EDMOND DE ROTHSCHILD

EXCLUSION POLICY FOR THE EDR SICAV EURO SUSTAINABLE EQUITY FUND

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BACKGROUND

This exclusion policy applies only to the EdR SICAV Euro Sustainable Equity[1]fund and will be updated annually. It aims in particular to comply with the requirements of the Belgian label "Towards Sustainability", promoted by Febelfin, the Belgian financial sector federation, obtained in September 2020, and the FNG label, awarded in November 2022.

It supplements the exclusions implemented by Edmond de Rothschild Asset Management (France) concerning controversial weapons, tobacco and coal, presented on our website: https://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-FR-Politique-Exclusion.pdf

In the fund's investment process, securities are selected by the Responsible Investment (RI) team, which analyses all companies in the investment universe, possibly using external data providers and public exclusion lists. Internal exclusion lists are updated annually or more often if necessary.

ACTIVITIES COVERED BY THE EXCLUSION POLICY

WEAPONS AND AMMUNITION

- Companies that generate more than 5% of their revenue from the manufacture of conventional weapons or custom components are excluded.

- The fund excludes all companies with a link[2] to controversial and indiscriminate weapons: anti-personnel mines, cluster bombs, biological weapons as defined in the Biological and Toxin Weapons Convention, chemical weapons as defined in the Chemical Weapons Convention, and nuclear weapons as defined in the Treaty on the Non-Proliferation of Nuclear Weapons, depleted uranium weapons or industrial uranium, inert weapons and white phosphorus munitions; these exclusions are based in particular on the public list of Belgian banking and insurance group KBC (KBC Group Blacklist).

TOBACCO

- Companies that generate more than 5% of their revenue from the production or wholesale of tobacco products or provide equipment or services dedicated to these products are excluded.

[1] EdR SICAV Euro Sustainable Equity is a sub-fund of the Edmond de Rothschild SICAV, a mutual fund governed by French law, authorised by the AMF and authorised for marketing in Austria, Belgium, Switzerland, Germany, Spain, France, the UK, Portugal, Italy and Luxembourg.

[2] I.e. the manufacture of custom components, use, repair, sale, distribution, import or export, storage or transport

ENERGY

- Companies that generate more than 5% of their revenues from exploration, mining, extraction, transport, distribution or refining of thermal coal are excluded, unless they have SBTi targets below 2 °C or 1.5 °C [3] or a "Business Ambition for 1.5 °C" [4] commitment or they devote 50% of their CAPEX to contributing activities. Companies that increase their production or absolute capacity for thermal coal products/services are excluded.

- Companies that generate more than 5% of their revenues from exploration or extraction of unconventional oil and gas, i.e. oil sands, shale oil and gas and Arctic drilling, or which supply equipment dedicated to these activities, are excluded, unless they have SBTi targets below 2 °C or 1.5 °C or a "Business Ambition for 1.5 °C" commitment or they devote 50% of their CAPEX to contributing activities. Companies that increase their production or absolute capacity for unconventional oil and gas products/services are excluded.

- Companies that generate more than 5% of their revenues from exploration, extraction, refining or transport of conventional oil and gas, or from the sale of equipment and services dedicated to these activities, are excluded, unless they have SBTi targets below 2 °C or 1.5 °C or a "Business Ambition for 1.5 °C" commitment or they devote 15% of their CAPEX to contributing activities. However, 5% of the portfolio may be invested in ineligible companies provided they are undergoing transition, i.e. in the best ESG quartile of their sector, have a strategy to reduce their negative impacts and are increasing their contributing activity.

ELECTRICITY

- Companies involved in the production of electricity/heat from non-renewable energy sources, or supplying equipment or services for this purpose aligned with the Paris Agreement, i.e. having a carbon intensity of less than 374 gCO2/kWh in 2022[5] and which do not structurally increase their coal or nuclear capacity, are eligible. Companies must have a SBTi objective below 2 °C or 1.5 °C or a "Business Ambition for 1.5 °C" commitment.

- However, 5% of the portfolio may be invested in ineligible companies provided they are undergoing transition, i.e. in the best ESG quartile of their sector, have a strategy to reduce their negative impacts and are increasing their contributing activity.

NUCLEAR ENERGY

- Companies operating nuclear power plants or generating more than 5% of their revenues from the manufacturing of essential components for nuclear power plants are excluded.

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[3] The Science Based Targets initiative, launched at the end of 2015, applies a methodology to develop science-based targets that are aligned with a trajectory to +2 °C or lower.
[4] Companies that commit to setting a net-zero target aligned with the SBTi Net-Zero Framework and to joining the Business Ambition for 1.5 °C ensure that their net-zero commitments follow the scientific rigour necessary to achieve the necessary decarbonisation.
[5] This rate will fall to 354 in 2023, 335 in 2024 and 315 in 2025

- Companies that generate more than 5% of their revenues from nuclear energy are excluded.

URANIUM MINING

- Companies that generate more than 5% of their revenues from uranium mining are excluded.

CONDUCT CONCERNED

NON-COMPLIANT WITH THE UNITED NATIONS GLOBAL COMPACT

- Companies that repeatedly breach one or more of the ten principles of the United Nations Global Compact, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, or the International Labour Organization (ILO) conventions are excluded. The list is based on the Norges Bank Investment Manager[6] ("conduct-based") list and the KBC Blacklist.

OTHER POLICIES

TAX TRANSPARENCY

- As part of our proprietary ESG BUILD analysis model, companies are assessed on their tax transparency, presence in tax havens and the evolution of the posted tax rate. Controversies on this subject are taken into account and are added to the rating.

INVESTMENTS IN AGRICULTURAL COMMODITIES

- EdR Sicav Sustainable Equity refuses any involvement in investment products linked to speculation on food prices and will therefore not invest in financial instruments linked to livestock and food prices.
- In addition, our EDR BUILD analysis methodology incorporates sustainability analysis criteria for agriculture and fish farming in the food and beverage sector. The companies we invest in are primarily engaged in improving the efficiency of food production to meet the needs of the world's population.

[6] https://www.nbim.no/en/the-fund/responsible-investment/exclusion-of-companies/

EDMOND DE ROTHSCHILD

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