



EDMOND
DE ROTHSCHILD

STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

EDMOND DE ROTHSCHILD ASSET
MANAGEMENT (LUXEMBOURG)

30 JUNE 2024



Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Edmond de Rothschild Asset Management (Luxembourg), (LEI: 549300FVF03QWKL2FX65)

Summary

Edmond de Rothschild Asset Management (Luxembourg) (“EdRAML”), (LEI: 549300FVF03QWKL2FX65) considers the principal adverse impacts of its investment decisions on sustainability factors.

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of EdRAML.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

Responsible investment fully corresponds to the values of the Edmond de Rothschild Group (“EdR Group”) to which EdRAML belongs and it has chosen to anchor its approach to responsible investment in the values of the Rothschild family. The EdR Group aims to promote a business model in which value creation is an economic, environmental and societal issue.

The Responsible Investment expertise of EdR Group is fully in line with the Responsible Investment policy and takes into account the main negative impacts of investment decisions which are described in this document.

Description of the principal adverse impacts on sustainability factors

The mandatory indicators defined by Sustainable Finance Disclosure Regulation (“SFDR”) must be considered to ensure that adverse impact on key sustainability factors is taken into consideration. For each of these indicators, EdRAML has included information to describe the actions that have been taken and planned, and the targets set for the next reference period, if any.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	607,337.81	722,215.91	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 66%</p> <p>Unit: tonnes of greenhouse gas emissions (tGHG)</p> <p><u>Current reference period (2023)</u></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.</p> <p>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"> • Initial commitment scope of 70% of assets under management; • Reducing carbon intensity (scope 1 and 2) in million € invested by 50% by 2030 from 2019 levels;

					Sources: MSCI and Carbon4 Finance	<ul style="list-style-type: none"> Reaching carbon intensity (scope 1 and 2) in million € invested of €13.75 million in 2030.
		Scope 2 GHG emissions	157,749.54	147,412.54	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 66%</p> <p>Unit: tonnes of greenhouse gas emissions (tGHG)</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p>Edmond de Rothschild Asset Management 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, Edmond de Rothschild Asset Management internal exclusion policy targets sectors that have a major climate impact (coal, unconventional fossil fuels).</p> <p><u>Next reference period (2024)</u></p> <p>In 2024, the PAI indicators for the SFDR Article 8 funds managed by EdR Group were integrated into a dashboard that Portfolio Managers can access. A dedicated dashboard has been developed to oversee the 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>
		Scope 3 GHG emissions	7,204,470.64	7,039,401.92	Eligibility rate of assets invested in securities: 83%	<p><u>Historical comparison</u></p>

					<p>Data coverage rate for assets invested in securities: 66%</p> <p>Unit: tonnes of greenhouse gas emissions (tGHG)</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p>The evolution of greenhouse gas emissions is linked to the growth in assets taken into account 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>The exposure to companies operating in the fossil fuels sector and the share of consumption and production of non-renewable energy significantly remained stable. Energy consumption intensity per sector with a high climate impact decreased.</p>
		Total GHG emissions	7,969,557.99	7,909,030.37	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 66%</p> <p>Unit: tonnes of greenhouse gas</p>	

					emissions (tGHG)	
					Sources: MSCI and Carbon4 Finance	
	2. Carbon footprint	Carbon footprint	692.81	710.49	Eligibility rate of assets invested in securities: 83%	
					Data coverage rate for assets invested in securities: 66%	
					Unit: tonnes of greenhouse gas emissions relative to company value (in millions of euros) (tGHG/M EUR)	
					Sources: MSCI and	

					Carbon4 Finance
	3. GHG intensity of investee companies	GHG intensity of investee companies	2,393.60	2,684.45	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 68%</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	Share of investments in companies	7.12%	8.98%	Eligibility rate of assets

	active in the fossil fuel sector	active in the fossil fuel sector			<p>invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 74%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources,	69.73%	76.14%	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 45%</p> <p>Unit: Percentage</p>

		expressed as a percentage of total energy sources			Sources: MSCI and Carbon4 Finance	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	14.00	14.89	Eligibility rate of assets invested in securities: 29% Data coverage rate for assets invested in securities: 12% Unit: Gigawatt per million euros of issuer turnover Sources: MSCI and Carbon4 Finance	

Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.20%	0.10%	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 74%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><u>Current reference period (2023)</u></p> <p>Biodiversity issues have been integrated in the 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 https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR-ENGAGEMENT/FR/EdRAM-Definition-et-methodologie-Investissement-durable.pdf</p> <p>In 2023, Edmond de Rothschild Asset Management 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><u>Next reference period (2024)</u></p> <p>In 2024, Edmond de Rothschild Asset Management plans to expand the 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%).</p>
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						<p>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 the exclusion criteria.</p> <p>The associated controversies are related to environmental and/or social risks. Furthermore, this indicator will be integrated into a monitoring table accessible to Portfolio Managers of EdR Group ESG Funds in 2024.</p> <p><u>Historical comparison</u></p> <p>Not enough information available to make a relevant comparison.</p>
Water	8. Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	4.65	57.37	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 1%</p> <p>Unit: Tonnes per million euros</p>	<p><u>Current reference period (2023)</u></p> <p>Water extraction and use issues are integrated in the proprietary ESG analysis methodology (EdR BUILD). This issue is an evaluation criterion of Pillar E under the Environmental Footprint sub-pillar.</p> <p><u>Next reference period (2024)</u></p> <p>In 2024, the PAI indicators for the main SFDR Article 8 funds were integrated into a monitoring table that Portfolio Managers can access.</p> <p><u>Historical comparison</u></p> <p>We are unable to analyse the evolution of this indicator given that its coverage rate is too low.</p>

					Sources: MSCI and Carbon4 Finance	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	2.01	0.07	Eligibility rate of assets invested in securities: 83% Data coverage rate for assets invested in securities: 53% Unit: Tonnes per million euros Sources: MSCI and Carbon4 Finance	<p><u>Current reference period (2023)</u></p> <p>Waste management is integrated in the proprietary ESG analysis methodology (EdR BUILD). This issue is an evaluation criterion of Pillar E under the Environmental Footprint sub-pillar.</p> <p><u>Next reference period (2024)</u></p> <p>In 2024, the PAI indicators for the main SFDR Article 8 Funds were integrated into a monitoring table that Portfolio Managers can access.</p> <p><u>Historical comparison:</u> Not enough information available to make a relevant comparison.</p>

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.01%	0.04%	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 74%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><u>Current reference period (2023)</u></p> <p>The principles of the United Nations Global Compact are integrated into the EdR BUILD analysis model. Human rights concerns have been a major part of the 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 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 the 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><u>Next reference period (2024)</u></p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD	39.74%	0.55%	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in</p>	<p>In 2024, the PAI indicators for the main SFDR Article 8 Funds were integrated into a monitoring table that Portfolio Managers can access.</p> <p><u>Historical comparison</u></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>

	and OECD Guidelines for Multinational Enterprises	Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			securities: 74% Unit: Percentage Sources: MSCI and Carbon4 Finance	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	13.47%	16.79%	Eligibility rate of assets invested in securities: 83% Data coverage rate for assets invested in securities: 18% Unit: Percentage Sources: MSCI and Carbon4 Finance	<p><u>Current reference period (2023)</u></p> <p>The unadjusted gender pay gap and gender diversity in governance bodies are taken into account in the 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 has included criteria related to gender diversity in governance bodies in its voting policy.</p> <p>This concern is reflected in the voting policy, which aims for greater diversity and transparency on Boards of Directors and in general management bodies.</p> <p>With regard to gender diversity on boards of directors, Edmond de Rothschild Asset Management will vote against the appointment of</p>

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	33.93%	32.72%	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 68%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p>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", Edmond de Rothschild Asset Management has committed to increasing the representation of women in roles responsible for investment decisions to 30% by 2030.</p> <p><u>Next reference period (2024)</u></p> <p>In 2024, the PAI indicators for the main EdR Group SFDR Article 8 funds were integrated into a dashboard that Portfolio Managers can access.</p> <p><u>Historical comparison</u></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 investee companies involved in the manufacture or selling of controversial weapons	0.02%	0.00%	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 74%</p>	<p><u>Current reference period (2023)</u></p> <p>The exclusion policy of Edmond de Rothschild Asset Management covers controversial weapons. As such, we are not exposed to these types of weapons.</p> <p>For more details, see: https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR-ENGAGEMENT/EN/EDRAM-EN-Exclusion-Policy.pdf</p>

					Unit: Percentage Sources: MSCI and Carbon4 Finance	<u>Next reference period (2024)</u> The exclusion list for controversial weapons will be reviewed and updated in 2024. <u>Historical comparison</u> Not enough information available to make a relevant comparison.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	694.02	897.02	Eligibility rate of assets invested in securities: 5% Data coverage rate for assets invested in securities: 3% Unit: tonnes of greenhouse gas emissions relative to company	<u>Current reference period (2023)</u> This indicator is monitored manually by the relevant Portfolio Managers as part of the Fund investment process. <u>Next reference period (2024)</u> No automated development is planned at this stage for sovereign assets given their low volume. <u>Historical comparison</u> The value of this indicator fell given that sovereign investments in the relevant funds decreased in 2023.

					revenue (in millions of euros) (tGHG/M EUR) Sources: MSCI and Carbon4 Finance	
Social	16. Investee countries subject to social violations	Absolute number of investee countries subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	110.44	41.59	Eligibility rate of assets invested in securities: 5% Data coverage rate for assets invested in securities: 5% Unit: Number Sources: MSCI and Carbon4 Finance	<p><u>Current reference period (2023)</u></p> <p>This PAI indicator is not monitored by the Portfolio Managers, but they monitor other social indicators.</p> <p><u>Next reference period (2024)</u></p> <p>No automated development is planned at this stage for sovereign assets given their low volume. A review will be carried out in 2024 to study the feasibility of implementing monitoring for this indicator.</p> <p><u>Historical comparison</u></p> <p>We are unable to analyse the evolution of this indicator given that its coverage rate is too low.</p>

		Relative number of investee countries subject to social violations divided by all investee countries, as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.24%	0.73%	Eligibility rate of assets invested in securities: 5% Data coverage rate for assets invested in securities: 5% Unit: Percentage Sources: MSCI and Carbon4 Finance	
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or	N/A	N/A	N/A	N/A

		manufacture of fossil fuels				
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	N/A
<p>Other indicators for principal adverse impacts on sustainability factors</p> <ul style="list-style-type: none"> Indicators applicable to investments in companies (Table 2) 						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
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	31.17%	45.58%	<p>Eligibility rate of assets invested in securities: 83%</p> <p>Data coverage rate for assets invested in securities: 74%</p> <p>Unit: Percentag</p>	<p><u>Current reference period (2023)</u></p> <p>This PAI is integrated in the 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><u>Next reference period (2024)</u></p> <p>In 2024, the PAI indicators for the SFDR Article 8 funds were integrated into a dashboard that Portfolio Managers can access.</p> <p><u>Historical comparison</u></p>

					e Sources: MSCI and Carbon4 Finance	A significant decrease in contributions in investments was observed in 2023.
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Other indicators for principal adverse impacts on sustainability factors

- Indicators applicable to investments in companies (Table 3)

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
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	9.02%	11.21%	<p>Eligibility rate of assets invested in securities: 78%</p> <p>Data coverage rate for assets invested in securities: 69%</p> <p>Unit: Percentage</p> <p>Sources: MSCI and Carbon4 Finance</p>	<p><u>Current reference period (2023)</u></p> <p>This PAI is integrated in the 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><u>Next reference period (2024)</u></p> <p>In 2024, this PAI indicator will be integrated into a monitoring table accessible to Portfolio Managers for the main SFDR Article 8 funds.</p> <p><u>Historical comparison</u></p> <p>A slight decrease was observed.</p>

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

In regards to EdRAML's activities, EdRAML offers management company and AIFM services, infrastructure and operational services to entities in the Asset Management industry, whether they are Group entities or external Portfolio Managers.

These services cover, in particular, investment fund management or administration, distribution support, engineering and domiciliation, risk management, delegation oversight, compliance, middle office and execution and/or central administration services.

In its role as an Investment Fund Manager, EdRAML integrates sustainable development objectives in its activity in accordance with the responsible investment commitments of the Edmond de Rothschild Group as described in EdR Responsible Investment and Sustainability Risk Integration Policy approved by EdR Suisse Board of Directors on 28.11.23 and by EdRAML Board of Directors on 28.02.24:

- When management is delegated to an EdR Group entity, it relies on the system and expertise of that entity. It ensures the proper implementation of the system, standards and tools mentioned for the entity;
- When management is delegated to an external Portfolio Manager, it assists the delegated manager (i) by raising awareness of this theme and conviction, and (ii) by integrating their portfolio of assets into its systems, protocols and control;
- When management is not delegated to an EdR Group entity or an external Portfolio Manager, meaning that it is retained in-house, it relies on its internal and EdR Group system and expertise. It ensures the proper implementation of the system, standards and tools used in-house.

In regards to the systems used when the management is in-house or delegated to a Group entity, Edmond de Rothschild Asset Management has developed a proprietary ESG analysis approach, EdR BUILD (Bold, Universal, Impact, Long Term, Differentiation) supplemented by external ESG and climate data sources.

EdR BUILD allows the Responsible Investment team, as well as the Investment Management team internal at EdRAML when applicable, to express its extra-financial convictions, independently of external databases.

It results in a detailed methodology - more than forty criteria are analyzed - regarding the three pillars (E, S and G), which integrates proprietary indicators. The themes assessed represent key issues, such as climate change, water, biodiversity, safety and security, human development, gender equality, business ethics responsible business and governance practices.

The Responsible Investment team, as well as the Investment Management team internal at EdRAML, also rely on a number of external analysis and tool providers, including Bloomberg, Sustainalytics, ISS, MSCI, Carbone 4, Reprisk, Proxinvest and CDP. Other data can be used such as the Access to Medicine index or Banktrack.

When management is delegated to an external Fund Portfolio Managers, Portfolio Managers that incorporate ESG or SRI systematically include environmental, social and governance (ESG) factors in their financial analysis. They select companies with an appropriate ESG profile to build a portfolio in line with the relevant ESG ratings. In addition, exclusion policies for sectors that are least compatible with a sustainable development approach are in place for all funds, including the exclusion of companies involved in manufacturing and trading in controversial weapons.

PAI indicators are calculated by the service provider WizzInvest. EdRAML 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 Portfolio Managers for the publication of the European ESG Template (EET) collected by Euroclear FundsPlace.

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, the data coverage for each PAI is specified in this document.

Engagement policies

EdRAML implements either directly (i.e. when there is no delegation of the portfolio management) or indirectly (i.e. when there is such delegation or delegation of voting to the Depositary Bank) its engagement policy through the ongoing monitoring of investee companies and the conduct of engagement activities which include but are not limited to one or a combination of the following:

- i. The consultation of quarterly and annual reports and announcements of the investee companies;
- ii. Open source research through press, financial journals and academic papers on the investee companies;
- iii. The use of compliance, risk management and climate impact assessment tools;
- iv. The analysis of data on the CO2 emission of the investee companies;
- v. The monitoring of the labour standards applicable to the investee companies;
- vi. The evaluation of the corporate governance framework and practices of the investee companies, such as the implementation of a diversity and inclusion policy, long-term incentive plans and compensation programs, special programmes on culture and ethical conduct addressed to the employees, gender gap actions;
- vii. The analysis of the investee companies' special pension plans for executives and the compensation programs for non-executive directors;
- viii. The monitoring of the number of directorships that executive and non-executive directors hold outside their groups;
- ix. The assessment of the participation of independent directors in the Board of Directors of the investee companies, the separation of powers between the Chairman of the Board of Directors and the CEO, as well as the participation of the investee companies' employees in the Board of Directors;
- x. The holding of meetings with the investee company officials and the participation in shareholders' events;

- xi. The use of voting advisory services in order to exercise voting rights;
- xii. The implementation of proxy voting guidelines, when proxy voting is used;
- xiii. The establishment of communication channels with the relevant stakeholders' representatives;
- xiv. The formalisation of any relevant agreements with other shareholders;
- xv. The implementation of a specific policy regarding the prevention and management of potential or actual conflicts of interests with regard to the engagement activities.

EdRAML implemented, starting 31.03.24, a specific ESG oversight process for delegates that has been embedded in the existing delegated portfolio management oversight framework.

It encompasses the stewardship and engagement expectations, including voting. In the context of the oversight of delegated portfolio management, EdRAML requests delegates' engagement and voting reports on a yearly basis. A sample assessment is conducted to ensure that votes adhere to the environmental and/or social criteria promoted by the sub-fund, and the engagement report is reviewed to gauge whether the implemented milestones align with the ESG investment strategy. If a respective PAI is downgraded, the milestones will be addressed and reconsidered with the respective delegate.

For more information, please refer to the Voting Rights and Engagement Policy and Voting Report of EdRAML.

EdR Group's Responsible Investment and Sustainability Risk Integration Policy sets out additional details of the engagement with investee companies.

References to international standards

EdRAML strives to ensure that the companies that the Funds for which it acts as Management Company or Alternative Investment Fund Manager invest into follow the international conventions and standards that EdRAML and EdR Group endeavour to comply with. These include, but are not limited to, the below list of international standards:

- United Nations Global Compact;
- The Ottawa Mine Ban Treaty of 18 September 1997 on the prohibition of the use stockpiling, production and transfer of anti-personnel mines and on their destruction;
- The Oslo Convention on Cluster Munitions of 30 May 2008;
- The Biological Weapons Convention of 10 April 1972;
- The Chemical Weapons Convention of 13 January 1993;
- Signatory of the United Nations Global Compact (UNGC);
- Member of the United Nations Environment Programme Finance Initiative (UNEP FI); and
- Founding member of Swiss Sustainable Finance (SSF) and member of Sustainable Finance Geneva (SFG).

EdRAML applies the principles set at EdR Group level with notably a climate strategy applicable to all the EdR Group's Asset Management entities. Edmond de Rothschild Asset Management, through Edmond de Rothschild (Suisse) S.A., made a commitment in May 2023 to support the objective of net zero greenhouse gas emissions by 2050, in line with international efforts to limit global warming to 1.5°C.

This leads to setting intermediate targets for reducing the carbon footprint of the portfolios by 2030.

These qualitative and/or quantitative objectives should focus primarily on funds with the highest carbon footprint (energy funds, for example) and on those with a lower carbon performance than their benchmark indices. This is also achieved by the application of exclusion lists on thermal coal, nonconventional fossil energies (linked to Table 1 PAI 1 to PAI 6).

EdR Group has been a signatory since 2015 of the United Nations Global Compact and a member of the United Nations Environment Programme Finance Initiative (UNEP FI). These two initiatives aim to promote better application of sustainable development principles, including the integration of environmental, social and governance (ESG) factors into investment analysis and processes, as well as in risk management and assessment. This covers the following topics: Ethics and governance, Human commitment, Responsible investment, Environmental impact and Impact on society. This is mainly assessed with the application of an exclusion list targeting companies that violate the principles of the United Nations Global Compact (linked to Table 1 PAI 10 and PAI 11).

External data providers and other data sources are assessed on an ongoing basis for data quality, coverage and other attributes.

In addition to the above, EdR Group is present in various bodies for the promotion and development of sustainable finance:

- Signatory of the UN-supported Principles for Responsible Investment (PRI);
- Signatory of the PRI Montreal Carbon Pledge;
- Member and Director of the Forum for Responsible Investment (FIR);
- Support for the FIR-PRI European Academic Research Award;
- Member of the SRI Committee of the Association Française de la Gestion Financière (AFG);
- Member of the European Sustainable Investment Forum (Eurosif);
- Industrial Partner' of the World Economic Forum;
- Member of the World International Capital Initiative (WICI) initiated by the OECD, of which the IR Director of Edmond de Rothschild Asset Management (France) has been Chairman Europe since 2015;
- 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-Chairman of the ESG Commission of the European Federation of Associations of Financial Analysts (EFFAS);
- Support for the Sustainable Finance and Responsible Investment Chair of the Ecole Polytechnique and Toulouse School of Economics.

Currently, EdRAML is not using any forward-looking climate scenario to specifically assess potential impacts on the subjects addressed in this section. However, we are in the process of exploring and considering the integration of more extensive climate scenarios into our analysis.

Historical comparison

The description of principal adverse impacts on sustainability factors' in Table 1 includes an historical comparison of the period reported on with the previous period reported.

Version number	Issue date	Details of changes (amendment, whole, partial)
1	24.07.2023	PAIs_30 June 2023
2	05.09.2024	PAIs_30 June 2024
3	16.10.2024	Modification of “References to international standards” section

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