives and commitments

Edmond de Rothschild<sup>25</sup> is present in various bodies for the promotion and development of sustainable finance:

- Net zero Asset Managers Initiative
- Signatory of the United Nations Global Compact (UNGC)
- Signatory of the Principles for Responsible Investment supported by the United Nations (PRI)
- Signatory of the PRI Montreal Carbon Pledge
- Member of the Financial Initiative of the United Nations Environment Programme (UNEP FI)
- Founding member of Swiss Sustainable Finance (SSF) and member of Sustainable Finance Geneva (SFG)
- Member of the Forum for Responsible Investment (FRI)
- Support for the FRI PRI European Academic Research Award
- Member of the SRI Commission of the Association Française de la Gestion Financière (AFG)
- Affiliate member of the European Sustainable Investment Forum (Eurosif)
- Industrial Partner” of the World Economic Forum
- Member of the World International Capital Initiative (WICI)
- Member of the Bureau of the Observatoire de l’Immatériel
- Member of the Reporting and Audit Committee of the International Corporate Governance Network (ICGN) ›
- Co Chairperson of the ESG Commission of the European Federation of Financial Analysts Associations (EFFAS)
- Support for the Sustainable Finance and Responsible Investment Chair of the École Polytechnique and the Toulouse School of Economics

We are also a member of various investor initiatives in the environmental or social field:

- FAIRR (Farm Animal Investment Risk and Return)
- Access to Medicine
- Investor Statement of Expectations for the Nursing Home Sector
- Finance for Biodiversity
- Member of the “Nature Action 100” initiative
- Signatory of the Investor Statement on Antimicrobial Resistance (AMR)

These initiatives and commitments enable the addressing of Principal Adverse Impacts on climate and other environment related indicators, as well as social and employee, respect for human rights, anti-corruption and anti-bribery matters.

---

<sup>25</sup> Signatures and Memberships are supported at different levels by various entities of the Edmond de Rothschild Group, covering diverse geographies



# Governance

At Edmond de Rothschild, we recognize that effectively integrating Principal Adverse Impact (PAI) considerations and structuring responsible, sustainable, and impact-driven investment solutions tailored to clients' preferences requires a holistic approach embedded throughout our organization. To support this, we have established a governance model that defines the roles and responsibilities of each Group member, combining decentralized implementation within individual functions with a centralized Sustainability Center. This model ensures that PAI considerations remain a company-wide priority and are integrated into daily operations.

The Group Sustainability Office serves as the hub for all ESG-related activities, such as developing key sustainability strategic priorities, harmonizing policies, identifying innovative solutions, and reporting to enhance transparency and efficiency, alongside coordinating all related sustainability initiatives. It ensures alignment across departments, fosters collaboration, and drives continual enhancement of our sustainability efforts. The center also acts as the principal point of contact for stakeholders concerning ESG matters, enhancing transparency and accountability.

ESG is rooted within each function for execution and accountability. Each function within Edmond de Rothschild is responsible for integrating ESG considerations into its core activities and decision-making processes. This means that ESG practices and principles are implemented and owned by the leaders with responsibilities at the department's level, whether it be investment, risk management, operations, or client relations. Department heads are accountable for the integration process, ensuring that ESG objectives are met consistently across the board. Each collaborator is empowered with the necessary tools, guidelines, and training to implement ESG strategies effectively.

Within the Group's Asset Management business line, covering both liquid and private assets, a Sustainability Executive Committee is headed by the CEO Global AM. This committee includes the Global CEO AM, Global CIO AM, Global CAO AM, Global Head of Business Development, Global CEO Private Equity, Global CEO Bridge (Infrastructure debt), Global CEO REIM (Real Estate), Global Head of PBIA, Chief Sustainability Officer of the Edmond de Rothschild Group, Head of Marketing, and Head of Product Management.

This Sustainability Executive Committee is supported by four operational committees:

- The Exclusion Committee, which validates the exclusion policy and internal exclusion lists
- The Voting Committee, which determines the voting policy and its correct application
- The Dialogue and Engagement Committee, which validates the dialogue and engagement policy, decides on the commitments to be undertaken, and monitors them
- The Controversies Committee, dedicated to the identification and monitoring of controversies as well as the validation of possible escalation actions

Similarly, for private assets, dedicated meetings and processes are put in place to ensure that PAI and ESG considerations are integrated and addressed effectively. These involve discussions at various levels focused on exclusions, controversies, and continuous dialogue, ensuring a comprehensive review process through both annual and ad hoc evaluations. Regular updates and reports from borrowers and investors play a key role, alongside annual assessments, in maintaining alignment with the Group's broader sustainability goals and closely monitoring the impact of our investments.



# Explanatory notes on international standards

## The United Nations Global Compact (UNGC)

The United Nations Global Compact (UNGC) is a voluntary initiative that calls for companies to meet minimum fundamental responsibilities in the areas of human rights, labour, the environment and anti-corruption. The Ten Principles of the United Nations Global Compact are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

## The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines):

OECD Guidelines are recommendations jointly addressed by governments to multinational enterprises ('MNEs'). They aim to enhance the business contribution to sustainable development and address adverse impacts associated with business activities on people, planet, and society.

## Paris Agreement

The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21, the United Nations Climate Change Conference in Paris, on 12 December 2015. It entered into force on 4 November 2016.

Its objective is to keep "the increase in global average temperature well below 2°C above pre-industrial levels" and to continue efforts "to limit the increase in temperature to 1.5°C above pre-industrial levels".

## Appendix A

Here is the list of private equity funds classified as Article 8 or 9 products, which are subject to the PAI statement:

- Privilège 2021
- Kennet VI
- Ginkgo II
- Ginkgo III
- Ginkgo IV
- Pearl II
- Peakbridge Growth II
- Amethis III
- Amethis Mena II



### **Disclaimer**

January 2026. This document is issued by the Edmond de Rothschild Group. It is not legally binding and is intended solely for information purposes. This document may not be communicated to persons located in jurisdictions in which it would be considered as a recommendation, an offer of products or services or a solicitation, and in which case its communication could be in breach of applicable laws and regulations. This document has not been reviewed or approved by a regulator of any jurisdiction. The figures, comments, opinions and/or analyses contained herein reflect the sentiment of the Edmond de Rothschild Group with respect to market trends based on its expertise, economic analyses and the information in its possession at the date on which this document was drawn up and may change at any time without notice. They may no longer be accurate or relevant at the time of reading, owing notably to the publication date of the document or to changes on the market. This document is intended solely to provide general and introductory information to the readers and notably should not be used as a basis for any decision to buy, sell or hold an investment. Under no circumstances may the Edmond de Rothschild Group be held liable for any decision to invest, divest or hold an investment taken on the basis of these comments and analyses. The Edmond de Rothschild Group therefore recommends that investors obtain the various regulatory descriptions of each financial product before investing, to analyse the risks involved and form their own opinion independently of the Edmond de Rothschild Group. Investors are advised to seek independent advice from specialist advisors before concluding any transactions based on the information contained in this document, notably in order to ensure the suitability of the investment with their financial and tax situation.

Source of the information: unless otherwise stated, the sources used in the present document are those of the Edmond de Rothschild Group. This document and its content may not be reproduced or used in whole or in part without the permission of the Edmond de Rothschild Group.

Copyright © Edmond de Rothschild Group – All rights reserved