



**EDMOND  
DE ROTHSCHILD**

# **STATEMENT ON PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FOR 2023**

EDMOND DE ROTHSCHILD ASSET  
MANAGEMENT (FRANCE)

JUNE 2024



## Statement on principal adverse impacts of investment decisions on sustainability factors

### Financial market participant:

Edmond de Rothschild Asset Management (France), LEI: 969500TIKC7USR8ZJZ49

### Summary

Edmond de Rothschild Asset Management (France), LEI: 969500TIKC7USR8ZJZ49 takes into consideration the principal adverse impacts of its investment decisions on sustainability factors. This document is the consolidated statement on the principal adverse impacts on sustainability factors of Edmond de Rothschild Asset Management (France).

This report on the principal adverse impacts of investment decisions on sustainability factors covers the reference period from 1 January to 31 December 2023.

Responsible investment aligns fully with the values of the Edmond de Rothschild Group and we have chosen to anchor our responsible investment approach in the values of the Rothschild family. Our goal is to promote a corporate model where value creation encompasses economic, environmental and social considerations. Our responsible investment expertise is fully integrated in our Responsible Investment Policy and takes into account the principal adverse impacts of our investment decisions. This is primarily achieved through our proprietary analysis methodology (EdR BUILD) and is reflected in the investment process for our SRI-labelled funds (Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector/SFDR) and other SFDR Article 8 funds.

The methodology used to measure principal adverse impacts (PAI) has evolved since 2022. Edmond de Rothschild Asset Management (France) had previously measured PAI indicators based on the average of the quarterly inventories of the relevant funds. For the measurement of PAI indicators for 2023, Edmond de Rothschild Asset Management (France) calculated PAI data for each quarter based on quarterly fund inventories. The reported impacts for 2023 correspond to the average of the quarterly PAI indicators.

## Description of principal adverse impacts on sustainability factors

Indicators applicable to investments in companies						
Indicators of adverse impacts on sustainability	Measure used	Impact in 2023	Impact in 2022	Explanation	Measures taken, measures planned and targets set for the next reference period	
CLIMATE INDICATORS AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. Greenhouse gas (GHG) emissions	Scope 1 GHG emissions in tonnes of CO2 equivalent	922,107.56	702,420.40	Eligibility rate of assets invested in securities: 90%  Data coverage rate for assets invested in securities: 77%  Unit: tonnes of greenhouse gas emissions (tGHG)  Sources: MSCI and Carbon4 Finance	<p><b>Current reference period (2023)</b></p> <p>Edmond de Rothschild Asset Management joined the Net Zero Asset Managers (NZAM) initiative in May 2023 (via EdR Switzerland SA), thereby solidifying its climate commitment. In May 2024, Edmond de Rothschild Asset Management made the following commitments for its eligible liquid assets (equities and bonds, excluding sovereign bonds) under the NZAM initiative:</p> <ul style="list-style-type: none"> <li>• Initial commitment scope of 70% of assets under management</li> <li>• Reducing carbon intensity (scope 1 and 2) in million € invested by 50% by 2030 from 2019 levels</li> <li>• Reaching carbon intensity (scope 1 and 2) in million € invested of €13.75 million in 2030</li> </ul> <p>Edmond de Rothschild Asset Management (France) also updated its climate approach, integrating its NZAM commitments within a structured approach by updating and detailing its strategy, organisation, risk management and climate measures in line with the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD).</p> <p>In addition, our internal exclusion policy targets sectors that have a major climate impact (coal, unconventional fossil fuels).</p>
		Scope 2 GHG emissions in tonnes of CO2 equivalent	237,154.91	169,367.56	Eligibility rate of assets invested in securities: 90%  Data coverage rate for assets invested in securities: 77%  Unit: tonnes of greenhouse gas emissions (tGHG)  Sources: MSCI and Carbon4 Finance	
		Scope 3 GHG emissions in tonnes of CO2 equivalent	12,659,427.44	10,873,391.34	Eligibility rate of assets invested in securities: 90%  Data coverage rate for assets invested in securities: 77%  Unit: tonnes of greenhouse gas emissions (tGHG)  Sources: MSCI and Carbon4 Finance	

		Total GHG emissions	13,818,689.92	-	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 77%</p> <p>Unit: tonnes of greenhouse gas emissions (tGHG)</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Next reference period (2024)</b></p> <p>In 2024, the PAI indicators for the main SFDR Article 8 funds were integrated into a monitoring table that managers can access.</p> <p>A dedicated dashboard has been developed to oversee our NZAM commitments. It allows for monitoring and steering the decarbonisation trajectory of portfolios both within and outside the NZAM scope according to asset class, sector and individual portfolio. Each issuer's individual contribution can also be identified. Besides providing a snapshot at any given moment, the dashboard tracks decarbonisation from the reference date or over any other period.</p> <p><b>Historical comparison</b></p> <p>The evolution of greenhouse gas emissions is linked to the growth in assets under management and the increase in the emissions intensity of the invested companies. It is also due to the significant increase in the coverage of external UCIs held in managed funds in 2023.</p> <p>Our exposure to companies operating in the fossil fuels sector remained stable.</p> <p>The share of consumption and production of non-renewable energy significantly decreased.</p> <p>Energy consumption intensity per sector with a high climate impact increased due to a greater contribution to this factor from external UCIs held in managed funds. In addition, a decrease in our exposure to sectors with a high climate impact was observed (due in particular to poorer coverage of NACE codes).</p>
2. Carbon footprint	Carbon footprint in tonnes of CO2 equivalent per million euros invested	707.20	680.07	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 77%</p> <p>Unit: tonnes of greenhouse gas emissions relative to company value (in millions of euros) (tGHG/M EUR)</p> <p>Sources: MSCI and Carbon4 Finance</p>		
3. GHG emissions intensity of invested companies	GHG emissions intensity of invested companies	2,725.19	2,675.87	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 82%</p> <p>Unit: tonnes of greenhouse gas emissions relative to company revenue (in millions of euros) (tGHG/M EUR)</p> <p>Sources: MSCI and Carbon4 Finance</p>		
4. Exposure to companies operating in the fossil fuels sector	Share of investment in companies operating in the fossil fuels sector (%)	6.65%	7.2%	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 89%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>		
5. Share of consumption and production of non-renewable energy	Share of invested companies' consumption and production of energy from non-renewable sources relative to renewable sources,	39.84%	48.8%	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 57%</p> <p>Unit: Percentage</p>		

		expressed as a percentage of total energy sources (%)			Sources: MSCI and Carbon4 Finance	
	6. Energy consumption intensity per sector with a high climate impact	Energy consumption in GWh per million euros of turnover of invested companies, by sector with a high climate impact	5.40	2.77	Eligibility rate of assets invested in securities: 42% Data coverage rate for assets invested in securities: 18% Unit: Gigawatt per million euros of issuer turnover Sources: MSCI and Carbon4 Finance	
Biodiversity	7. Activities with an adverse impact on sensitive biodiversity areas	Share of investments in companies with sites/facilities located in or near sensitive biodiversity areas, if their activities have a negative impact on these areas (%)	0.13%	0.1%	Eligibility rate of assets invested in securities: 89% Data coverage rate for assets invested in securities: 88% Unit: Percentage Sources: MSCI and Carbon4 Finance	<p><b>Current reference period (2023)</b></p> <p>Biodiversity issues have been integrated in our proprietary ESG analysis methodology (EdR BUILD) since 2020. Biodiversity is an evaluation criterion of Pillar E under the Environmental Risk Management sub-pillar. For more details on the methodology, see <a href="https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR-ENGAGEMENT/EN/EDRAM-responsible-investment-policy.pdf">https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR-ENGAGEMENT/EN/EDRAM-responsible-investment-policy.pdf</a></p> <p>In 2023, Edmond de Rothschild Asset Management (France) expanded its climate approach to include biodiversity issues based on the analysis framework of the Taskforce on Nature-related Financial Disclosures (TNFD). This approach focuses on sectors with a high climate and biodiversity impact and takes into account both risks and opportunities.</p> <p><b>Next reference period (2024)</b></p> <p>In 2024, we plan to expand our exclusion policy to topics related to biodiversity conservation, including a new exclusion policy on palm oil. This reflects the fact that deforestation is a major cause of biodiversity loss, and palm oil is the leading cause of deforestation for which the European Union is responsible (34%). The risks associated with the cultivation and trade of palm oil include deforestation, forest degradation, land appropriation and human rights violations. Roundtable on Sustainable Palm Oil (RSPO) certification with the strictest requirements is the only risk mitigation measure we have used for the basis of our exclusion criteria. The associated controversies are related to environmental and/or social risks. Furthermore, this indicator will be integrated into a monitoring table accessible to managers of ESG funds in 2024.</p>

Water	8. Discharges to water	Tonnes of discharges to water by invested companies, per million euros invested, expressed as a weighted average	0.01	6.96	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 1%</p> <p>Unit: Tonnes per million euros</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Current reference period (2023)</b></p> <p>Water extraction and use issues are integrated in our proprietary ESG analysis methodology (EdR BUILD). This issue is an evaluation criterion of Pillar E under the Environmental Footprint sub-pillar.</p> <p><b>Next reference period (2024)</b></p> <p>In 2024, the PAI indicators for the main SFDR Article 8 funds were integrated into a monitoring table that managers can access.</p> <p><b>Historical comparison</b></p> <p>We are unable to analyse the evolution of this indicator given that its coverage rate is too low.</p>
Waste	9. Ratio of dangerous and radioactive waste	Tonnes of dangerous and radioactive waste produced by invested companies, per million euros invested, expressed as a weighted average	0.16	0.01	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 66%</p> <p>Unit: Tonnes per million euros</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Current reference period (2023)</b></p> <p>Waste management is integrated in our proprietary ESG analysis methodology (EdR BUILD). This issue is an evaluation criterion of Pillar E under the Environmental Footprint sub-pillar.</p> <p><b>Next reference period (2024)</b></p> <p>In 2024, the PAI indicators for the main SFDR Article 8 funds were integrated into a monitoring table that managers can access.</p>
INDICATORS RELATED TO SOCIAL AND WORKFORCE ISSUES, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION						
Social and workforce issues	10. Violations of the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises	Share of investment in companies that have been involved in violations of the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises (%)	0.01%	0.4%	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 89%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Current reference period (2023)</b></p> <p>The principles of the United Nations Global Compact are integrated into our EdR BUILD analysis model. Human rights concerns have been a major part of our responsible investment approach for a number of years.</p> <p>Since mid-2023, the consideration of these principles has taken the form of an exclusion list targeting</p>

	11. Absence of processes and mechanisms to monitor compliance with the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	Share of investment in companies that do not have a policy for monitoring compliance with the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises or mechanisms for addressing complaints or disputes in order to remedy non-compliance (%)	23.39%	0.3%	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 88%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p>companies that violate the principles of the United Nations Global Compact.</p> <p>The absence of a policy to monitor compliance with the principles of the United Nations Global Compact is taken into account in our proprietary ESG analysis methodology (EdR BUILD). This issue is an evaluation criterion of Pillar G under the Business Ethics and Fundamental Rights sub-pillar.</p> <p><b>Next reference period (2024)</b></p> <p>In 2024, the PAI indicators for the main SFDR Article 8 funds were integrated into a monitoring table that managers can access.</p> <p><b>Historical comparison</b></p> <p>The data varied significantly between 2022 and 2023, as more companies were identified as lacking a policy to monitor compliance with the principles of the United Nations Global Compact and the OECD Guidelines.</p>
	12. Unadjusted gender pay gap	Unadjusted average gender pay gap of invested companies (monetary amount converted into euros)	3.65%	2.9%	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 25%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Current reference period (2023)</b></p> <p>The unadjusted gender pay gap and gender diversity in governance bodies are taken into account in our proprietary ESG analysis methodology (EdR BUILD), specifically as part of Pillar S (Human Resources Management sub-pillar) and Pillar G (Board of Directors and Executive Committee sub-pillars).</p> <p>Edmond de Rothschild Asset Management (France) has included criteria related to gender diversity in governance bodies in its voting policy since 2017.</p>
	13. Gender diversity in governance bodies	Ratio of women to men in governance bodies of relevant companies (% of total members)	31.32%	28.2%	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 82%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p>This concern is reflected in our voting policy, which aims for greater diversity and transparency on Boards of Directors and in general management bodies. With regard to gender diversity on boards of directors, Edmond de Rothschild Asset Management (France) will vote against the appointment of a male director if it would reduce the percentage of women on the board below 30%.</p> <p>Furthermore, in accordance with France's "Rixain Law", we have committed to increasing the representation of women in roles responsible for investment decisions to 30% by 2030.</p> <p><b>Next reference period (2024)</b></p>

						<p>In 2024, the PAI indicators for the main SFDR Article 8 funds were integrated into a monitoring table that managers can access.</p> <p><b>Historical comparison</b></p> <p>Overall, the variation for these two PAI indicators is minimal.</p>
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in companies involved in the production or sale of controversial weapons (%)	0%	0%	<p>Eligibility rate of assets invested in securities: 90%</p> <p>Data coverage rate for assets invested in securities: 89%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Current reference period (2023)</b></p> <p>The exclusion policy of Edmond de Rothschild Asset Management (France) covers controversial weapons. As such, we are not exposed to these types of weapons.</p> <p>For more details, see <a href="https://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-EN-Exclusion-policy.pdf">https://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-EN-Exclusion-policy.pdf</a></p> <p><b>Next reference period (2024)</b></p> <p>The exclusion list for controversial weapons will be reviewed and updated in 2024.</p>
<b>Indicators applicable to investments in sovereign or supranational issuers</b>						
Environmental	15. GHG emissions intensity	GHG emissions intensity of invested countries in tonnes of CO2 equivalent per million euros of GDP	19.80	250.13	<p>Eligibility rate of assets invested in securities: 4%</p> <p>Data coverage rate for assets invested in securities: 4%</p> <p>Unit: tonnes of greenhouse gas emissions relative to company revenue (in millions of euros) (tGHG/M EUR)</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Current reference period (2023)</b></p> <p>This indicator is monitored manually by the relevant managers as part of the fund investment process.</p> <p><b>Next reference period (2024)</b></p> <p>No automated development is planned at this stage for sovereign assets given their low volume.</p> <p><b>Historical comparison</b></p> <p>The value of this indicator fell given that sovereign investments in the relevant funds decreased in 2023.</p>
Social	16. Invested countries experiencing violations of social norms	Number of invested countries experiencing violations of social norms under international treaties and conventions, United Nations principles or, if applicable, national law (numerical value)	5	3	<p>Eligibility rate of assets invested in securities: 4%</p> <p>Data coverage rate for assets invested in securities: 4%</p> <p>Unit: Number</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Current reference period (2023)</b></p> <p>This PAI indicator is not monitored by the managers, but they monitor other social indicators.</p> <p><b>Next reference period (2024)</b></p> <p>No automated development is planned at this stage for sovereign assets given their low volume. A review</p>



		Share of total invested countries experiencing violations of social norms under international treaties and conventions, United Nations principles or, if applicable, national law (%)	0.1%	0.1%	<p>Eligibility rate of assets invested in securities: 4%</p> <p>Data coverage rate for assets invested in securities: 4%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p>will be carried out in 2024 to study the feasibility of implementing monitoring for this indicator.</p> <p><b>Historical comparison</b></p> <p>We are unable to analyse the evolution of this indicator given that its coverage rate is too low.</p>
<b>Indicators applicable to investments in real estate assets</b>						
Fossil fuels	17. Exposure to fossil fuels via real estate assets	Share of investment in real estate assets used for the extraction, storage, transportation or production of fossil fuels (%)	N/A	N/A	N/A	N/A
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investment in energy-inefficient real estate assets (%)	N/A	N/A	N/A	N/A

**Other indicators related to principal adverse impacts on sustainability factors**

Indicators applicable to investments in companies (Table 2)						
Indicators of adverse impacts on sustainability	Measure used	Impact in 2023	Impact in 2022	Explanation	Measures taken, measures planned and targets set for the next reference period	
CLIMATE INDICATORS AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	4. Investments in companies that have not taken measures to reduce their carbon emissions	Share of investment in companies that have not taken measures to reduce their carbon emissions in alignment with the Paris Agreement	29.6%	35.6%	<p>Eligibility rate of assets invested in securities: 89%</p> <p>Data coverage rate for assets invested in securities: 88%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Current reference period (2023)</b></p> <p>This PAI is integrated in our proprietary ESG analysis methodology (EdR BUILD). This issue is an evaluation criterion of Pillar E under the Environmental Risk Management and Environmental Footprint sub-pillars.</p> <p><b>Next reference period (2024)</b></p> <p>In 2024, the PAI indicators for the main SFDR Article 8 funds were integrated into a monitoring table that managers can access.</p> <p><b>Historical comparison</b></p> <p>A significant decrease in contributions in investments was observed in 2023.</p>
Indicators applicable to investments in companies (Table 3)						
INDICATORS RELATED TO SOCIAL AND WORKFORCE ISSUES, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION						
Social and workforce issues	1. Investments in companies without a workplace accident prevention policy	Share of investments in companies without a workplace accident prevention policy	4.38%	4.7%	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 82%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><b>Current reference period (2023)</b></p> <p>This PAI is integrated in our proprietary ESG analysis methodology (EdR BUILD). This issue is an evaluation criterion of Pillar S and, in particular, the Human Resources Management pillar (Health and Safety Management sub-pillar).</p> <p><b>Next reference period (2024)</b></p>

						<p>In 2024, this PAI indicator will be integrated into a monitoring table accessible to managers for the main SFDR Article 8 funds.</p> <p><b>Historical comparison</b></p> <p>A slight decrease was observed.</p>
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**Description of policies aimed at identifying and prioritising principal adverse impacts on sustainability factors**

[Information referred to in Article 7]

**Prioritisation of policies**

Edmond de Rothschild Asset Management (France) uses the following policies to identify, monitor and mitigate principal adverse impacts:

<b>Policy</b>	<b>Principal adverse impacts - thematic priorities</b>	<b>Approval and review process</b>
<b>2024 Responsible Investment Policy</b>	Norm-based exclusions: Controversial weapons, controversies related to the UN Global Compact Sector exclusions: Tobacco, coal, unconventional fossil fuels ESG integration: EdR BUILD proprietary analysis methodology Group policies: Net Zero	Published in January 2024 Updated at least once every two years
<b>Climate Roadmap 2024 Climate and Biodiversity Approach</b>	Climate change Energy transition Biodiversity including water and waste	The roadmap is replaced by the Climate and Biodiversity Approach, which will be validated in 2024.
<b>Shareholder engagement policy</b>	E, S and G criteria	Dialogue and Engagement Committee (April 2024)
<b>2024 Voting Policy</b>	The energy transition, particularly the decarbonisation of our investments. Gender diversity	Voting Committee (March 2024) Updated annually
<b>Exclusion Policy</b>	Norm-based exclusions: Controversial weapons, controversies related to the UN Global Compact Sector exclusions: Tobacco, coal, unconventional fossil fuels	Exclusion Committee (April 2024) Updated annually

Since 2010, Edmond de Rothschild has been developing a proprietary ESG (Environmental, Social and Governance) analysis model called EdR BUILD (Bold, Universal, Impact, Long Term, Differentiation), which currently covers approximately 350 European companies. EdR BUILD allows the Responsible Investment team to

express its extra-financial convictions, independently of external databases. The resulting methodology is detailed (including the analysis of more than 40 criteria) and balanced across the three pillars (E, S and G). It includes proprietary indicators. The themes assessed cover essential issues such as climate change, water, biodiversity, safety and security, human development, gender equality, business ethics and responsible governance practices. To rate a company, our SRI analysis (based on a comprehensive set of ESG criteria) considers specific characteristics of the company such as sector, market capitalisation and capital structure.

Thanks to its granularity and the wealth of information sources used, EdR BUILD enables us to assess the principal adverse environmental, social and governance impacts of our investments with potential financial implications in areas such as climate and the energy transition, biodiversity, water, pollution reduction, safety and security, human development, gender equality, business ethics and responsible governance practices.

In particular, climate and environmental indicators are taken into account in the analysis of the Environment pillar and its relevant sub-pillars, namely Environmental Risk Management, Environmental Footprint and Green Innovation and Environmental Impact of Products (used to produce the "green impact" proprietary indicator). The analysis includes an assessment of greenhouse gas emissions, respect for biodiversity, water consumption and waste treatment.

Social and workforce indicators are taken into account in the analysis of the Social and Governance pillars and their relevant sub-pillars. The Human Resources Management, Business Ethics and Fundamental Rights, Board of Directors and related sub-pillars include, among others, an analysis of gender equality, the diversity and independence of the board of directors, the absence of procedures and violations of the UN Global Compact. A proprietary social indicator complements the analysis.

#### SRI-LABELLED FUNDS

ESG research is integrated at all levels of the investment process (defining the investment universe, fundamental analysis, portfolio construction) alongside financial research, and is a major criterion in security selection. In addition, the funds have specific ESG-related key performance indicators, which potentially include principal adverse impacts. ESG challenges are prioritised in accordance with the specific investment objectives of each fund. For example, thematic SRI funds focus on challenges connected to their underlying theme.

#### FUNDS INCORPORATING ESG CRITERIA

ESG portfolio managers always include environmental, social and governance (ESG) factors in their financial analysis. The relevant criteria are formalised within the investment process according to the specific features of each investment strategy. The managers select companies with an appropriate ESG profile in order to put together a portfolio that has a higher ESG rating than its investment universe. Furthermore, exclusion policies targeting sectors that are least compatible with a sustainable development approach are in place for all funds. In particular, these policies concern the exclusion of companies involved in the production and trade of controversial

weapons, coal, tobacco and unconventional fossil fuels as well as companies deemed to be in violation of one of the Ten Principles of the UN Global Compact.  
<https://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-EN-Exclusion-policy.pdf>

**Governance**

Edmond de Rothschild Asset Management (France) employs a responsible investment strategy introduced in 2017, developed with the expertise of its RI team.

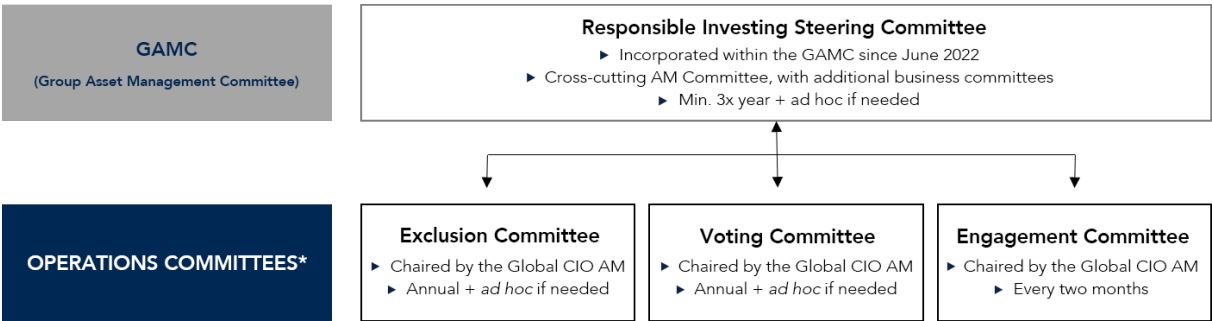
Implemented within the management teams with backing from all of the support functions, the Responsible Investment Strategy for 2021-2024 is steered by the Edmond de Rothschild Group’s Asset Management Executive Committee.

The strategic momentum was strengthened when the Responsible Investing Steering Committee was incorporated into the Asset Management Executive Committee. The strategy encompasses the entire scope of the Edmond de Rothschild Group’s liquid asset management and real asset management activities. It aims to provide a framework for the Group’s deep commitment to responsible investment and to ensure its development. In practical terms, this strategy involves setting a number of cross-cutting goals covering:

- The integration of ESG issues
- Climate change
- Human resources/training
- Marketing/communications

For Edmond de Rothschild Asset Management (France), the Responsible Investing Steering Committee is operationally divided into three committees:

- The Exclusion Committee, which approves the exclusion policy and internal exclusion lists
- The Voting Committee, which oversees the voting policy and its correct application
- The Engagement Committee, which approves the engagement policy, decides on new engagement initiatives and monitors their progress



\* Operations committees only apply to Edmond de Rothschild Asset Management (France).

**Methodologies and source of data**

PAI indicators are calculated by service provider WizzInvest. Edmond de Rothschild Asset Management (France) provides WizzInvest with inventories of the relevant funds and ESG data from external providers MSCI and Carbon4 Finance. For investments in external funds, WizzInvest uses the PAI indicator values reported by external managers for the publication of the European ESG Template (EET) collected by MFEX. WizzInvest

calculates PAI data at the fund level based on end-of-quarter positions (value, coverage, eligibility). WizzInvest uses six different calculation methods, covering GHG emissions, carbon footprint, GHG emissions intensity of companies, "digital" PAI indicators (for example, share of energy consumption/generation from non-renewable sources), "binary" PAI indicators (for example, exposure to companies operating in the fossil fuels sector) and PAI indicators requiring "counting" (for example, number of countries associated with sovereign debt that are subject to social violations).

Regarding the margin of error for the calculation methodologies used, we specify the data coverage for each PAI in this document.

### **Engagement policies**

*[Information referred to in Article 8]*

Edmond de Rothschild Asset Management (France) considers dialogue to be a cornerstone of its approach to integrating environmental, social and governance issues into its management processes.

Our priority is to promote dialogue with companies in order to improve transparency and corporate performance. Through this dialogue, we refine our understanding of their challenges and performance and encourage them to apply best practices. We firmly believe that better management of ESG risks can reduce financial risks and improve the long-term performance of companies.

Our engagement policy covers all asset classes and prioritises European companies. Its primary objectives are improving the transparency of ESG policies, strategies and practices, enhancing operational performance and improving sustainability strategies. Specific areas of improvement are defined in advance and our engagements are rigorously monitored.

We use our internal EdR BUILD analysis methodology to target companies or engagement themes. We pay particular attention to climate, which is a driving force for many of our engagements.

Besides individual engagement, Edmond de Rothschild Asset Management (France) participates in a number of collective initiatives that it considers most relevant in light of its holdings and ESG interests.

<https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR-ENGAGEMENT/EN/EDRAM-EN-Engagement-Policy.pdf>

### **References to international standards**

*[Information referred to in Article 9]*

Edmond de Rothschild Asset Management (France) has been a signatory of the UN's Principles for Responsible Investment (PRI) since 2010. In line with this commitment, Edmond de Rothschild Asset Management (France) will gradually deploy the six Principles for Responsible Investment across our operations, thereby incorporating environmental, social and governance considerations into our asset management processes.

Edmond de Rothschild Asset Management (France) has publicly affirmed its commitment to responsible investment by signing up to the following international initiatives:

- The Global Statement on Investor Obligations and Duties initiated by the United Nations Environment Programme Finance Initiative (UNEP FI) and the PRI, which emphasises fiduciary duty, of which responsible investment is a component.
- Since May 2023, the International Investors Group on Climate Change (IIGCC),<sup>1</sup> which enables investors to work together on climate change issues.

We also refer to the analysis framework of the Task Force for Climate-Related Financial Disclosures (TCFD) and the Science Based Targets Initiative (SBTi) in our climate roadmap.

The methodology and extra-financial analysis matrix of our EdR BUILD model have been developed and are regularly updated based on a study of existing frameworks, including:

- General: United Nations Global Compact, International Integrated Reporting Initiative, Sustainability Accounting Standards Board (SASB)
  - Environmental: United Nations Framework Convention on Climate Change, Paris Climate Accords, European Union's green taxonomy
  - Social: Ottawa Convention (anti-personnel mines), Convention on Cluster Munitions, Universal Declaration of Human Rights, ILO Governance Conventions: United Nations and OECD anti-corruption conventions, Extractive Industries Transparency Initiative, OECD Principles of Corporate Governance
- <https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR-ENGAGEMENT/EN/EDRAM-responsible-investment-policy.pdf>

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