



EDMOND
DE ROTHSCHILD

EDMOND DE ROTHSCHILD SICAV EURO SUSTAINABLE CREDIT

EXTRA-FINANCIAL PERFORMANCE REPORT 2023

MARKETING COMMUNICATION: This is a marketing communication. Please refer to the UCITS prospectus and the Key Investor Information Document before making any final investment decision.



FUND OVERVIEW

KEY POINTS

1. Fund classified article 8 under SFDR¹

2. Unlocks synergies from our two key areas of expertise: Euro corporate debt with an Investment Grade ² bias, and Responsible Investing (RI).

3. Recognised proprietary ESG³ research

4. A dual approach aimed at selecting companies displaying robust financial fundamentals and demonstrating clarity of vision on sustainable development.

INVESTING RESPONSIBLY IN EURO-DENOMINATED CORPORATE DEBT

Edmond de Rothschild SICAV Euro Sustainable Credit is a corporate bond fund that aims to select attractive Euro-denominated bond issues by combining financial and sustainable development criteria throughout the analysis process.

A portfolio of corporate debt instruments offering access to a wide range of opportunities and integrating strict credit risk management.

Main benefits

- ▶ A portfolio of EUR-denominated corporate bonds
- ▶ A portfolio combining top-down and bottom-up analysis
Top-down / macro views are translated into risk allocation
- ▶ Expert teams to generate the best investment ideas
- ▶ A Best in Universe⁴ ESG approach

Inter-disciplinary company analysis

- ▶ Conviction-driven investment approach: Combining financial and extra-financial analysis
- ▶ The RI team, which has developed its own ESG analysis process
- ▶ The Credit team, which demonstrates proven expertise and a successful track record in the selection of issuers

¹. SFDR classification: A fund's investment policy may change over time, possibly leading to a change in its classification under the Sustainable Finance Disclosure Regulation (SFDR). If you have any doubts about a fund's SFDR classification, please contact your usual advisor. Article 8 SFDR: Article 8 funds according to the Sustainable Finance Disclosure Regulation (SFDR): funds that promote environmental or social characteristics. ². Bonds classified as "high quality" by rating agencies. ³. ESG: environmental, social and governance criteria. ⁴. Best in Universe: gives preference to companies with the best extra-financial ratings, regardless of their sector of activity.

KEY ELEMENTS 2023



+1,74 %
net performance (I
EUR) VS +1,44% for the
benchmark¹



EUR 264M AUM as of
29/12/2023



Carbon intensity
scopes 1 et 2² :
102,51
vs indice² 213,09 tCO₂ / M€



12,40
ESG Score³
vs 11,40 for the index



Portfolio aligned with a
2,16°C trajectory
vs 2,68°C Amélioration pilotée de
0,5°C

Labelled fund⁴
& Article 8
SFDR⁵



Past performance and volatility are not reliable indicators of future performance and volatility. They may vary over time.

Data as of 29/12/2023. **1.** Source : EdRAM (France), Barclays Capital Euro Aggregate Corporate Total Return **2.**Source : Carbon4 Finance **3.** As indicated in the transparency code, the ESG score corresponds to the internal BUILD score, which ranges from 0 to 20, with 20 being the highest <https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR-ENGAGEMENT/FR/EdRAM-FR-Code-de-transparence.pdf> **4.** SRI label: The SRI label is a tool for choosing responsible and sustainable investments. Created and supported by the French Ministry of Finance, the label aims to make socially responsible investment (SRI) products more visible to savers in France and Europe. **5.** SFDR classification A fund's investment policy may change over time, and thus may result in a change in its classification in accordance with the Sustainable Finance Disclosure Regulation (If you have any doubts about a fund's SFDR classification, please contact your usual advisor) Article 8 SFDR funds promote environmental or social characteristics

ESG NEWS

New boundaries crossed, new steps taken

2023, a very busy year...

For Edmond de Rothschild, 2023 was an essential milestone in its global ESG strategy.

Limit global warming to 1.5°C

First, the World Meteorological Organization (WMO) unfortunately confirmed that “2023 was the warmest year on record globally”. The annual average global temperature was 1.45° Celsius above pre-industrial levels, “symbolic because the Paris Agreement on climate change aims to limit the temperature increase to no more than 1.5°”.

On the regulatory front, the European commission announced a comprehensive assessment of the SFDR regulation ¹, which could have considerable implications for the entire sustainable finance framework (Taxonomy, PAI ²...). The European parliament and the EU Council reached an agreement on the Corporate Sustainability Due Diligence Directive, which aims to make large companies responsible for environmental and human rights violations that occur along their value chains. This agreement is still pending official agreement before the directive can be transposed into national law.

In the United Kingdom, the Financial Conduct Authority (FCA) has introduced its own measures to support sustainable finance. Finally, in France, discussions focused on reforms to be made to the SRI label.

For Edmond de Rothschild, 2023 marks a key milestone in the group’s global ESG strategy, including a major reinforcement of our existing pledges to support the energy and environmental transition. In May 2023, having joined the Institutional Investors Group on Climate Change (IIGCC), we signed up to the “Net Zero Asset Managers” (NZAM), consistent with our commitment to supporting the goal of net zero greenhouse gas emissions by 2050. The initiative was created to galvanise the asset management industry to commit to a goal of net zero emissions, in line with global efforts to limit warming to 1.5 degrees Celsius.

It enables signatories to take action and deploy ambitious investment strategies that will be necessary to achieve the net zero objective. It also offers a forum for asset managers to share best practices and overcome any hurdles to aligning investments with this net zero emissions goal.

In practical terms, our commitment to supporting the fight against climate change led to a major innovation, with the launch of one of the very first corporate bond strategies investing in emerging markets and classified as an Article 9 ³ fund under SFDR.

This first positive environmental impact fund within the emerging bond space will enable investors to have a real impact in countries where the need for investments in environmental initiatives is crucial particularly as energy consumption is growing so fast in these regions.

¹ SFDR classification: a fund's investment policy may change over time, and as a result, its classification under the Sustainable Finance Disclosure Regulation (SFDR) may also change. If you have any doubts on the classification of a fund under SFDR, please contact your usual advisor. ² The European taxonomy classifies economic activities that have a positive impact on the environment. Its aim is to steer investment towards “green” activities. The main negative impacts (PAI) defined by the SFDR regulations correspond to the negative impact of an investment decision on an environmental, social or governance (ESG) issue. ³ SFDR Article 9: Funds covered by Article 9 of the Sustainable Finance Disclosure Regulation (SFDR): funds with a sustainable investment objective.

The results obtained on the EdR SICAV Euro Sustainable Credit portfolio are summarised in the following table:

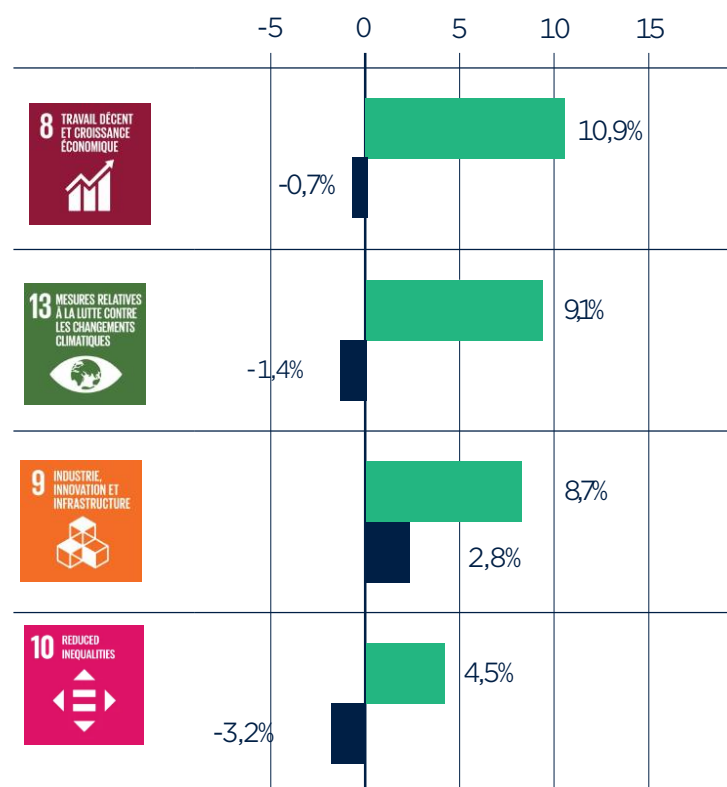
As part of the SRI label, we are committed to ensuring that our **Scope 1 and 2 carbon intensity** indicators and the percentage of **Global Compact signatories** are better than the fund's benchmark index. In order to monitor these indicators, we have set up daily tracking. Thus, if the indicators do not show a satisfactory result, we will implement corrective actions within the portfolio

ESG indicators	EdRS Euro Sustainable Credit	Barclays Capital Euro Aggregate Corporate Total Return	
ESG Score (Coverage rate)	12,40/20 (92%)	11,40/20 (97%)	✓
ENVIRONMENTAL IMPACT INDICATOR			
Share of women in the executive committee (Coverage rate)	21,67% (76%)	20,44% (84%)	✓
Share of women on the board (Coverage rate)	39,01% (86%)	38,82% (94%)	✓
INDICATEURS D'IMPACT ENVIRONNEMENTAL			
Carbon intensity (tons of CO eq2 /Million € of revenue) scopes 1, 2 and 3 (Coverage rate)	1935,76 (86%)	2353,65 (94%)	✓
Carbon intensity (tons of CO eq2 /Million € of revenue) scopes 1 and 2 (Coverage rate)	102,51 (86%)	213,09 (95%)	✓
Climate alignment, in degrees (coverage rate)	2,16 (86%)	2,68 (95%)	✓
GOVERNANCE IMPACT INDICATORS			
Percentage of independent directors (Coverage rate)	80,19 % (87%)	83,26% (92%)	-
Combined CEO/Chair (%)	11,48% (88%)	16,95 (96%)	✓
HUMAN RIGHTS IMPACT INDICATOR			
Global Compact signatory (coverage rate)	76,07 % (100%)	72,27 % (85,92%)	✓

These indicators are defined on page 9.

ACTIVATING SUSTAINABLE DEVELOPMENT OBJECTIVES

ODD alignment score*



Edmond de Rothschild SICAV Euro Sustainable Credit

Barclays Capital Euro Aggregate Corporate Total Return

Portfolio companies with strong alignment

KBC GROUP

- ▶ KBC operates traditional banking activities in Belgium and central Europe, with around 1,200 branches.
- ▶ KBC Banque is among leaders within its segment on ESG criteria. The group is rated AAA by MSCI, well above its peers, notably on the sustainable finance dimension where it ranks as 'leader' according to Bloomberg and MSCI.
- ▶ KBC features among the top 3 contributors to SDG # 8, with a weighting of 1.8% at the end of the year.

SCHNEIDER ELECTRIC

- ▶ Schneider manufactures and sells electric goods throughout the world. Schneider is recognised as a global leader in sustainable development and earned the top spot in the Corporate Knights ranking of the world's most sustainable companies.
- ▶ Rated AAA by MSCI ESG and leader in all research sub-categories (energy sustainability, quality...)
- ▶ Schneider features among the top 5 contributors to SDG #13, with a weighting of 1.4%.

ORSTED

- ▶ The company provides utility services and is committed to developing, constructing and operating offshore wind farms. The offshore wind farms operated by the group throughout the world (US, Taiwan, UK, Germany, Denmark, Netherlands...)
- ▶ account for 60% of Orsted's revenue; bio-energies account for the remaining 40%.
- ▶ Orsted is among top contributors to SDG #9 within the portfolio, with a weighting of 0.6% at the end of the year.

SVENSKA HANDELSBANKEN

- ▶ Svenska is one of most robust traditional banks operating in the Nordic countries.
- ▶ The bank is rated AAA by MSCI ESG and leads the Bloomberg rankings within the sustainable finance, ethics, compliance and workplace practices segments.
- ▶ Svenska is the top contributor to SDG #10, weighing 1.1% of the portfolio.

* Source: 12/29/2023, Edram (France), based on MSCI "SDG Net Alignment score" data, activation thresholds determined by Edram according to its proprietary methodology. The Sustainable Development Goals (SDGs) are the 17 priorities for economic and social development that respect people and the planet. The information on the securities does not constitute an opinion of the EdRAM France Group on the foreseeable evolution of the said securities and, where applicable, on the foreseeable evolution of the price of the financial instruments they issue. This information does not constitute a recommendation to buy or sell these securities. The composition of the portfolio may change over time.

DIALOGUE AND ENGAGEMENT

Our approach to engagement is part of the broader framework of shareholder engagement and voting policy¹ of Edmond de Rothschild Asset Management (France). This is applicable in France and internationally for all managed portfolios.

Some ESG issues can have a material impact on the valuation of companies

The engagement process has two main components:

- ▶ on the one hand, an active voting policy¹ and a dialogue with companies prior to general meetings,
- ▶ and on the other hand a more targeted commitment to ESG issues identified by the management team.

The commitment process of the EdR SICAV Tech Impact fund aims to encourage companies to invest in the fund. This is a good opportunity for companies to communicate and improve their ESG practices, while contributing to the fund's performance.

Indeed, some ESG issues may have a material impact on the valuation of companies, and the fund's investment process includes an estimate of the additional market appreciation potential of the engagement (earnings growth and/or expansion of valuation multiples).

In 2023, managers and analysts engaged in a dialogue on the extra-financial practices of 17 out of 120 companies, representing 14% of the portfolio.



¹. See our voting policy: <https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR-ENGAGEMENT/FR/EdRAM-FR-Politique-de-vote.pdf>. The information on the securities does not constitute an opinion of the Edmond de Rothschild Group on the foreseeable development of the said securities and, where applicable, on the foreseeable development of the price of the financial instruments they issue. This information does not constitute a recommendation to buy or sell these securities. The composition of the portfolio may change over time.

FOCUS SAP



SAP is a global market leader in the following areas: enterprise applications software, enterprise resource management applications, supply chain management applications, procurement applications software, travel and expense management software, enterprise resource planning software.

SAP has more than 440,000 customers and 21,100 partners worldwide and, according to a 2018 Oxford Economics-SAP analysis, 77% of the world's transaction revenue touches an SAP system at some point. The company also works with 92% of the Forbes Global 2000 companies. In other words, SAP's potential sustainability impact does not lie within its operations, but largely in its eco-system as a service provider. Especially as data centers play an increasing important role: now being one of the primary focus for carbon reduction efforts.

To this purpose, SAP is developing a range of sustainable products: for example the "Climare 21" range, which allows customers to track their CO2 emissions and make decisions to reduce them in both manufacturing and supply chain management.

Concretely, the company states that if using the SAP Product Carbon Footprint Analytics Transparency, a "consumer shopping for a bicycle would be able to view the carbon footprint of the rims from Belgium, the titanium frame from Taiwan, the hub gears from the U.S., and tires from Germany, as well as the total carbon footprint of the bicycle delivered to the local bike store."



Source: SAP as of 29/12/2023. The information on companies should not be considered as an opinion of the Edmond de Rothschild Group on the foreseeable development of these securities and, where applicable, on the foreseeable development of the price of the financial instruments they issue. This information does not constitute a recommendation to buy or sell these securities. The composition of the portfolio may change over time.

ESG IMPACT INDICATORS

We use impact indicators to measure the extra-financial performance of the fund.

The Edmond de Rothschild Asset Management (France) IR team has decided to focus on some of the most relevant ones. The following indicators were calculated for both the index and the portfolio:

ESG score: ESG score from MSCI are on a scale from 0 to 20, with 20 being the highest risk.

Share of women at the executive committee: number of women at executive committee as a percentage of the total members of the executive committee.

Combined CEO/Chair(%): Separation of the functions of Chairman and Managing Director is a principle of good governance favoured by Edmond de Rothschild Asset Management

Percentage of independent directors on Boards of Directors: the supervisory role of Boards of Directors is guaranteed by the presence of independent directors with no ties of interest with the company.

Share of women on boards: number of women directors at the board as a percentage of the total board members.

Climate alignment, also measured by Carbon4 Finance:

measures the portfolio's alignment with a climate trajectory by 2100.

United Nations Global Compact signatories: is an indicator that companies are taking CSR into account.

Carbon intensity (tons of CO₂ eq2 /Million € of revenue) scopes 1 and 2:

measures portfolio's exposure to carbon-intensive companies using Carbon4 Finance data. It is the weighted sum of the carbon intensities of the companies in the portfolio, and is expressed in tons of CO₂ equivalent per million euros of sales based on Carbon4 methodology. Scope 1: direct emissions from resources owned and controlled by the company. Scope 2: indirect emissions from the production of purchased energy.

The indicators are calculated using the most recent data available. For each indicator calculated, we specify the coverage rate corresponding to the share of the fund or index for which we were able to obtain the information.

WARNING. Completed on 29/12/2023. This document is issued by Edmond de Rothschild Asset Management (France)

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A summary of investors' rights in English and French can be obtained at the following link: <https://www.edmond-derothschild.com/SiteCollectionDocuments/LegalWebPartSiteDocument/France/documents-reglementaires/EdRAM-France/EDRAM-ENMain-rights-of-investors.pdf>.

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#SUSTAINABILITY IN ACTION



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