SFDR APPENDIX

Pre-contractual information for the financial products referred to in Article 9(1–4*a*) of Regulation (EU) 2019/2088 and Article 5(1) of Regulation (EU) 2020/852

Product name: EdR SICAV - Euro Sustainable Equity **Legal entity identifier:** 969500S4E6MQSLFLW250

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not cause significant harm to any of these objectives, and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system introduced in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Does this financial product have a sustainable investment objective?

- [x] **Yes**
- [ ] **No**

- [x] Minimum share of **sustainable investments with an environmental objective:** 50%
  - [x] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - [x] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [x] At least _40%_ of its investments will be **sustainable investments with a social objective**

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _____% of sustainable investments

- [ ] with an environmental objective, in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] with an environmental objective, in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [ ] with a social objective

- [ ] It promotes E/S characteristics, but **will not make any sustainable investments**

What is this financial product's sustainable investment objective?

The Sub-fund's management objective is to outperform its benchmark index – the MSCI EMU index – over the recommended investment period by investing in companies in the Eurozone:

- that satisfy the Group's definition of sustainable investment
- With a view to achieving, for the portfolio, a climate trajectory alignment that is lower than that of the benchmark.

Sustainability indicators are used to measure how this financial product's sustainability objectives are attained.

No benchmark has been designated for the purposes of achieving the sustainable investment objective.
The description of the sustainable investment methodology defined by Edmond de Rothschild Asset Management (France) is available on the asset management company's website:
https://www.edmond-de-rothschild.com/SiteCollectionDocuments/Responsible-investment/OUR%20ENGAGEMENT/FR/EdRAM-Definition-et-methodologie-Investissement-durable.pdf

What sustainability indicators are used to measure the achievement of this financial product's sustainable investment objective?

The fund seeks to outperform the benchmark/initial scope for the following two adverse impact sustainability indicators:

- Investee companies' Greenhouse Gas (GHG) emission intensity (PAI 3)
- Climate alignment, in degrees: the portfolio's temperature, as part of the climate trajectory compared with that of the benchmark.

How do sustainable investments not cause significant harm to any environmentally or socially sustainable investment objectives?

Principal adverse impacts correspond to the most significant negative impacts of investment decisions on sustainability factors related to environmental, social and employee issues, respect for human rights and the fight against corruption and bribery.

Different means are used to ensure that the Sub-fund's sustainable investments do not cause significant harm. More specifically, when selecting investments, the Investment Manager applies sustainability criteria. This is achieved by (i) applying a formal exclusion policy encompassing (a) companies that produce prohibited weapons, (b) companies involved in the coal, unconventional fossil fuels, tobacco, and palm oil sectors, , and (c) companies that violate international standards, such as those established by the Organisation for Economic Co-operation and Development (OECD), the International Labour Organization (ILO), and the United Nations Global Compact (UNGC). Furthermore, the Sub-fund refrains from investing in any company, project or activity in any of the sectors that are excluded by the SRI Label, in accordance with the Edmond de Rothschild Asset Management (France) exclusion policy, which can be found on its website at https://am.edmond-de-rothschild.com/media/u5yfaxyc/edram-fr-politique-exclusion.pdf. In addition, when exclusions are not already provided for by internal policies, the sub-fund applies the exclusions provided for in Article 12(1)(a-g) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 regarding minimum standards for EU "Climate Transition" Benchmarks and EU "Paris Agreement" Benchmarks (commonly referred to as the "Paris-Aligned Benchmarks" (PABs)). These exclusions cover oil fuels, gaseous fuels, and electricity generation, among others.
(ii) Moreover, in accordance with the SRI Label requirements, the worst ESG ratings (30% of the investment universe) are excluded, as are the most severe controversies, thus limiting any adverse impacts.

How were the indicators for adverse impacts on sustainability factors taken into account?

Adverse impact indicators are taken into account in the Sub-fund's investment process, our ESG rating model, and our definition of sustainable investment. They are incorporated in our portfolio monitoring tools and tracked by the Management Team.
In addition, issuers with a rating that is lower than A are excluded. In compliance with SRI Label requirements, this corresponds to 30% of the issuers in the investment universe. If the thresholds of 30% is not attained, the issuers with the poorest ESG ratings will be excluded.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Managers select sustainable investments in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights by excluding any company that violates the principles of the International Labour Organization (ILO) and the UN Global Compact.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

The Sub-fund take into account the principal adverse impacts on sustainability factors firstly by applying the Edmond de Rothschild Asset Management (France) exclusion policy, especially where thermal coal and prohibited weapons are concerned. The principal adverse impacts are also been taken into account as part of the proprietary or external ESG analysis of issuers, and have an impact on the environmental and social scores as well as the overall ESG rating. Additionally, as mentioned above, other exclusion criteria are applied, and the principal adverse impact indicators are tracked.

In accordance with Article 11 of Regulation (EU) 2019/2088, known as the "SFDR Regulation", the Sub-fund's periodic reports, and the degree of compliance with the environmental or social characteristics, can be found at www.edmond-de-rothschild.com, in the "Fund Center" section.

☐ No



What investment strategy does this financial product follow?

The Sub-fund's management objective is to outperform its benchmark index – the MSCI EMU index – over the recommended investment period by investing in Eurozone-based companies that contribute mainly to the climate change-mitigation objective and to achieving the United Nations' Sustainable Development Goals (SDGs).

The sub-fund's investment strategy entails seeking to achieve, for the portfolio, a climate trajectory alignment that is lower than that of the benchmark.

The Product consists in building a portfolio of sustainable investments that are mainly exposed to equity markets from a universe of securities issued primarily in the Eurozone. The sub-fund's ESG strategy consists in seeking investment opportunities by identifying companies with a positive environmental or social impact and good non-financial performance. It also aims to detect non-financial risks that could materialize from a financial point of view.

In addition to adhering to the Edmond de Rothschild Asset Management (France) sustainable investment methodology, the Investment Manager applies additional sustainability criteria to an extended investment scope composed of eurozone equities when selecting investments. This entails (i) applying a formal exclusion policy

encompassing (a) companies that produce prohibited weapons, (b) companies involved in the coal, unconventional fossil fuels, tobacco and palm oil sectors, and (c) companies that violate international standards, such as those established by the Organisation for Economic Co-operation and Development (OECD), the International Labour Organization (ILO), and the United Nations Global Compact (UNGC). Furthermore, the Sub-fund refrains from investing in any company, project or activity in any of the sectors that are excluded by the SRI Label, in accordance with the Edmond de Rothschild Asset Management (France) exclusion policy, which can be found on its website at (https://am.edmond-de-rothschild.com/media/u5yfaxyc/edram-fr-politique-exclusion.pdf). In addition to these exclusions, when they are not already covered by internal policies, the sub-fund applies the exclusions mentioned in Article 12(1)(a-g) of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 ("PAB exclusions"). These exclusions cover oil fuels, gaseous fuels, and electricity generation, among others, and (ii) companies with an ESG rating lower than A.

Securities are selected based on the combined use of financial criteria, to identify securities with significant growth prospects, and non-financial criteria, in order to meet Socially Responsible Investment requirements. This analysis is designed to allow securities to be selected based on the management company's own ESG rating grid, which classifies securities according to the Environment, Social-Societal, and Governance criteria listed below: Environment: energy consumption, greenhouse gas emissions, water, waste, pollution, environmental management strategy, green impact; Social: quality of employment, human resources management, social impact, health and safety; Governance: structure of governance bodies, remuneration policy, audit and internal control, shareholders.

Edmond de Rothschild Asset Management (France) makes use of a proprietary ESG analysis model, known as "EDR BUILD" (Bold, Universal, Innovation, Long Term and Differentiation). This rating model takes the concept of double materiality into account:

- With a view to prioritising the best performing companies, regardless of financial rating, size or sector, using a best-in-universe approach.
- With ESG criteria being assigned different weightings based on sector of activity and the specific challenges facing each sector. In other words, the various non-financial criteria are assigned greater or lesser weightings depending on the sector being considered, which means that each of the three pillars will have a different weighting.

  The weightings are balanced, with each of the 3 pillars, E, S and G, being assigned a weighting of at least 20%.

Further details on the weightings assigned to the E, S and G pillars can be found in the Transparency Code at: https://am.edmond-de-rothschild.com/media/ibugyryl/edram-fr-code-de-transparence.pdf

ESG criteria are taken into account at each stage of the investment process with the definition of an eligible universe (eliminating the bottom quintile of the universe based on ESG ratings) and an ESG analysis for each security, sometimes involving an active dialogue and engagement process.

The use of derivatives for exposure, other than marginally for effective management, should be temporary and exceptional.

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements in the investment strategy for selecting investments to attain the sustainable investment objective?

At least 75% of the Sub-fund will be permanently invested in equities and other PEA-eligible securities and at least 60% will be exposed to shares issued in one or more eurozone countries. Exposure to equities from outside the eurozone will not exceed 10% of the net assets.
The fund complies with the following constraints:

- The Group's exclusion policy
- At least 100% of the companies in the portfolio have an internal ESG rating that is higher than 11/20
- 100% of the investments must satisfy the internal sustainable investment criteria. At any point in time, the fund must be aligned with a climate trajectory that is lower than that of its benchmark.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess investee companies' good governance practices?

Good governance practices are assessed through a comprehensive analysis of the governance pillar as part of the ESG analysis of the issuer, and by taking into account any controversies affecting the issuer. A minimum governance score, provided by our internal ESG analysis or the ESG analysis from an external provider, is applied to the fund's sustainable investments.

Asset allocation describes the share of investments in specific assets.

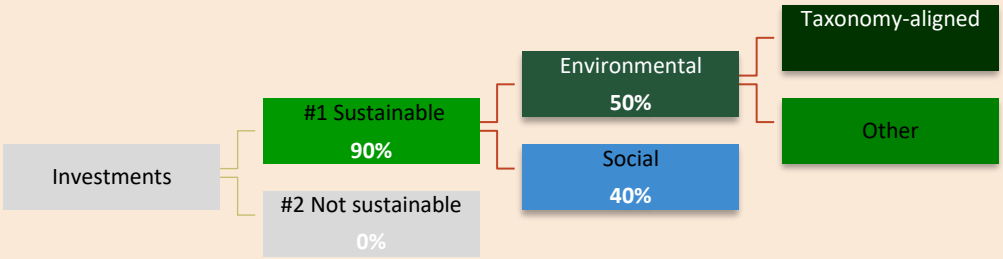
What is the asset allocation and the minimum share of sustainable investments?

At least 100% of the financial product's net assets will be invested in assets that are considered "eligible" based on the current ESG process – i.e. in assets that promote environmental and social characteristics

At least 90% of the financial product's net assets will be invested in assets that are considered to be sustainable investments (#1 Sustainables).

At least 50% of the financial product's net assets will be invested in assets with an environmentally sustainable objective, and at least 40% in assets with a socially sustainable objective.

A detailed description of this financial product's asset allocation can be found in the product's prospectus.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives contribute to attaining the sustainable investment objective?

Only single-name derivatives are used to attain the environmental or social characteristics promoted by the financial product.

If the issuer of the product underlying the derivative has an ESG rating (internal or external), the derivative is taken into consideration when calculating the share of investments aligned with E/S characteristics, or when determining the fund's average ESG rating, or as part of a promoted selectivity approach. When calculating the share of sustainable investments in the fund, only single-name derivatives with long exposures are taken into account, after considering the compensatory effects of short positions and the underlying securities held.

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

Does the financial product invest in EU Taxonomy-compliant fossil fuels and/or nuclear energy activities?[1]

☐ Yes:

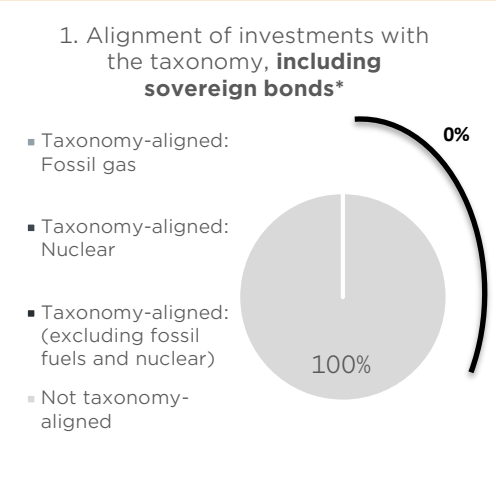
☐ In fossil fuels ☐ In nuclear energy

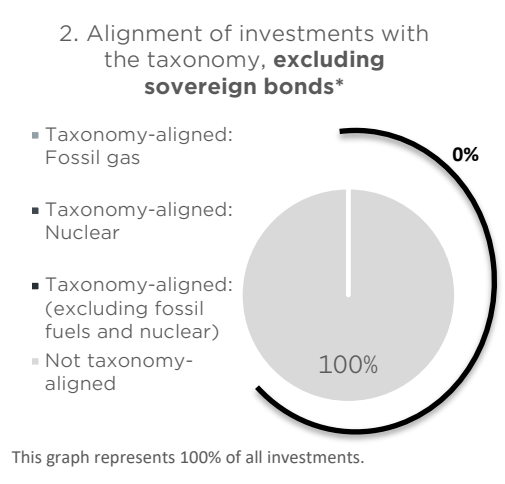
☒ No

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are those for which low-carbon alternatives do not yet exist and, among other things, whose greenhouse gas emission levels are on a par with the best achievable performance.

In the two graphs below, the minimum percentage of EU Taxonomy-aligned investments is shown in green. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment of all of the financial product's investments taken together, including sovereign bonds, while the second graph shows the Taxonomy alignment of all of the financial product's investments, excluding sovereign bonds.





** For the purposes of these charts, "sovereign bonds" include all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

N/A

[1] Fossil-fuel and/or nuclear activities will only comply with the EU Taxonomy if they contribute to climate change mitigation and do no harm to any objective of the EU Taxonomy - see explanatory note in the left margin. All the criteria applicable to EU Taxonomy-compliant fossil fuel and nuclear activities are set out in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU taxonomy?

No minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy has been defined.

What is the minimum share of sustainable investments with a social objective?

The minimum share of sustainable investments with an social objective is 40% of net assets.

What investments are included under "#2 Not sustainable", what is their purpose, and are there any minimum environmental or social safeguards?

The category "#2 Others" includes investments for hedging purposes and cash held on an ancillary basis.

The minimum environmental or social safeguards applied by the Investment Manager consist in avoiding (i) securities issued by companies that contribute to the production or sale of prohibited weapons, in compliance with international agreements in this field, (ii) companies exposed to activities related to thermal coal, tobacco, palm oil and unconventional fossil fuels, and (iii) companies that violate international standards, such as those established by the Organisation for Economic Co-operation and Development (OECD), the International Labour Organization (ILO), and the United Nations Global Compact (UNGC), in accordance with the Edmond de Rothschild Group's exclusion policy.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Benchmarks are indices used to measure whether the financial product attains the sustainable objective.

No benchmark has been designated for the purposes of achieving the environmental or social characteristics promoted by the Sub-fund.

- ***How is the benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the benchmark's methodology ensured on a continuous basis?***

  Not applicable

- ***How does the designated benchmark differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

Where can I find more product-specific information online?

More product-specific information can be found on the website:

http://funds.edram.com