




The image shows two overlapping forms from the PRI LEA (Leadership Engagement Assessment) toolkit. The top form is LEA 02, titled 'Discretionary', and the bottom form is LEA 03, titled 'Mandatory'. Both forms are designed for assessing engagement with companies. LEA 02 includes a section for 'Reason for interaction' with checkboxes for 'To support investment decision-making in a company's operations', 'To encourage corporate practice for identifying the need to address an issue', 'To support investment decision-making in a company's operations', 'To encourage corporate practice for identifying the need to address an issue', and 'Other specify'. LEA 03 includes a section for 'Type of engagement' with checkboxes for 'Individual/ internal staff engagements', 'Collaborative engagements', and 'Service provider engagements'. Both forms also include a section for 'Type of engagement' with checkboxes for 'Individual/ internal staff engagements', 'Collaborative engagements', and 'Service provider engagements'.

RI TRANSPARENCY REPORT

2014/15

Edmond de Rothschild Asset Management (France)



UNEP Finance Initiative
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	-	n/a							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	-	n/a	✓						
OA 14	Allocation of assets to environmental and social themed areas	-	n/a	✓						
OA 15	ESG issues for internally managed assets not reported in framework	-	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	⚡	n/a	✓						
LEI 10	Description of ESG integration	-	n/a	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	⚡	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	⚡	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	⚡	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	⚡	n/a		✓					
LEA 19	Confirmation of votes	-	n/a		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	-	n/a		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Edmond de Rothschild Asset Management (France)

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

- ☐ <10%
- ☐ 10-50%
- ☒ >50%

☒ Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- ☒ <10%
- ☐ 10-50%
- ☐ >50%

☐ Other, specify

☐ Execution and advisory services

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

France

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ☐ 1
- ☒ 2-5
- ☐ 6-10
- ☐ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

204

Edmond de Rothschild Asset Management (France) is part of the Edmond de Rothschild Group.

The Edmond de Rothschild Group, which is headquartered in Geneva, offers a wide range of financial services throughout the world. **The Group is structured around two main strategic activities: asset management and private banking. Today, the Group has € 130 billion of assets under management and 2,800 employees across 31 offices, branches and subsidiaries throughout the world.**

All of the entities of the Group ultimately belong to the Rothschild family through a Swiss holding based in Geneva. Edmond de Rothschild Holding S.A. is the financial group's ultimate holding company and is controlled by Baron Benjamin de Rothschild; this holding controls, directly and/or indirectly all of the Edmond de Rothschild Group's entities. **As a signatory of the UN-PRI (United Nations Principles for Responsible Investment) since 2010, the entity submitting the UN-PRI reporting is Edmond de Rothschild Asset Management (France), the main asset management company of the Group;** a limited company under French law which main shareholder is Edmond de Rothschild (France) (98.3% ownership) a fully operational bank chartered under French law - the remaining 1.7% being owned by employees.

With 3 investment hubs (France, Germany, Hong Kong) and 2 representative offices (Madrid and Santiago, Chile) in the world, Edmond de Rothschild Asset Management (France) comprises 204 people, where team spirit and individual responsibility are our key values. Our investment teams which total 54 professionals, representing more than 25% of our total staff, are dedicated to analysis and portfolio management, and are responsible for the management of close to €23 bn as at end of December 2014.

OO 03

Mandatory

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

☐ Yes

☒ No

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		22	535	000	000
Currency	EUR				
Assets in USD		29	554	453	643

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- ☐ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- ☒ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06**Mandatory****Descriptive****General****OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	<10%
Fixed income – corporate	10-50%	<10%
Fixed income – government	<10%	<10%
Fixed income – other	<10%	<10%
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	<10%
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Founded upon the values of innovation and long-term vision, Edmond de Rothschild Asset Management (France) is an established and renowned **multi specialist investment manager covering a large number of strategies across asset classes ranging from equities and corporate bonds to asset allocation and multi-management strategies**. We consider ourselves as **a conviction led asset manager, favouring a long term approach of value creation for our clients in a robust risk framework**.

Edmond de Rothschild Asset Management (France)'s investment philosophy and approach are based on strong convictions: we firmly believe in **inactive management, based on fundamental analysis and leading to diversified portfolios managed independently from benchmarks**. Indeed, to a large extent independent from benchmark constraints, our investment approach aims at **generating significant and sustainable performance over the mid and long run, while minimizing risks**. As such our approach is notably characterized by:

- Active management aiming at generating significant added value,
- In-depth fundamental analysis of companies, markets and world economy,
- An approach based on strong convictions, independent from benchmarks,
- Portfolios reflecting our strongest convictions,
- Fully integrated risk management carried out by both portfolio managers and independent control teams.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- ☐ None of the above

OO 10.3	Additional information. [Optional]
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Edmond de Rothschild Asset Management (France)'s Responsible Investment Policy is intended to apply gradually, and in a scalable manner, to all our investments.

Indeed, in terms of ESG integration:

- **Edmond de Rothschild Asset Management (France) has integrated ESG criteria in its voting policy as they may be subject to shareholder resolutions.** In 2014, Edmond de Rothschild Asset Management (France) exercised its voting rights on 100% of French companies. On the global perimeter (including France), the proportion was 76% (against 85% in 2013) notably due to administrative and legal constraints in certain countries.
- **Edmond de Rothschild Asset Management (France) is gradually increasing the scope of its ESG research coverage.** ESG ratings are carried out throughout the Euro zone and Europe are available to all fund managers who invest in these markets. Our ESG research capability currently covers 295 European companies (against 312 in 2013). **This ESG-focused information is available and accessible in-house to all European fund management teams.**

Moreover, following a large SRI international equity mandate won in 2012, **Edmond de Rothschild Asset Management (France) has already extended its SRI capabilities by expanding its geographical reach to North America equities.** At the end of 2014, ESG research concerned 584 stocks in North America (against 504 stocks in 2013).

Furthermore, our ESG analysis has a systematic impact on our investment decisions and/or on our decision to initiate a dialogue-engagement process for two of our open-ended funds, **Edmond de Rothschild Euro SRI and Edmond de Rothschild Tricolore Rendement, SRI equity funds with cumulated assets of €1.49 billion euros as at 31 december 2014 - accounting for 6.6 % of our total AUM, 11.3% of our total open-ended funds and 18.9% of our open-ended equity funds.**

OO 11	Mandatory	Gateway	General
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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☐ Fixed Income – other
- ☐ Cash
- ☐ None of the above

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- ☐ Fixed income – corporate
- ☐ Fixed income – government
- ☐ Fixed Income – other
- ☐ Cash
- ☒ None of the above

OO 12**Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers**Direct - Listed Equity incorporation**

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☐ Fixed Income - Corporate
- ☐ Fixed Income - Government

Closing module

- ☒ Closing module

Edmond de Rothschild Asset Management (France)

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- ☒ Yes
☐ No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- ☒ Yes
☐ No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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Since 2007, Edmond de Rothschild Asset Management (France) has developed strong skills through complementary and high-value-added Responsible Investment approaches, which address the diversity and complexity of its clients' sustainable development concerns. This choice of diversity is also driven by the conviction that these approaches contain the seeds of the asset management market and financial analysis of tomorrow.

In Edmond de Rothschild Asset Management (France)'s view, the ultimate responsible and sustainable company:

- seeks to create value over the long term;
- is aware that to do so, it must master economic and financial issues, while ensuring:
 - good governance,
 - a healthy and stimulating working environment,
 - control and reduction of its environmental footprint,
 - good relations with its stakeholders (e.g., its customers, suppliers and the community).
- proactively manages risks and seizes sustainable development opportunities.

Hence, phasing ESG (Environment-Social-Governance) issues into the analysis and investment processes of our Socially Responsible Investment (SRI) funds (i.e., Edmond de Rothschild Euro SRI and Edmond de Rothschild Tricolore Rendement) is a way for Edmond de Rothschild Asset Management (France) to demonstrate its confidence in its in-house analysis and management teams' abilities to identify ESG analysis criteria that contribute to a better understanding of investment risks and opportunities and, as a result, to identify those companies that have the best long-term performance potential.

In parallel, Edmond de Rothschild Asset Management (France) encourages managers of its other portfolio funds to take ESG data into account in analysing stocks by making SRI ratings and analyses available to its equity and fixed income managers. Moreover, the SRI investment and analyst team meets regularly with the financial investment and analysis teams to share their analysis on ESG issues. With this progressive approach, Edmond de Rothschild Asset Management (France) sees ESG integration as a first step towards the gradual and reasoned phase-in of ESG indicators within the investment process of its funds.

At last, Edmond de Rothschild Asset Management (France) has developed active ownership practices through the integration of the ESG criteria in its voting policy as they may be subject to shareholder resolutions, and with an intensive dialogue with companies on the way they mitigate their ESG risks.

To implement efficiently its Responsible Investment policy, Edmond de Rothschild Asset Management (France) has continuously monitored its progress and has adopted the best standards of transparency of its sector related to Responsible investment (eg. UN-PRI, French SRI Certification, European SRI Transparency code). Edmond de Rothschild Asset Management (France) also supports collaborative working groups on SRI in order to contribute to the progress of the ESG integration on the European

market place.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsible-et-isr/EDRAM-responsible-investment-policy.pdf>

☐ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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☒ Yes

☒ Yes, all

☐ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
2015 Voting Policy	http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-voting-policy.pdf
AFG-Eurosif-FIR SRI Transparency-code-EdR-Euro-SRI	http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-EN-transparency-code-EdR-Euro-SRI.pdf
AFG-Eurosif-FIR SRI Transparency-code-EdR-Tricolore-Rendement	http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-EN-transparency-code-EdR-Tricolore-Rendement.pdf
Engagement-policy-EdR-Tricolore-Rendement	http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-EN-Engagement-Policy-Tricolore-Rendement.pdf

☐ No

OA 02.5	Additional information. [Optional]
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Since 2009, Edmond de Rothschild Asset Management (France) has included a heading called "Responsible Finance and SRI" on its website (<http://www.edmond-de-rothschild.fr/En/edram/Pages/sri-strategy.aspx>), which details, among other things, its strategy and commitments in that area, its Responsible Investment Policy, its SRI skills and team, its European SRI transparency codes, its Voting policy, its Engagement and Dialogue Policy, its Voting and Engagement reporting (annual), and other documents that describe our responsible investment approach.

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

Edmond de Rothschild Asset Management (France)'s Responsible Investment Policy is intended to apply gradually, and in a scalable manner, to all its investments. Edmond de Rothschild Asset Management (France) has indeed integrated ESG criteria in its voting policy as they may be subject to shareholder resolutions. In 2014, Edmond de Rothschild Asset Management (France) exercised its voting rights on 100% of French companies. On the global perimeter (including France), the proportion was 76% notably due to administrative and legal constraints in certain countries.

In terms of **ESG integration**, **Edmond de Rothschild Asset Management (France) is gradually increasing the scope of its ESG research coverage. ESG ratings are carried out throughout the Euro zone and Europe and are available to all equity fund managers who invest in these markets.** Our ESG research capability currently covers 295 European companies.

Moreover, following a large SRI international equity mandate won in 2012, **Edmond de Rothschild Asset Management (France) has already extended its SRI capabilities by expanding its geographical reach to North America equities.** At the end of 2014, ESG research concerned 584 stocks in North America.

Furthermore, **our ESG analysis has a systematic impact on our investment decisions and on our decision to initiate a dialogue-engagement process for:**

- **Two of our open-ended funds: Edmond de Rothschild Euro SRI and Edmond de Rothschild Tricolore Rendement, SRI equity funds with cumulated assets of €1.49 billion euros** as at 31 december 2014
- **Two institutional mandates** with total assets under management of €1.35 billion as at 31 december 2014 .

Consequently, our SRI open-ended funds and mandates account for 12.7 % of our total AUM.

Finally, **Edmond de Rothschild Asset Management (France) applies a broad-based exclusion policy on all investments that are in any way related to cluster bombs or anti-personnel mines.** This exclusion has been effective since 2011 upon the request of the CIO and concerns all of Edmond de Rothschild Asset Management (France)'s funds (including those that are sub-advised). The policy is based on a list of prohibited stocks. In order to strengthen the implementation of this exclusion policy, Edmond de Rothschild Asset Management (France) has set up pre-trade limits in its proprietary front/middle/risk tool; these block any attempt to introduce prohibited stocks as long as they feature on the black list. The parameters of this pre-trade limit were implemented on 20th March 2012 by the Risk Management Department.

OA 04

Mandatory

Core Assessed

General

OA 04.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

☒ Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

As our parent, the Edmond de Rothschild Group, is not a publicly listed company and does not issue any debt instruments, nor is it involved in brokerage activity; hence the risk of conflicts of interest is strongly reduced.

Besides, the **Edmond de Rothschild Group has implemented specifics guidelines to detect and prevent any potential conflicts of interests.** The procedure sets up a mapping of potential conflict of interests and a register of conflict of interests is kept by the Edmond de Rothschild Group Compliance.

In addition, **strict regulations are implemented to ensure the portfolio manager's objectivity and that the investor's interest takes precedence; for example:**

- Edmond de Rothschild Asset Management (France) does not carry out proprietary trading,
- A portfolio manager cannot invest in the listed or unlisted companies of the Edmond de Rothschild Group or those related to the Group,
- The portfolio manager's remuneration is not linked to the commissions generated by the trading activity (turnover),
- A portfolio manager cannot hold any position on the Board of Directors of a listed company held in a portfolio which he/she manages.
- Edmond de Rothschild Asset Management (France)'s and the Edmond de Rothschild Group's Conflict of Interest policies are internal documents and as such are not deemed to be circulated; however they can be consulted in our premises at your convenience.

☐ No

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

☒ Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- ☐ At least once per year
- ☒ Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☐ Quarterly
☐ Biannually
☒ Annually
☐ Every two years or less
☐ It is not reviewed
☐ No

OA 05.4

Additional information. [Optional]

At the end of 2013, Edmond de Rothschild Asset Management (France) finalised the key focus areas of the firm's **Responsible Investing Strategy 2013-2016**. This Strategy mentioned in particular Edmond de Rothschild Asset Management (France)'s strategic guidelines for Responsible Finance, its strategic targets and operational priorities for the coming years.

Among these key principles, Edmond de Rothschild Asset Management (France) shall focus on 4 core areas:

- Embedding ESG factors across the firms' investment strategies
- Reporting requirements
- Intensifying ESG dialogue/engagement with issuers
- Monitoring progress through internal coordination

Example of Edmond de Rothschild Asset Management (France)'s strategic guidelines for Responsible Finance: encourage all in-house levers that may facilitate the gradual, enforceable and contributory embedding of ESG data into the performance of the firm's funds.

Example of Edmond de Rothschild Asset Management (France)'s ESG-PRI strategic objectives: consolidate and strengthen our position as a key player on the European SRI market

Example of one of Edmond de Rothschild Asset Management (France)'s operational priorities for 2014: prepare the extension and suitability of the firm's proprietary ESG analysis coverage to a new asset class; participate into ESG working groups on a collaborative basis

Governance and human resources

OA 07

Voluntary

Descriptive

General

OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Edmond de Rothschild Asset Management (France)'s Responsible Investing Strategy is defined by the company's Executive Board, in close collaboration with the governing bodies of the Edmond de Rothschild Group as part of the holistic strategic thinking around the group's Asset Management business.

From an operational standpoint, the Responsible Investing Strategy is driven by the Executive Board and implemented by a new Responsible Investment Steering Group headed by the CIO. The permanent members of this group include investment professionals, members of the sales teams and ad-hoc members from Project Groups who contribute to the implementation of action plans.

Please note that since 2009, Edmond de Rothschild Asset Management (France) works with a specialist SRI consultancy firm EFIRE (www.efires.fr). EFIRE assists Edmond de Rothschild Asset Management (France) with strategic thinking, the implementation and the traceability of the firm's Responsible Investing Strategy.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles present in your organisation
--	------------------------------------

- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Investment analysts
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other role, specify
 - Institutional Sales, Marketing, Compliance, Risk**
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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	Number
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Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Provided financial support for the initiative and actively implement the PRI

- ☐ Asian Corporate Governance Association
- ☐ Association for Sustainable & Responsible Investment in Asia
- ☐ Australian Council of Superannuation Investors
- ☐ CDP Climate Change
- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify FrenchSif (Forum pour l'Investissement Responsable - FIR), Eurosif

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Edmond de Rothschild Asset Management (France) sponsored the *European SRI study 2014* published by Eurosif.

- ☐ Shareholder Association for Research and Education (Share)
- ☒ United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Via our mother company the Edmond de Rothschild Group

- ☒ United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Via our mother company the Edmond de Rothschild Group

- ☒ Other collaborative organisation/initiative, specify
AFG's SRI Commission (Association Française de la Gestion Financière)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

<http://www.afg.asso.fr/>

The Association Française de la Gestion Financière represents and promotes the interests of the French asset management industry, both for collective and for discretionary portfolio management.

Within the AFG's SRI Commission, we took part in two working groups in 2014 : one related to *ESG integration*, the other on *ESG indicators*.

Furthermore, we have taken part of a consultation to comment the specifications of the new french SRI label under preparation by the French government.

☐ Other collaborative organisation/initiative, specify

☒ Other collaborative organisation/initiative, specify

Chair Finance Durable et Investissement Responsable (FDIR)

Your organisation's role in the initiative during the reporting year (see definitions)

☐ Basic

☒ Moderate

☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

SRI academic financial support : see <http://www.idei.fr/fdir/publications>

☐ Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

☒ Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☒ Provided financial support for academic or industry research on responsible investment

☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☒ Spoke publicly at events and conferences to promote responsible investment

☒ Wrote and published in-house research papers on responsible investment

☐ Encouraged the adoption of the PRI

☒ Other, specify

Compensation for broker research

○ No

OA 11.3

Additional information. [Optional]

Promoting Responsible Investment is also a way for Edmond de Rothschild Asset Management (France) to involve its SRI investment and research experts in colloquiums, round tables, client meetings and the media. In addition, visitors to our website (<http://www.edmond-de-rothschild.fr/En/edram/Pages/default.aspx>) can see our PRI commitment under a heading dedicated to responsible finance and SRI, with the six UN-PRI principles that are each mentioned there.

Regarding our influence on our research service providers, among its general criteria for rating brokers, Edmond de Rothschild Asset Management (France) managers assesses the quality of their extra-financial research. This assessment thus has an impact on broker compensation. Meanwhile, Edmond de Rothschild Asset Management (France) uses commission sharing agreements to remunerate independent analysts (e.g., OFG), who mainly provide governance research.

In lobbying on French and European regulations, Edmond de Rothschild Asset Management (France) prefers to act through a collaborative and coordinated approach with other players within the local organisations it belongs to, in particular the AFG (French Asset Management Association), the Forum for Responsible Investment (FIR) and Eurosif.

Initiatives that Edmond de Rothschild Asset Management (France) introduced or supported in 2014:

- **Academic research:** Financial support given to the "Chair for Sustainable Finance and Responsible Investment" (<http://www.idei.fr/fdir/publications>) co-run for the past four years by Ecole Polytechnique and the Toulouse School of Economics. In 2014, six studies and working papers were published: five on the corporate governance ("Board independence and operating performance: Analysis on (French) company and individual data » », « CSR related management practices and Firm Performance: An Empirical Analysis of the Quantity-Quality Trade-off on French Data », « The Economics of Corporate Responsibility: A Firm Level Perspective Survey » , "CSR and Financial Performance: Complementarity between Environmental, Social and Business Behaviours", « Fishing for Excuses and Performance Evaluation, Review of Accounting Studies »), and one on the link between ESG performance and fixed income ("Measuring the effect of government ESG performance on sovereign borrowing cost").
- **Transparency and reporting:** Since 2009, Edmond de Rothschild Asset Management (France) chose to adopt the highest reporting standards for its funds and SRI mandates. As an illustration, each of the firm's SRI open-ended funds provides input and annual updates for the AFG/FIR/Eurosif SRI Transparency Code; Edmond de Rothschild Asset Management (France)'s SRI Fund EDR Euro SRI has received the SRI Label from Novethic every year since 2009. In addition, as far as institutional mandates are concerned, Edmond de Rothschild Asset Management (France) offers one of the most thorough SRI reporting disciplines available on the market (monthly, quarterly and annual).
- **SRI Research Publications:** in May 2013, Edmond de Rothschild Asset Management (France) launched a new quarterly publication dedicated to SRI/ESG issues, the "*SRI Chronicles*". The Newsletter is available to all staff and clients. In 2014, Edmond de Rothschild Asset Management (France) had published three issues of the "*SRI Chronicles*", i.e. six issues since its launching.
- **Events, conferences, training:** Edmond de Rothschild Asset Management (France) sponsored the European SRI study 2014 designed by Eurosif. This sponsorship was the subject of a conference on the theme "SRI: what is the best way in the light of the different approaches? ", in partnership with Generali Investment Europe. This SRI conference was held on 6 November 2014 in Paris and was attended by 46 institutional clients. Moreover, the Head of SRI intervened twice before the Sales team of Edmond de Rothschild Private Bank Geneva and for clients meetings.

OA 12

Voluntary

Additional Assessed

PRI 4,5,6

OA 12.1

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

☒ Yes

☐ Yes, individually

☒ Yes, in collaboration with others

OA 12.2

Select the methods you have used.

☒ Endorsed written submissions to governments, regulators or standard-setters developed by others

☐ Drafted your own written submissions to governments, regulators or standard-setters

☐ Participated in face-to-face meetings with government members or officials to discuss policy

☐ Other, specify

OA 12.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

☒ Yes, publicly available

provide URL

<http://www.eurosif.org/policy/positions>

provide URL

<http://www.frenchsif.org/isr/nos-actions/plaidoyer/#legislation-tab>

☐ No

☐ No

OA 12.4

Additional information.

Edmond de Rothschild Asset Management (France) does not address these issues directly to any government and regulatory authorities but acts collaboratively. We support and contribute to the public policy lobbying activities of other organisations in which we are one of the members such as FIR, Eurosif or AFG.

For example in 2014:

- **As a member, the FIR takes part in the CSR Platform launched by the French Prime Minister** as part of the "Commissariat Général à la Stratégie et à la Prospective". It has contributed in 2014 - 2015 to the Working Group nber 2 on "CSR governance and transparency", linked to the transposition of the EU Directive on CSR reporting.
- **The FIR took part in the consultation programme initiated by the French Environment and Finance Ministries at the end of 2013, closing on 01/15/2014"** whose 3rd principle is directly related to SRI. Besides, the FIR had meetings with the office of the French Environment and Finance Ministries around the dates of the « National SRI week » during which the organisation has promoted a **demanding label and a tax incentive** (in particular the inclusion of a mandatory part of SRI funds in life insurance contracts).
- **The AFG's and FIR's members have taken part of a consultation to comment the specifications of the new french SRI label under preparation by the French government** and that should be launched in 2015, before the Paris Climate conference in december 2015 (COP 21). The AFG and the FIR also took

part to the first official meetings of the Investors' working group on the SRI label, and to the plenary session with the members of civil society and the certification organizations.

- On his side, **Eurosif led lobbying activities and position paper on various subjects** : Investor Statement on EU Proposed Conflict Mineral Regulation; Position on the Proposal for a Shareholder Directive (COM2014) 2013

Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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☒ Yes

OA 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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- **Internal research according to our own rating grid**
- **The SRI analysis that results in an ESG filter is applied to the investment universe that already has been analysed from a financial point of view.** The outcome is a concentrate of the investment teams' best financial convictions coupled with an in-depth extra-financial analysis (ESG)
- **Core and complementary SRI funds** (Positive screening/Best Effort-Best in universe, Engagement)
- **Frequent meetings with companies under review**
- **The ability to provide bespoke and thorough ESG reports for our institutional mandate clients** (eg. Edmond de Rothschild Asset Management (France) provides monthly, quarterly and annual reports for a French pension institution. This reporting includes the portfolio's ESG ratings relative to the sector and to the benchmark, reports on General Assembly votes in compliance with Edmond de Rothschild Asset Management (France)'s voting policy, reports on ESG dialogue with companies (incl. company visits), changes in ESG ratings, potential controversies identified during the period).
- **Our Voting policy** (related to Corporate Governance but also Environmental, Social and Stakeholders Resolutions) **applied on each company by the fund manager who invested in it + a complete reporting of our Voting and Engagement activity**
- **Conviction engagement policy leading to close relationships with companies**
- **The ability to implement our institutional clients' voting policy** (analysis, execution and reporting)
- **The follow up of ESG performance indicators** for the portfolios of one SRI mandates and the fund EdR Euro SRI, such as : the CO2 emissions - scope 1, the frequency rate of accidents at work and its evolution, the independence of the Board, the percentage of women on the Board, the signing of the United Nations' Global Compact.

☐ No

Edmond de Rothschild Asset Management (France)

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
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LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active – fundamental and other active strategies

% of internally managed listed equities

- ☐ <10%
- ☐ 10-50%
- ☒ >50%

LEI 02	Voluntary	Descriptive	PRI 1
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LEI 02.1

Provide a brief overview of how you incorporate ESG issues into listed equity investments.

Edmond de Rothschild Asset Management (France)'s strong SRI conviction

As it became aware that Environmental, Social/Societal and Governance (ESG) issues are having a growing impact on financial markets and are thus becoming increasingly fundamental for its asset management business, Edmond de Rothschild Asset Management (France) decided to expand its responsible investment expertise in 2008. This followed up on its 2007 creation of Edmond de Rothschild Ecosphere, an environmentally themed fund that focuses on alternative energies, water and waste, cleaner transport and cleantech.

In developing its own SRI expertise, illustrated by the launch of EdR Euro SRI in June 2009, **Edmond de Rothschild Asset Management (France) is trying to stay ahead of what seems to be an inevitable shift in financial analysis components and to develop progressive tools and methodologies that will be most able to integrate ESG in assessing listed companies' overall performances.**

Edmond de Rothschild Asset Management (France) also wished to extend its fund manager/analyst model to the its SRI approach team in order to ensure that extra-financial analysis contributes directly to the portfolio's performance. As a result, our SRI analysts are also fund managers; this enables extra-financial issues to be taken into account broadly across the investment teams. In 2009, we created a single SRI analysis team in order to foster an in-depth and constructive approach. This team was included within the European Small and Mid-Cap team which had already been managing the environment themed fund since 2007.

Additionally to the development of its core SRI funds, **Edmond de Rothschild Asset Management (France) signed the Principles for Responsible Investment in 2010 to phase ESG into its management practices in a reasoned manner. In 2010, when Edmond de Rothschild Asset Management (France) included an Engagement Policy in its largest AuM fund, Edmond de Rothschild Tricolore Rendement, it demonstrated the strategic importance that it attaches to SRI. Moreover, since 2011, stocks involved in Cluster bombs and Anti-personnel mines are forbidden in all our portfolios.**

A dedicated SRI team and suitable in-house governance bodies

SRI investment and research is entrusted to a qualified and dedicated team. **Edmond de Rothschild Asset Management (France) has chosen to combine its SRI team with its European equity teams, in order to promote synergies between teams, so that extra-financial aspects are taken into account in stock analysis.** In 2014, the SRI Investment and Research team is composed of two persons, including the Principal Manager of

SRI Investment and Research, who reports directly to the CIO of Edmond de Rothschild Asset Management (France). In addition, two French equity managers work closely with the SRI team in implementing the SRI Engagement process in the Edmond de Rothschild Tricolore Rendement fund. At last, we account four Responsible Investment (RI) correspondents among the equity and fixed income teams, and several RI correspondents from the Marketing, Sales and Compliance departments.

To fully integrate its ESG/SRI approach, Edmond de Rothschild Asset Management (France) has set up complementary committees. Among them,

- **The Voting and Engagement Committee** includes the investment heads, the SRI research team, the Internal Control department, as well as a Management Board member and the Chief Investment Officer.

- **The two Investment and Extra-financial Investment Committees** that were set up in the context of our institutional mandate management and whose members meet at least twice a year.

The resources, tools and processes are in place since 2007 in the aim of fostering gradual and structured ESG integration within Edmond de Rothschild Asset Management (France)'s investment strategies.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.
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ESG incorporation strategy (select all that apply)

☒ Screening alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	90

☐ Thematic alone (i.e. not combined with any other strategies)

☐ Integration alone (i.e. not combined with any other strategies)

☒ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	10

☐ Thematic + integration strategies

☐ Screening + thematic strategies

☐ All three strategies combined

☐ No incorporation strategies applied

100%

LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

In 2014, the SRI/ESG strategies developed by Edmond de Rothschild Asset Management (France) apply to 2 open-ended funds (Edmond de Rothschild Euro SRI and Edmond de Rothschild Tricolore Rendement), with cumulated assets of €1.49 billion under management, **and to 2 institutional mandates** accounting for €1.35 billion in AUM. In the previous Transparency report, we had mentioned an additional open-ended fund, Edmond de Rothschild Ecosphere, that has been closed down at the first semester of 2014.

Furthermore, all of our equity assets under management apply a negative screening approach (used systematically across all the asset management company's funds) **based on a sector and normative exclusion of companies whose business is in any way related to cluster bombs and anti-personnel mines, in accordance with the Oslo Treaty and the Ottawa Convention signed by the French Government.**

The choice of SRI/ESG strategies developed by Edmond de Rothschild Asset Management (France) was based on the three following drivers:

- **A combination of strong SRI/ESG and financial convictions** with the view to enhancing the risk/opportunity analysis for each given stock
- **The desire to develop innovative analysis and investment tools for our clients that complement those already developed by Edmond de Rothschild Asset Management (France), with a single aim in mind: to offer high performance investment solutions that also support companies engaged in tackling sustainable development issues as they grow.**
- **The capacity to adapt and meet new ESG-related demands from institutional clients** including detailed specifications defined by the client.

LEI 03.3

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

The Edmond de Rothschild Tricolore Rendement fund combines ex-post ESG screening with an ESG Engagement policy, based on a structured and traceable investment process. Information on Edmond de Rothschild Tricolore Rendement's Engagement policy and practices is provided on our website and in the "Direct Listed equity active ownership" module.

As far as our SRI fund Edmond de Rothschild Euro SRI is concerned, this process combines two ESG strategies: screening and ESG integration.

One of the original features of the investment process is that the fund's investment universe is built from **Edmond de Rothschild Asset Management (France)'s strongest European equity financial convictions.**

The team of fund managers-analysts carries out SRI-driven research on the companies within this universe and generate a rating ranging from AAA to CCC. The universe of stocks eligible for inclusion on the Edmond de Rothschild Euro SRI fund only includes stocks with A ratings or above.

The construction of the portfolio results from the reconciliation of financial and extra-financial research.

- The SRI fund manager-analysts therefore play a key role in the selection of SRI companies for the portfolio. **Trades within the portfolio reflect financial and extra-financial convictions** generated on the basis of research and regular company meetings. The objective of these meetings is to validate their approach and check on the application of sustainable development practices.
- **Portfolio weightings are determined on the basis of the stock's dual financial and extra-financial rating. Consequently, a given stock will be allocated a larger weight if it has a strong SRI rating and is one of the team's financial convictions.**

LEI 05	Voluntary	Additional Assessed	PRI 1
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LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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☒ Engagement

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

LEI 05.2	Additional information. [Optional]
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Edmond de Rothschild Asset Management (France) has drawn up a Voting Policy which takes into account Environmental and Social considerations in addition to Governance issues. This policy is applied consistently by all equity portfolio managers. Details of the practical implementation and results of this policy are provided in a number of internal and external publications that are available for our Fund managers as soon as they are produced:

- **Minutes of the Voting and Engagement Committee,**
- **Annual Vote Reporting** (which also mentions the dialogue and ESG engagement efforts initiated with companies)
- **Annual Report dedicated to corporate engagement initiated by the Edmond de Rothschild Tricolore Rendement SRI fund** (available in English on our website since 2014)

Furthermore, fund managers have access to the voting platform and de facto to the analysis of resolutions which can provide further insight into their own views on the stock.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
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LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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Type of screening

- ☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☐ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☐ Environmental and social practices and performance
- ☐ Corporate governance

	Description
--	-------------

Exclusion of any investments related to Anti-personnel mines (APM) and Cluster Bombs

- ☒ Positive/best-in-class screening

Screened by

- ☐ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
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For two SRI funds and two institutional mandates

- ☒ Norms-based screening

Screened by

- ☐ UN Global Compact Principles
- ☐ Universal Declaration of Human Rights
- ☐ International Labour Organization Conventions
- ☐ United Nations Convention Against Corruption
- ☐ OECD Guidelines for Multinational Enterprises
- ☒ Other, specify
 - Ottawa Convention (APM) and Oslo Treaty (Cluster bombs)

	Description
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All our equity assets under management apply a negative screening approach (used systematically across all the asset management company's funds) based on a sector and normative exclusion of companies whose business is in any way related to cluster bombs and anti-personnel mines, in accordance with the Oslo Treaty and the Ottawa Convention signed by the French Government.

Definition of ESG criteria and SRI ratings

Edmond de Rothschild Asset Management (France)'s rating methodology and the matrix for extra-financial analysis were drawn up by our SRI fund management/research team **following a survey of existing data frameworks** (UN Global Compact, OECD or ILO-led conventions and official texts)...

Our SRI rating model was built with weightings that differ from the sector-based ESG criteria which take the specificities of each sector or industry in account.

Beyond the exclusion of companies whose business is any way related to cluster bombs and anti-personnel mines - in compliance with an internal policy applicable to all Edmond de Rothschild Asset Management (France)'s funds (managed in house or sub-advised) - there is neither a sector or thematic-driven exclusion/inclusion bias, nor a geographic (within the euro zone) or market cap bias in Edmond de Rothschild Asset Management (France)'s SRI funds.

SRI rating updates and reviews of ESG analysis criteria

The ESG ratings of companies covered by our in-house extra financial analysis are updated every 18 to 24 months.

As far as the ESG methodology is concerned, our 4 main research pillars (Environment, Social, Governance and Stakeholders - ESGs) are not set to change. However, **within these pillars, the extra-financial criteria or weightings can be modified according to their pertinence or enhanced following the identification of new sustainable development issues.**

Internal or external control procedures designed to ensure the compliance of the portfolio with the ESG rules applicable to Edmond de Rothschild Asset Management (France)'s SRI funds

Edmond de Rothschild Asset Management (France)'s Risk Control Group has set up specific risk controls via "Dimension", our front/middle/risk management tool, applicable to the Edmond de Rothschild Euro SRI fund. Every day, the Risk Control Group checks that all portfolio holdings have SRI ratings of A or above and therefore, that any stock with an inferior rating is on the "sell" list. The tool operates on a pre-trade basis to prevent the potential inclusion of a poorly-SRI rated stock in the portfolio.

Furthermore, Edmond de Rothschild Asset Management (France)'s Internal Control carries out an annual review of the investment process, including the ESG research methodology applicable to SRI funds. This control process involves checking the factsheets and the in-house SRI ratings for every stock in the portfolio.

Finally, the transparency and thoroughness of our ESG research methodology is audited by third parties such as Novethic (within the SRI labelling process) or institutional investors, in the course of reviewing the SRI mandates we manage on their behalf.

In terms of external communications regarding changes made to Edmond de Rothschild Asset Management (France)'s ESG research database, all relevant publications are updated regularly on our website in the **"Responsible Finance and SRI/ Our range of SRI funds" section** (<http://www.edmond-de-rothschild.fr/En/edram/Pages/sri-strategy.aspx>), accessible to all stakeholders and clients who wish to follow the updates made to our SRI investment and research process. In addition, Edmond de Rothschild Asset Management (France) launched **a new publication dedicated to SRI, "The SRI Chronicles"**, in 2013. This client Newsletter can also include information on any changes made to the ESG/SRI investment process.

Finally, in the context of Edmond de Rothschild Asset Management (France)'s management of SRI mandates, the Investment and Extra-Financial Investment Committees organised for institutional investors provide an appropriate venue for disclosing any information or discussing any changes made to Edmond de Rothschild Asset Management (France)'s SRI research or investment process.

LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☒ Other, specify
Annual revision and enhancement of the subcriteria of our own ESG analysis framework; the internal & external controls made on our processes (cf.LEI 06.2)
- ☐ None of the above

LEI 07.2

Additional information. [Optional]

In addition to the controls that are carried out in-house (see LEI 06.2), the strength of Edmond de Rothschild Asset Management (France)'s ESG research process is further evidenced by our management of SRI institutional mandates which require:

- **Strict controls on portfolio management, on the deployment of SRI research/management portfolio ESG/SRI specifications.**
- **External portfolio reviews carried out by extra-financial rating agencies:** 1) Vigeo reviewed one of the portfolios managed by Edmond de Rothschild Asset Management (France) on behalf of two institutional clients; this process resulted in Vigeo granting Edmond de Rothschild Asset Management (France) one of the highest ratings relative to the client's other portfolio managers. 2) On behalf of an institutional mandate, Trucost measures the carbon footprint of the SRI portfolio managed by Edmond de Rothschild Asset Management (France).
- **The production of specific reports several times in the year with a focus on ESG analysis/ portfolio management; these also include information on how we exercised our voting rights during General Assembly Meetings.**

LEI 08

Voluntary

Additional Assessed

PRI 1

LEI 08.1

Indicate which processes your organisation uses to ensure that fund criteria are not breached

- ☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
 - ☒ Systematic
 - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☐ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

LEI 08.2

If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

Within the investment process applied to the Edmond de Rothschild Euro SRI fund, and in the event of downgrade on one of the stock ratings, "*Dimension*" - our front office tool - will generate alerts that will ensure the fund manager sells the stock within a month. Similarly, stocks with low SRI ratings cannot be included in the portfolio as the tool operates on a pre-trade basis and will block the transaction.

(C) Implementation: Integration of ESG issues

LEI 11

Mandatory

Core Assessed

PRI 1

LEI 11.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2

Additional information. [Optional]

Edmond de Rothschild Asset Management (France)'s Responsible Investment Policy is intended to apply gradually, and in a scalable manner, to all investments:

In terms of ESG integration:

- Edmond de Rothschild Asset Management (France) has integrated the ESG criteria in its voting policy as they may be subject to shareholder resolutions. In 2014, Edmond de Rothschild exercised its voting rights on 100% of French companies. On the global perimeter (including France), the proportion was 76% notably due to administrative and legal constraints in certain countries.
- Edmond de Rothschild Asset Management (France) is gradually increasing the scope of its ESG research coverage. ESG ratings are carried out throughout the Euro zone and Europe and are available to all fund managers. Our ESG coverage in 2014 concerns **295 European companies: this ESG information is therefore available and accessible in-house to all European equity and fixed income fund managers.**

- Moreover, following a large SRI international equity mandate won in 2012, **Edmond de Rothschild Asset Management (France)** has already extended its SRI capabilities by expanding its geographical reach to North America equities. At the end of 2014, ESG research was carried out across 584 stocks in North America. These ratings can be accessed by Edmond de Rothschild Asset Management (France)'s US and global equity fund managers.

LEI 13	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 1
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LEI 13.1 Indicate into which aspects of investment analysis you integrate ESG information.

- ☐ (Macro) economic analysis
- ☒ Industry analysis
 - ☐ Systematically
 - ☒ Occasionally
- ☒ Analysis of company strategy and quality of management
 - ☒ Systematically
 - ☐ Occasionally
- ☐ Idea generation
- ☒ Portfolio construction
 - ☐ Systematically
 - ☒ Occasionally
- ☐ Fair value/fundamental analysis
- ☐ Other, specify

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
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LEI 15.1 Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

- ☒ Screening

Describe any reduction in your starting investment universe or other effects.

For SRI funds and mandates managed with a positive /best-in-class screening approach

Specify the percentage reduction

%

☒ Integration of ESG issues

Select which of these effects followed your ESG integration:

- ☒ Reduce or prioritise the investment universe
- ☐ Overweight/underweight at sector level
- ☒ Overweight/underweight at stock level
- ☒ Buy/sell decisions
- ☐ Other, specify
- ☐ None of the above

Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

☒ We disclose it publicly

Provide URL

<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-EN-transparency-code-EdR-Euro-SRI.pdf>

Provide URL

<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-EN-transparency-code-EdR-Tricolore-Rendement.pdf>

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

LEI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

LEI 18.4

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

Edmond de Rothschild Asset Management (France)

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

As a responsible investor, we have always striven to meet our responsibilities as a shareholder. The best way to do this is still **to take part in companies' activities and decision-making by voting at shareholders' meetings and by increasingly promoting a constructive but active dialogue on corporate governance and issues relating to new areas of corporate social responsibility.** This is responsibility in action, and we practice it with a view to long-term development and as a partner of the companies we hold shares in. Moreover, we are convinced that this source of leverage helps make companies aware of the operational and reputational risks that could affect their valuations and encourages them to adopt good ESG practices in order to manage those risks optimally.

Extra-financial dialogue with European companies

To manage our Edmond de Rothschild Euro SRI fund, we have developed a positive selection approach aiming to identify and invest in companies that are the most advanced and dynamic in managing their environmental, social and governance (ESG) relation challenges.

The SRI team analyses universe stocks on the basis of pre-determined ESG criteria and assigns an extra-financial rating to the company. This rating requires an in-depth fundamental analysis and a meeting with company management teams. **Meetings on ESG issues** are an opportunity for us to speak with people who often specialise on these issues, such as Head of CSR/Sustainable Development, Head of Human Resources, legal advisors or environmental heads, sometimes the Chairman or CEO during both financial and extra-financial meetings. **In 2014, the SRI team undertook in France and Europe 42 company visits on ESG issues** (against 39 in 2013). Most of them were on-site visits and produced a paper trail in the form of follow-up reports and adjustments in the stock's ESG rating, or still launching a structured engagement procedures, where necessary, for our Engagement SRI fund Edmond de Rothschild Tricolore Rendement.

The euro equity fund EdR Tricolore Rendement (€1.46 bn AUM) has been managed with a SRI Engagement approach since late 2009.

This specific approach to SRI, developed in keeping with Edmond de Rothschild Asset Management (France)'s SRI research and investment philosophy, enhances synergies with the exercise of voting rights at shareholder meetings. It consists in **engaging a positive, constructive, medium to long term dialogue with companies owned by the portfolio over specific ESG issues in order to encourage them to improve business practices. If the dialogue is unsuccessful, it can lead (as a last resort) to Edmond de Rothschild Asset Management (France) submitting a resolution at shareholder meetings, or to the portfolio selling the stocks of a company which has made no effort to improve its practices.**

The approach used by the Edmond de Rothschild Tricolore Rendement fund means to be proactive in order to encourage awareness and action on the part of the company, with the view to their improving the management of ESG related risks. The ultimate goal of this virtuous action is to enhance the company's ESG performance and consequently upgrade its SRI rating.

With the support of Edmond de Rothschild Asset Management (France)'s SRI team, the managers of EdR Tricolore Rendement, **promote direct dialogue at all levels within the company** (executive management, strategic and financial directors, sustainable development departments, HR, Investor Relations...) and if needed, ask for ad-hoc meetings with operational team members in order to review some of the issues in more depth.

Edmond de Rothschild Asset Management (France) acts prior to the Shareholder meetings by proactively sending out the firm's Voting Policy - **including a letter from the Head of SRI Investments** - to all portfolio companies, explaining Edmond de Rothschild Asset Management's approach as a responsible shareholder and inviting companies to engage with our fund managers on ESG issues. Through this approach, our aim is to send out the Voting Policy on a systematic basis to all companies held in the portfolio, while still leaving us the possibility of expressing our disagreement on a number of resolutions prior to the shareholder meetings if necessary. Besides, in few cases, our CEO is the author of the letter sent to the companies, like for instance in the context of the Florange Law.

In 2014, our fund managers have initiated 9 comprehensive individual engagements with companies, of which 6 on resolutions that were submitted for voting at the 2014 shareholder meetings, and 3 managed through the SRI engagement fund Edmond de Rothschild Tricolore Rendement. **Besides, we have led 34 simple individual engagements through one to one SRI meetings with the top management of portfolio companies**, not only for data collection or research purposes but also in order to discuss one or several specific ESG issues that we have considered it could generate risks that the company should actively manage.

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input checked="" type="checkbox"/> Other, specify upwards or downwards revision of stock valuation <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

☒ Yes

LEA 03.2

Describe how you identify and prioritise engagements.

As part of the investment process applied to the SRI fund Edmond de Rothschild Tricolore Rendement, and before we initiate our engagement process with companies, **the SRI team screens the portfolio based on ESG criteria. This screening enables the fund managers to identify the companies we will seek to engage with due to their low ESG rating - as this may generate investment risk over the long term.**

The fund's investment team is also informed of the ratings per ESG factor for each stock in the portfolio and of any sensitive-type developments. This information enables them to initiate a proactive Engagement process with companies whose ratings are down, covering one or more pillars.

☐ No

LEA 04**Mandatory****Core Assessed****PRI 2****LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

☒ Yes

- ☒ Yes, for all engagement activities
- ☐ Yes, for the majority of engagement activities
- ☐ Yes, for a minority of engagement activities

☐ No

LEA 04.2

Indicate if you monitor the actions that companies take following your engagements.

☒ Yes

- ☒ Yes, in all cases
- ☐ Yes, in the majority of cases
- ☐ Yes, in the minority of cases

LEA 04.3

Describe how you monitor and evaluate the progress of your engagement activities.

An efficient Engagement process requires that we set up a constructive dialogue with the target company, and that this company is receptive to tackling the ESG challenge(s) we have identified.

Furthermore, Edmond de Rothschild Asset Management (France) has **the means and resources to monitor its Engagement initiatives:**

- **For each company, Edmond de Rothschild Asset Management (France) identifies an ESG issue in sufficient detail to enable regular progress reports,**
- **We set a target horizon that is long enough to allow companies to make the necessary changes,**
- **We have set up a coordination and monitoring body dedicated to Engagement initiatives: the "Voting and Engagement Committee".**

•We communicate regularly with the companies and the general public (the "Annual Report on exercising voting rights" and, the "Annual ESG Engagement Report for EdR Tricolore Rendement" available in English since 2014).

At the end of the engagement period, and if the dialogue was unsuccessful, Edmond de Rothschild Asset Management (France) may submit resolutions to the Shareholder Meetings, or join shareholder coalitions. If a company shows no tangible improvement on a given ESG issue, the stock's weighting within the portfolio of Edmond de Rothschild Tricolore Rendement may be reduced, or the position even sold. These extreme outcomes will only be considered as a last resort, and following Edmond de Rothschild Asset Management (France)'s unsuccessful prompting of the company concerned. We believe in establishing a constructive and positive process over a long-term perspective.

If the engagement action proves successful, the fund manager may maintain or strengthen the weight of the stock in the portfolio to reflect improved confidence in the company's performance potential or ability to mitigate corporate risks. As an example in 2014, Edmond de Rothschild Tricolore Rendement's investment team maintain their position on a company whose SRI rating reflected an unsatisfactory governance in view of the minority shareholders, as part of the capital increase completed in June 2014. Following to the engagement process - initiated in 2014- the company has concretely demonstrated its will to improve its governance with the clarification of its shareholder structure, point expected by Edmond de Rothschild Asset Management (France)'s investment team.

☐ No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

☒ Yes

LEA 05.2

Describe how you identify and prioritise collaborative engagements.

Edmond de Rothschild Asset Management (France)'s Voting and Engagement Committee keeps a close watch of on-going shareholder coalitions (eg. UN-PRI Clearing House), examines the **consistency** with its Policies (Responsible Investment Policy, Voting Policy, Engagement Policy) and assesses whether it would be relevant for Edmond de Rothschild Asset Management (France) to join up. We are also **watchful of players who contact us with a view to joining shareholder coalitions**. As an example, in 2014, we took part in action, within a coalition of investors against Nexans and led by Amber Investment Management, proposing to terminate in advance the Board membership of the CEO and to separate de facto the functions of Chairman of the Board and CEO.

☐ No

LEA 06	Mandatory	Core Assessed	PRI 2
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LEA 06.1

Indicate if the collaborative engagements in which you are involved have defined objectives.

☒ Yes

- ☒ Yes, for all collaborative engagement activities
- ☐ Yes, for the majority of collaborative engagement activities
- ☐ Yes, for a minority of collaborative engagement activities

☐ No**LEA 06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

☒ Yes

- ☒ Yes, in all cases
- ☐ Yes, in the majority of cases
- ☐ Yes, in the minority of cases

LEA 06.3

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Before joining a collaborative engagement initiative, we ensure that we are in full agreement with the objectives of this action and with the operational methods used, to ensure that the engagement process remains constructive: the action must not be in contradiction with our own ESG factor analysis, voting and engagement policies. The experience, know-how and values that characterize the leaders of any such action are also looked at closely so that we can engage confidently throughout the process, which can last for several months or even years.

We monitor the engagement actions we are involved in on a direct and permanent basis. This process involves a close monitoring of the answers given by the company(ies) regarding the given issue. We are also in regular contact with the investors who initiated the action and communicate on the progress made, from the launch to the final conclusion.

Depending on our degree of interest in the engagement action we are supporting (for instance in relation to the weighting of the stock in Edmond de Rothschild Asset Management (France)'s portfolios) **and which may have an impact on our investment decisions, we may also engage operationally alongside the action leaders.** In return, we expect to be involved in the decision-making process for the entire duration of the engagement.

Whether conducted on an individual or collaborative basis, **these engagement actions are very carefully selected and the results feed our expertise as a responsible investor.** Year after year, the feedback received from every single action helps to enrich our ESG and engagement analysis process and improve our investment teams' proprietary knowledge on ESG integration.

☐ No**General processes for all three groups of engagers****LEA 09****Voluntary****Additional Assessed****PRI 1,2****LEA 09.1**

Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 09.2 Additional information.

Whether conducted on an individual or collaborative basis, **these engagement actions are very carefully selected and the results feed our expertise as a responsible investor. Year after year, the feedback received from every single action helps to enrich our ESG and engagement analysis process and improve our investment teams' proprietary knowledge on ESG integration.**

The outcome of these actions helps feed our stock specific ESG assessment and may have an impact on investment decisions within our SRI funds. In the event of an unsatisfactory response, a company's ESG rating can be downgraded; this will affect our confidence in the stock and cause the weightings to be reduced, or the stock to be exited from the portfolio. We communicate on the outcome of any engagement action to our investment teams who will decide on their own on the impact this may have on the management of their funds.

LEA 10

Mandatory

Gateway/Core Assessed

PRI 2

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

LEA 10.2 Additional information. [Optional]

Edmond de Rothschild Asset Management (France) publishes annual voting and engagement reports which are freely available on our website (www.edram.fr). These reports provide an overview of our votes in shareholder meetings and engagement efforts with companies in the portfolio. **As far as engagement action is concerned, please note that we only communicate on the details once the action is over to prevent any interference with the on-going dialogue:** we ensure that external communication on our engagement actions does not upset the relations of trust we have with the companies, and that dialogue and progress can be sustained over the long-term.

Outputs and outcomes

LEA 12

Voluntary

Additional Assessed

PRI 2

LEA 12.1

Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2

Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Environmental only

25

% Social only

25

% Corporate Governance only

50

100%

	Collaborative engagements
--	---------------------------

	% Corporate Governance only
--	-----------------------------

100

100%

LEA 12.3	Additional information.
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Our engagement can be done on one single pillar E, S or G but sometimes, it is the globality of the ESG performance of a company that can be under discussion.

We met several companies to focus on their corporate governance: we first send the company a letter, then a meeting is organised. We have been met these companies for several years now, to follow their progress on the issues we had raised.

For other companies, we have more focused issues as the social climate inside the company or the water intensity of their processes.

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.
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☒ We disclose it publicly

	provide URL
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<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-EN-annual-report-on-exercising-voting-rights.pdf>

	provide URL
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<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-EN-ESGS-Engagement-report-Tricolore-Rendement.pdf>

LEA 15.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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☒ Yes

LEA 15.3	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.
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	Engagement information disclosed
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- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☒ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 15.4	Indicate how frequently you typically report engagements information.
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- ☐ Disclosed continuously (prior to and post engagements)
- ☐ Disclosed quarterly
- ☒ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.8	Additional information. [Optional]
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Please note that we communicate on our engagement actions once it is over. We may also communicate without disclosing the name of the company where appropriate, or if the action is in progress.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
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LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
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As a responsible investment firm, **Edmond de Rothschild Asset Management (France) exercises its voting rights on all stocks held in the mutual funds that it manages**, regardless of the nationality of issuing companies, as long as the issuer and custodians provide sufficient information. Edmond de Rothschild Asset Management (France) has set no minimum shareholding or geographical limits for taking part in votes.

The principles of Edmond de Rothschild Asset Management (France)'s voting policy are fully consistent with its SRI approach as it provides a detailed framework for both fundamental governance issues and Edmond de Rothschild Asset Management (France)'s decisions on any Environmental, Social and Societal resolutions put before shareholders for approval. Such resolutions are available on our website (<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/EDRAM-voting-policy.pdf>).

To carry out its investment activity in a socially responsible manner, **Edmond de Rothschild Asset Management focuses on seven founding principles:**

- **Respect for shareholder rights and equal treatment of shareholders**, as expressed in the principle of "one share, one vote".
- **Accounting integrity and continuity and transparency in reporting**, as guaranteed by the independence of the statutory auditors.
- **Separation of powers between company managers and members of the board of directors or supervisory board**, in their role as supervising bodies.
- **Transparency in compensation**, through an independent compensations committee and variable compensation linked to specific performance targets.
- **Allocation of earnings and use of shareholders' funds in the interests of shareholders**, particularly minority shareholders.
- **The company's strategic development with justified and equitable equity transactions**.
- **Enhanced management of environmental and social issues in conducting the company's business and awareness of its responsibilities regarding ESG (Environmental, Social and Governance) risks**.

Finally, note that **Edmond de Rothschild Asset Management (France) adapts its criteria to each country's circumstances**. With this in mind, the percentage of independent directors required shall be lower for family-owned companies or groups that have a legal obligation to include personnel representatives at their shareholder meetings

Edmond de Rothschild Asset Management (France) has set up an in-house voting and engagement committee composed of a Management Board member, the Chief Investment Officer, the regional CIOs, the Chief Compliance and Internal Controls Officer, and an SRI team manager. The purpose of this committee, which meets at least twice a year, is to ensure adherence to the voting policy and to make changes in that policy, based on the resolutions that are submitted. In addition, our voting activities are closely linked and coherent with our SRI and engagement activities.

Edmond de Rothschild Asset Management (France) has retained the services of two firms - Proxinvest for France and ISS for the rest of the world. They provide decision-making services to Edmond de Rothschild Asset Management (France) fund managers through their reviews of draft resolutions submitted for shareholder approval. For each of these resolutions, and in accordance with the pre-set voting policy, a voting decision is automatically proposed within the platforms made available by these service providers. If Edmond de Rothschild Asset Management (France) decides to vote otherwise, it must justify its stance.

At last, Edmond de Rothschild Asset Management (France)'s currently exercises voting rights by mail. However, it may, if it deems necessary, decide to attend shareholder meetings in person. With this in mind, Edmond de Rothschild Asset Management (France) shall systematically vote against any resolution to eliminate the holding of live shareholder meetings. Edmond de Rothschild Asset Management (France) does not vote by proxy and does not transfer its voting rights to the chairman.

Process			
LEA 17	Mandatory	Descriptive	PRI 2
LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		
	Approach		
	<input type="radio"/> We use our own research or voting team and make our own voting decisions without the use of service providers.		
	<input checked="" type="radio"/> We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.		

Based primarily on

- ☐ the service provider voting policy signed off by us
- ☒ our own voting policy
- ☐ our clients requests or policy
- ☐ other, explain
- ☐ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ☐ We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2

Additional information.[Optional]

For our mutual funds, we vote exclusively from our own voting policy. For our institutional mandates, two possibilities can occur : either we apply the client's voting policy, or, if it did not have one, our own voting policy is applied by default.

Our service providers may under no circumstances replace Edmond de Rothschild Asset Management (France) fund managers, who alone shall decide how to vote, in the sole interests of unit holders in its mutual funds. The reason for this is that fund managers vote mainly on the basis of their geographical responsibilities or their special knowledge of the companies. **Voting decisions made by fund managers for shareholder meetings and in accordance with Edmond de Rothschild Asset Management (France)'s voting policy apply uniformly to all positions held. However, if the fund manager votes differently of Edmond de Rothschild Asset Management (France)'s voting policy, he must explain and justify his vote.**

Managers' votes are electronically archived. All voting statistics required under Article 314-101 of the General Rules of the French Financial Markets Authority can therefore be generated automatically.

Regarding the conflict of interest that may arise when making our voting decisions, Edmond de Rothschild Asset Management (France) ensures that it places the clients' interests above any other consideration. With this in mind, Edmond de Rothschild Asset Management (France) has set up an organisation and control and monitoring procedures for employee transactions, in order to identify and best manage any potential conflicts of interest that may arise.

To cite one example, a fund manager must never accept duties that could put him in a conflict-of-interest situation with regard to listed companies in which the mutual fund holds shares. He must not make any commitments, even implicit ones, that would restrict his decision-making freedom. As a result, he may not be, either personally or as a representative of a legal entity, a corporate officer of a listed company in which the mutual fund holds shares, nor take part in meetings of its board of directors or supervisory board. Under Edmond de Rothschild Asset Management (France)'s procedure, each employee is required to report the positions that he holds to the Group's Department of Compliance and Ongoing Controls.

In the event of conflict of interests of whatever nature, Edmond de Rothschild Asset Management (France) or the employee concerned shall report to Edmond de Rothschild Asset Management (France) senior management and the Group's Department of Compliance and Ongoing Controls. The latter may take all decisions that it deems necessary to safeguard fund-holders' interests.

LEA 20

Voluntary

Additional Assessed

PRI 2

LEA 20.1

Indicate if your organisation has a securities lending programme.

- ☐ Yes
- ☒ No

LEA 20.3	Additional information. [Optional]
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Edmond de Rothschild Asset Management (France) does not practice securities lending, does not vote by proxy and does not transfer its voting rights to the chairman

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
- ☐ votes in selected markets
 - ☒ votes on certain issues (all markets)
 - ☒ votes for significant shareholdings (all markets)
 - ☒ other, explain

During the period that precedes shareholder meetings, dialogue with a restricted number of companies if they contact us, or if we require any additional information

- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
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During the period that precedes shareholder meetings, we focus our dialogue efforts with a restricted number of companies if they contact us, or if we require any additional information in order to better appreciate the situation of the company as we analyse resolutions. This early dialogue can also concern the companies with which we are already engaged with on ESG issues.

Edmond de Rothschild Asset Management (France) works with companies that request to be informed of its voting intentions prior to the meeting and particularly when it intended to vote against a resolution or abstain. In 2014, about 8 conference calls or meetings were held with companies for this purpose. Moreover, fund managers often meet with company managers to discuss strategic, financial and extra-financial issues with them. These meetings are an opportunity for managers to bring up shareholder meeting resolutions, in order to steer the company towards better practices.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- ☒ We do track or collect this information

Votes cast (to the nearest 1%)



76

Specify the basis on which this percentage is calculated

- ☐ of the total number of ballot items on which you could have issued instructions
- ☒ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

LEA 22.2 If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

The 24% not voted on the global perimeter are mainly due to administrative and legal constraints in certain countries.

- ☐ We do not track or collect this information

LEA 23	Voluntary	Descriptive	PRI 2
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LEA 23.1 Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

- ☒ Yes, we track this information

LEA 23.2 Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast				
For (supporting) management recommendations	<table border="1"> <tr> <td></td> <td>%</td> </tr> <tr> <td>78</td> <td></td> </tr> </table>		%	78	
	%				
78					
Against (opposing) management recommendations	<table border="1"> <tr> <td></td> <td>%</td> </tr> <tr> <td>22</td> <td></td> </tr> </table>		%	22	
	%				
22					
Abstentions	<table border="1"> <tr> <td></td> <td>%</td> </tr> <tr> <td>0</td> <td></td> </tr> </table>		%	0	
	%				
0					

100%

LEA 23.3

For the reporting year, describe your approach towards voting on shareholder resolutions.

We vote on shareholders resolutions according to the principles we have defined in our voting policy available on our website (<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsible-et-isr/EDRAM-voting-policy.pdf>).

☐ No, we do not track this information

Communication**LEA 26****Mandatory****Core Assessed****PRI 2,6****LEA 26.1**

Indicate if your organisation proactively discloses information on your voting activities.

☒ We disclose it publicly

provide URL

<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsible-et-isr/EDRAM-EN-annual-report-on-exercising-voting-rights.pdf>

LEA 26.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

LEA 26.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☒ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

Indicate what level of explanation you provide

- ☐ Explain all voting decisions
- ☐ Explain some voting decisions
- ☒ Only explain abstentions and votes against management
- ☐ No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries