EDMOND DE ROTHSCHILD

ARTICLE 10 (SFDR)

Information about a mandate referred to in Article 8 of the SFDR

Product promoting E or S characteristics

GROWTH MANDATE

EDMOND DE ROTHSCHILD, BOLD BUILDERS OF THE FUTURE.

Product name/legal entity identifier (LEI):
Growth Mandate – Edmond de Rothschild (Europe) (the "**Agent**") - LEI 5493009T9IBHZZKFR082

A. SUMMARY

The mandate promotes environmental, social and governance (ESG) characteristics within the meaning of Article 8 of the SFDR Regulation (EU) 2019/2088. Currently, the mandate does not seek to make investments that contribute to environmental objectives linked to mitigating climate change and/or adapting to climate change within the meaning of the European Taxonomy.

However, the Agent undertakes to make sustainable investments within the mandate within the meaning of the SFDR. Sustainable investments made under the mandate ensure that sustainable investment objectives are not significantly harmed, notably:

- by applying the Edmond de Rothschild Group's exclusion policy, which covers controversial weapons, tobacco, thermal coal and unconventional fossil fuels,
- by ensuring that we do not invest in companies that breach the UN Global Compact.

With regard to the investment strategy, the mandate's objective is to seek capital growth with significant exposure to fluctuations in the financial markets. In addition, under this investment strategy, the Agent takes into account non-financial criteria aimed at promoting responsible investment. This investment strategy is restricted to investors who are seeking, as a priority, long-term capital gains and who accept, in return, significant risks of capital loss.

<u>Composition of the portfolio</u>: broadly diversified products. Investments in equities (and/or equity products) range from 50% to 90%. The portfolio will be very sensitive to market movements.

<u>Recommended investment horizon</u>: long term, i.e. more than five years.

A minimum of 90% of investments will be made in:

- financial instruments that have (or whose issuing company has) an internal ESG rating or an ESG rating provided by an external rating agency; and/or
- Article 8 or Article 9 funds under the SFDR or funds with a sustainability label.

The environmental or social characteristics promoted by the mandate are monitored throughout the life cycle of the mandate.

Before any orders are placed, the Agent constructs model portfolios in its management tool. These are compliant with all the investment limits and thresholds set in respect of environmental or social characteristics. Periodic monitoring of the portfolios is also carried out to ensure that these limits are complied with at all times.

The Agent monitors a number of indicators:

- Internal and/or external ESG ratings for direct investments
- The SFDR classification of funds held in the portfolio

The Agent's Internal Control and Compliance Department annually verifies the control system in place.

For directly held securities, the method used to determine the extent to which the social or environmental characteristics promoted by the financial product have been achieved is based on a proprietary ESG analysis methodology, EdR BUILD (Bold, Universal, Impact, Long-Term, Differentiation) (the "**Proprietary Methodology**"). This ESG rating methodology is characterised by a proprietary fundamental and dynamic analysis of companies that factors in environment, social and governance aspects, resulting in a detailed assessment of the key issues for each sector and each company. The Edmond de Rothschild Group also applies a formal exclusion policy that covers controversial weapons, thermal coal, tobacco and unconventional fossil fuels, available on its website.

The Agent uses multiple sources of data to assess the environmental or social characteristics of investments. The Agent, using the Proprietary Methodology, carries out its ESG analysis on companies based on internal data and data provided by external non-financial data providers.

There are, however, limits to the Proprietary Methodology and data.

The Agent is unable to guarantee the availability of the data, and may, in part, have to use estimated data. The methodologies and scope vary considerably between suppliers, which may limit the comparability of the data.

The Agent has an ESG due diligence process in place. The Agent takes ESG analysis into account as part of its investment process. The Agent's Risk Department periodically monitors investment restrictions and ESG indicators.

No specific benchmark index has been designated to attain the environmental or social characteristics promoted by the mandate.

B. NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have sustainable investment as its objective.

However, the Agent undertakes to make sustainable investments within the meaning of the SFDR as part of the mandate. The sustainable investments made ensure that sustainable investment objectives are not significantly harmed, notably:

- by applying the Edmond de Rothschild Group's exclusion policy, which covers controversial weapons, tobacco, thermal coal and unconventional fossil fuels,
- by ensuring that we do not invest in companies that breach the UN Global Compact.

Adverse impact indicators are taken into account in the investment process used for the mandate and are also included in the Agent's definition of sustainable investment (available on its website).

The Agent selects sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights by excluding any company that breaches the principles of the UN Global Compact.

C. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The mandate promotes environmental and social characteristics identified by the Agent's ESG (environment, social and governance) analysis model, such as:

– Environment: strategy on environmental management, energy consumption, greenhouse gas emissions, water, waste, pollution, green impact,

– Social: job quality, human resources management, social impact, stakeholder relations, health and safety.

.../...

D. INVESTMENT STRATEGY

The mandate's objective is to seek capital growth with significant exposure to fluctuations in the financial markets. In addition, under this investment strategy, the Agent takes into account non-financial criteria aimed at promoting responsible investment. This investment strategy is restricted to investors who are seeking, as a priority, long-term capital gains and who accept, in return, significant risks of capital loss.

Composition of the portfolio: broadly diversified products. Investments in equities (and/or equity products) range from 50% to 90%. The portfolio will be very sensitive to market movements.

Recommended investment horizon: long term, i.e. more than five years.

What are the key elements of the investment strategy applied in selecting investments in order to achieve each of the environmental or social characteristics promoted by this financial product?

A minimum of 90% of investments will be made in:

- financial instruments that have (or whose issuing company has) an internal ESG rating or an ESG rating provided by an external rating agency; and/or
- units or shares in Article 8 or Article 9 funds under the SFDR or funds with a sustainability label.

In addition, the stock selection process also uses negative screening, which consists of excluding companies involved in the production of controversial weapons, in compliance with international conventions in the field, as well as companies with exposure to activities relating to thermal coal, tobacco and unconventional fossil fuels, in accordance with the Edmond de Rothschild Group's exclusion policy. This negative screening helps to mitigate sustainability risk.

To what minimum extent does the financial product undertake to reduce its investment scope before applying this investment strategy?

Not applicable

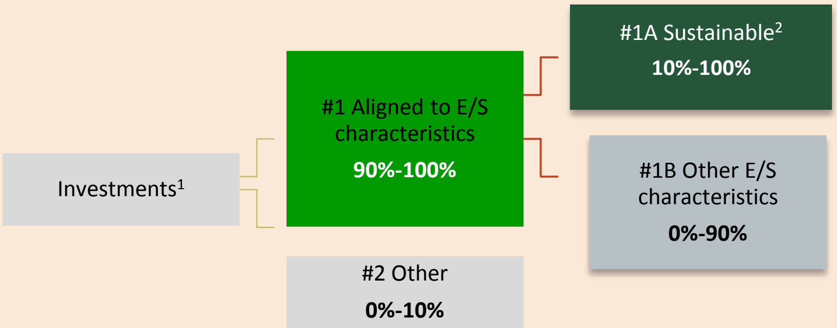
What is the policy for assessing good governance practices of the investee companies?

For directly held securities, good governance practices are assessed through a comprehensive analysis of the governance pillar as part of the ESG analysis of the relevant issuer, and through the consideration of controversies affecting the issuer. A minimum governance score, provided by the Proprietary Methodology or by an external provider, is applied to sustainable investments made under the mandate.

For funds, this assessment is carried out by selecting funds categorised as Article 8 or Article 9 funds under the SFDR.

E. PROPORTION OF INVESTMENTS

- **What is the expected asset allocation for this financial product?**



Category **#1 Aligned to E/S characteristics** includes investments made by the financial product used to achieve the environmental or social characteristics promoted by the financial product.

Category **#2 Other** includes the other investments made by the financial product that are neither aligned with the environmental or social characteristics nor considered to be sustainable investments (investments made for hedging purposes and cash held as ancillary liquidity).

Category **#1 Aligned to E/S characteristics** comprises:
- sub-category **#1A Sustainable** covering sustainable investments with environmental or social objectives;
- sub-category **#1B Other E/S characteristics** covering investments aligned with environmental or social characteristics that are not considered to be sustainable investments.

Compliance with the environmental or social characteristics promoted by the mandate is achieved through direct and indirect investment in the securities held in the portfolio.

- **Where derivatives are used, how do they achieve the environmental or social characteristics promoted by the financial product?**

Only single-name derivatives with a long exposure (options, futures, CDSs, CFDs, etc.) will be taken into account in applying the Proprietary Methodology and in calculating the sustainable investment portion of the mandate according to the SFDR.

The exposure and hedging effects of assets underlying single-name derivatives are offset.

- **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Does the financial product invest in activities linked to fossil gas and/or nuclear energy that are aligned with the EU Taxonomy[1]?

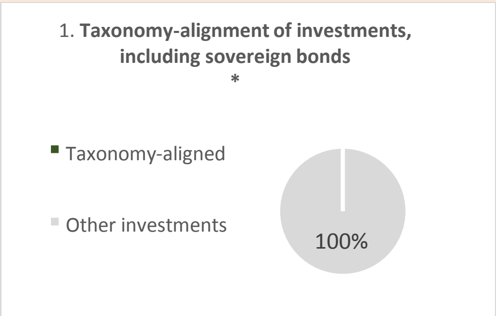
☐ Yes:

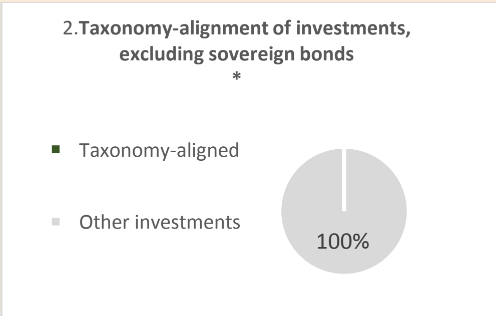
☐ in fossil gas ☐ in nuclear energy

☒ No

In this respect, it is specified that, in view of the current quality of the non-financial information provided by companies, the Agent is not currently able to precisely identify and qualify EU Taxonomy-aligned underlying investments associated with activities linked to fossil gas and/or nuclear energy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.





* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

What is the minimum share of investments in transitional and enabling activities?
Not applicable.

- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** Not applicable.
- **What is the minimum share of socially sustainable investments?** Not applicable.
- **What investments are included under category "#2 Others", what is their purpose and are they covered by any minimum environmental or social safeguards?**

  This category includes investments made for hedging purposes and cash held as ancillary liquidity.

[1] Activities relating to fossil gas and/or nuclear energy will only be considered EU Taxonomy-aligned if they contribute to climate change mitigation and do no significant harm to any of the objectives of the EU Taxonomy – see the explanatory note in the left-hand margin. All criteria applicable to economic activities in the fossil gas and/or nuclear energy sectors that are aligned with the EU Taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.

F. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The **environmental or social characteristics promoted by the mandate are monitored** throughout the life cycle of the mandate.

The Agent has access to portfolio monitoring tools, which provide climate and ESG indicators, such as the carbon footprint or temperature of the portfolio, its exposure to the various United Nations Sustainable Development Goals (SDGs) as well as the environmental and social rating of the investments.

These tools provide a consolidated overview of the portfolio of the selected funds or financial instruments as well as issuer-by-issuer analysis. The Proprietary Methodology and/or ESG analyses carried out by external suppliers also assign a score to each of the environmental and social themes promoted by the mandate and accessible to the Agent.

In addition, before any orders are placed, the Agent constructs model portfolios in its management tool. These are compliant with all the investment limits and thresholds set in respect of environmental or social characteristics. Periodic monitoring of the portfolios is also carried out to ensure that these limits are complied with at all times.

The Agent monitors a number of indicators:

- Internal and/or external ESG ratings for direct investments
- The SFDR classification of funds held in the portfolio

The Agent's Internal Control and Compliance departments annually verify the control system in place.

G. METHODOLOGIES

The methodology used to determine the extent to which the social or environmental characteristics promoted by the financial product have been achieved is based on the **Proprietary Methodology, EdR BUILD** (Bold, Universal, Impact, Long-Term, Differentiation).

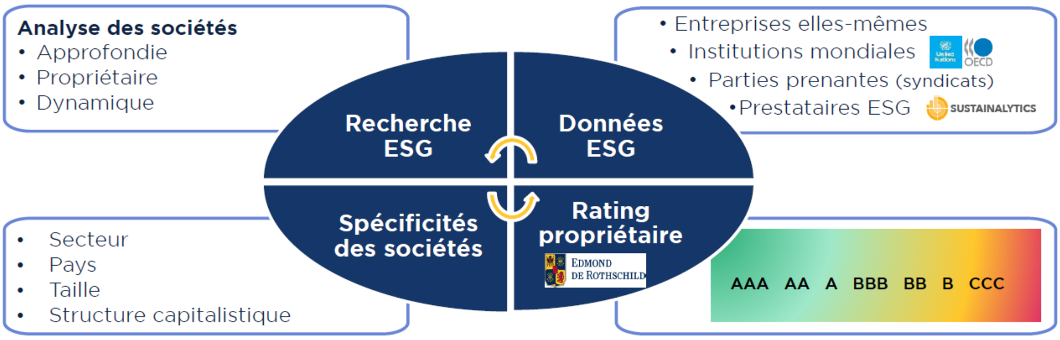
This ESG rating methodology is characterised by a proprietary fundamental and dynamic analysis of companies that factors in environment, social and governance aspects, resulting in a detailed assessment of the key issues for each sector and each company.

In rating a company, the Agent's Proprietary Methodology factors in company-specific characteristics (sector, market capitalisation, capital structure).

Environnement (E)	Social (S)	Gouvernance (G)
Management du risque environnemental	**Management des Ressources Humaines**	**Ethique des affaires et droits fondamentaux**
• Mise en place de système de management environnemental • Intégration des risques liés au changement climatique • Respect de la biodiversité	• Qualité de l'emploi • Management des carrières et des formations (GPEC) • Formation et diversité • Attractivité • Management de la santé & sécurité	• Respect des Droits humains et du travail des enfants • Lutte contre la corruption et les pratiques anti-concurrentielles • Transparence fiscale • Lobbying responsable
Innovation verte et impact des produits	**Impact sociétal**	**Board**
• Valeur ajoutée environnementale des produits ou services, innovation • Eco-conception des produits	• Gestion de l'emploi et des restructurations • Relations fournisseurs • Valeur ajoutée sociale du produit ou service • "Licence to operate"	• Indépendance du Conseil d'administration et des comités (audit, rémunération…) • Séparation des pouvoirs • Diversité du board
Empreinte environnementale	**Relations clients**	**CEO et comité exécutif**
• Emissions de Gaz à Effet de Serre • Consommation d'énergie • Consommation d'eau • Traitement des déchets • Rejets	• Information et sécurité des produits et services • Satisfaction clients	• Composition et fonctionnement du COMEX • Profil et succession du CEO • Transparence et pertinence de la rémunération
		Actionnaires
		• Audit et contrôle interne • Prise en compte des intérêts des minoritaires

The final rating, of between 0 and 20, results in a differentiated weighting for each sector and even in the deactivation of certain criteria that are irrelevant to the sector or the company[2]. It comprises seven levels, ranging from CCC to AAA, with the best ratings (AAA) thus reflecting our strongest non-financial convictions. The final rating is an aggregate of the results for the various E, S and G criteria included in the rating scale determined by the analysts.

Below is an example of how the ESG pillars are weighted for three different business sectors[3], as a result of applying the Group's ESG sector rating matrix:



EXEMPLE : PONDÉRATION DIFFÉRENCIÉE POUR CHAQUE SECTEUR

SECTEURS GICS NIVEAU 2	ENVIRONNEMENT	SOCIAL	GOUVERNANCE
Energie	34%	34%	32%
Transports	29%	33%	38%
Médias	15%	42%	43%

[2] *For example, a chemical company will be more affected by environmental issues while a company in the corporate services sector will see a greater weighting given to social factors.*
[3] *GICS® (Global Industry Classification Standard) level 2 business sectors. Source:* https://www.msci.com/gics

Although the weighting of the non-financial criteria in the Group's rating scale differs between business sectors, the rating is expressed in absolute terms and is not relative to the sector's performance.

Controversies are also factored into the Group's rating model and contribute to issuers' ratings. They may result in a score being downgraded by up to 20% under the Proprietary Methodology. The Agent analyses the controversies that could have a direct impact on the company's growth and its financial statements. By monitoring controversies internally, it is able to be more proactive than external rating agencies, which are less responsive.

The Agent has also incorporated the most recent aspects of the green taxonomy into its model, allowing it to identify sectors and companies with the greatest concentration of climate risks, as well as key adverse impact indicators (AIPs) relating to the climate and energy transition, biodiversity, reducing pollution, safety and security, human development, gender equality, business ethics, responsible governance practices, etc.

Given that most ESG criteria, including climate criteria, will be included over the medium or even long term, and the frequent time lag displayed by climate indicators (between one and two years), the ratings are updated every 24 months at the most, in order to identify significant developments. An unscheduled update will be carried out if prompted by any significant positive or negative catalysts (e.g. major controversies, mergers).

The **Edmond de Rothschild Group also applies a formal exclusion policy** that covers controversial weapons, thermal coal, tobacco and unconventional fossil fuels, available on its website.

The exclusion lists are updated at least annually.

Controversial weapons

This exclusion policy concerns securities linked to the production or sale of weapons prohibited by international conventions (cluster bombs and anti-personnel mines, biological and chemical weapons) in the World zone for all funds and managed mandates.

The exclusion scope is as follows:

- Anti-personnel mines (APMs), the use of which has been prohibited by the Ottawa Convention since 1999;
- Cluster munitions, the use, stockpiling, production and transfer of which is prohibited by the 2008 Oslo Convention;
- Chemical and biological weapons, the use of which is prohibited by the 1972 Biological and Toxin Weapons Convention (entered into force in 1975) and the 1993 Chemical Weapons Convention (entered into force in April 1997).

Using the exclusion bases provided by the Sustainalytics rating agency, as well as public lists regularly updated by some 20 institutional investors in France and around the world (e.g. Norwegian Pension Fund, New Zealand Super Fund), the Responsible Investment team draws up a proprietary exclusion list that targets companies producing and/or selling banned weapons, as well as suppliers of essential components required for their production.

Thermal coal

The Edmond de Rothschild Group's thermal coal exclusion policy is in line with the Group's Responsible Investment strategy and more specifically with its Climate Roadmap, which aims to "decarbonise" portfolios by 2050.

The burning of coal is the largest source of global warming, while electricity generation is the main user of coal. Reducing coal-related emissions is therefore one of the most effective ways to ensure an energy transition in line with the Paris Agreement. According to the Sustainable Development Scenario (SDS) of the International Energy Agency (IEA), almost all the greenhouse gas emission reductions for the energy sector – 2.8 gigatonnes out of a total of 3 gigatonnes – will come from reducing the use of coal in power generation.

Exclusion criteria:

The Edmond de Rothschild Group excludes:

- All companies developing new coal projects involving the use of thermal coal (due to plans to build new mines/power stations/coal infrastructure; expansion of existing assets; purchase of existing coal assets without a clear commitment to close them),
- All power generators with an energy mix that is overly exposed to coal (in capacity, production or revenue) where coal's share of energy production and/or turnover is greater than 20%,
- All mining companies with a high exposure to coal in terms of production, capacity or revenue where coal's share of energy production and/or turnover is greater than 20%,
- Companies with a production of more than 5 GW and absolute emissions of more than 10 Mt of CO2,
- All financial subsidiaries identified as specifically financing excluded companies.

The Edmond de Rothschild Group believes that it is important to encourage companies to reduce their reliance on thermal coal. In this spirit, it is mindful of the carbon trajectory of companies and does not wish to exclude fuel-intensive thermal coal producers and power generators that make credible and measurable commitments to reduce their exposure to coal in order to comply with the Paris Agreement.

Thus, companies are not excluded as long as a clear exit strategy from coal-related activities is made public by 2022 at the latest or the group in question has a decarbonisation strategy in line with a trajectory consistent with a 2°C / below 2°C scenario validated by the Science Based Targets (SBT) Initiative.

Main source:

The Edmond de Rothschild Group's thermal coal exclusion list currently covers over 2,300 issuers worldwide. Exclusions are based on the Global Coal Exit List of the NGO Urgewald, a reference in the field, after an internal analysis of involvement in coal and any evidence of a credible exit from coal, validated by the SBT initiative.

Tobacco

Tobacco is considered by the World Health Organisation to be the greatest threat to public health worldwide. Beyond ethics, the Edmond de Rothschild Group analyses the risks associated with this industry: reputation, taxes, regulations, etc. Its exclusion policy targets companies that produce tobacco or have tobacco distribution as a core business. The thresholds for exclusion are 5% of turnover from production and 50% of turnover from distribution, based on data from Sustainalytics. Approximately 75 companies are affected to date, in the production or distribution sector.

Fossil fuels

The Edmond de Rothschild Group has decided to adopt a climate policy of gradually reducing its investments in oil and gas extraction companies, initially targeting unconventional types of oil and gas, i.e. those requiring non-traditional extraction techniques or more difficult or costly extraction conditions. The Edmond de Rothschild Group supports a gradual divestment from fossil fuels and a redeployment of energy capacities towards other technologies to ensure a fair transition that takes into account energy needs but also supports employment and regions.

A description of the Agent's sustainable investment methodology is available on its website.

H. DATA SOURCES AND PROCESSING

- **Data sources used to achieve each of the environmental or social characteristics promoted by the financial product**

The data used is provided either by issuers or by external service providers, including MSCI and Carbon4 Finance. The external partners have been chosen after an in-depth assessment of the quality and reliability of the data they provide, and are leading providers in the ESG and climate fields.

- **Steps taken to ensure data quality**

The Agent regularly assesses the quality of the data over time.

- **Data processing procedures**

The data provided by external service providers (including MSCI and Carbon4 Finance) or by issuers is checked by a Group Data Management team before being added to the systems used by the operational teams.

- **Proportion of data that is estimated**

The data provided may be actual data or estimated data (estimated by the issuer or the external service provider) in varying proportions subject to change. Whenever possible, the Agent gives priority to actual data.

I. LIMITATIONS TO METHODOLOGIES AND DATA

The methodologies and data may be limited, inter alia, by:

- Limits on the availability of data,
- The need to use, in part, estimated data,
- The underlying assumptions used in methodologies and the areas of analysis prioritised,
- Changes in methodologies over time that may limit the comparability of data,
- The fact that the Agent only takes into account the SFDR classification of the funds and the sustainable investment percentages communicated by their management companies.

The Proprietary Methodology is designed to take account of and adapt to the numerous changes anticipated by the Agent, in particular as a result of changes to regulations, requests from clients, market practices, data availability and quality and internal adoption of the ESG approach. Certain aspects of the Proprietary Methodology may be changed, so that they have a greater or lesser impact. The Agent also carries out annual analysis of the Proprietary Methodology with a view to a potentially updating it.

These limits do not affect the extent to which the environmental or social characteristics promoted by the financial product (mandate) are achieved.

J. DUE DILIGENCE

- **Due diligence carried out on the underlying assets of the financial product, including internal and external controls on that due diligence**

As part of the investment process, depending on the ESG investment limits applicable to the mandates in question, and using a “best in universe” approach, the Agent may apply an ESG filter to its initial investment universe by prioritising the use of the internal rating and, where an internal rating is unavailable, by using an external rating.

ESG-related investment restrictions are periodically checked by the Agent’s Risk Management Department.

K. ENGAGEMENT POLICIES

The shareholder engagement policy applied by Edmond de Rothschild (Europe) as part of its portfolio management activity is available on its website.

The Agent does not exercise voting rights at general meetings.

L. DESIGNATED BENCHMARK INDEX

No specific benchmark index has been designated to attain the environmental or social characteristics promoted by the mandate.

Edmond De Rothschild (Europe)
4, rue Robert Stumper
L-2557 Luxembourg
TEL. +352 24 88 1 – FAX +352 24 88 82 22
www.edmond-de-rothschild.com
POSTAL ADDRESS: B.P. 474 – L-2014 LUXEMBOURG
LUXEMBOURG TRADE AND COMPANIES REGISTER NO. B 19194
VAT NO.: LU 121687 24