



RI TRANSPARENCY REPORT

2013/14

Edmond de Rothschild Asset Management



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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

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	✓	n/a							✓
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	-	n/a							✓
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	✓	Private	✓						
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	✓	Public	✓						
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	✓	Public	✓						
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	-	n/a	✓						
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	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
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

Reported Information

Public version

Organisational Overview

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.

Basic Information

OO 01

Mandatory

Gateway/Peering

General

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 only services

OO 02

Mandatory

Peering

General

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

195

Edmond de Rothschild Asset Management (EdRAM) is a fully-owned subsidiary (97.92%) of La Compagnie Financière Edmond de Rothschild Banque (LCFR), a fully operational bank chartered under French law, subject to the Banking Act of 1984 and having held its bank status since December 28, 1970. LCFR is itself an affiliate of a holding company "Compagnie Financière Saint-Honoré" belonging to the Rothschild family through a Swiss holding based in Geneva. LCFR is consequently the French arm of the Edmond de Rothschild Group, which offers diversified banking services throughout the world, asset management being the fastest-growing and core activity.

Founded upon the values of innovation and long-term vision, Edmond de Rothschild Asset Management is a leading player in the French and European fund management industry and manages close to €23 bn.

With the integration of the fixed income and credit management expertise in November 30th 2012, Edmond de Rothschild Asset Management offers a diverse and innovative range of investment solutions covering all asset classes: equities, convertible bonds, asset allocation, multi manager, structured asset management, alternative asset management and, since the end of 2012, fixed income and credit.

Consequently, our capacity for innovation to meet the requirements of our institutional clients and distribution partners is significantly reinforced.

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.

31/12/2013

OO 04.2

Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		22	822	115	124
Currency	EUR				
Assets in USD		30	061	155	143

OO 04.3

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**

OO 08.1

Indicate the breakdown of your organisation's AUM by market.

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 %

Gateway asset class implementation indicators
OO 10
Mandatory
Gateway
General
OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☐ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 10.2

Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

- ☒ Yes, our total listed equities are 10% or more of our total AUM
- ☐ No, our total listed equities are less than 10% of our total AUM

EdRAM's Responsible Investment Policy is intended to apply gradually, and in a scalable manner, to all our investments.

Indeed, in terms of ESG integration:

- **EdRAM has integrated ESG criteria in its voting policy as they may be subject to shareholder resolutions.** In 2013, Edmond de Rothschild exercised its voting rights on 100% of French companies. Outside France, the proportion was 84% mainly due to administrative and legal constraints in certain countries.
- **EdRAM 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 who invest in these markets. Our ESG research capability currently covers 312 European companies. **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 has already extended its SRI capabilities by expanding its geographical reach to North America equities.** At the end of 2013, ESG research concerned 504 stocks in North America.

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, EdR Euro SRI and EdR Tricolore Rendement, SRI equity funds with cumulated assets of €1.6 billion euros - accounting for 7% of our total AUM and 16% of our equity AUM.**

OO 11	Mandatory	Gateway	General
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.		
	<input type="checkbox"/> Fixed income – corporate <input type="checkbox"/> Fixed income – government <input type="checkbox"/> Fixed Income – other <input type="checkbox"/> Cash <input checked="" type="checkbox"/> 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.		
	<input type="checkbox"/> Fixed income – corporate <input type="checkbox"/> Fixed income – government <input type="checkbox"/> Fixed Income – other <input type="checkbox"/> Cash <input checked="" type="checkbox"/> None of the above		

OO 11.3	Additional information. [Optional]
---------	------------------------------------

Please note that following the integration of the fixed income and credit management expertise within EdRAM in November 30th 2012, the investment company has set up a plan of action for 2014 involving the definition of an ESG analysis framework applicable to the specificities of fixed income.

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 12.1	<p>The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always voluntary.</p>
---------	--

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

Closing module

- ☒ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

OO 12.2	Additional information. [Optional]
---------	------------------------------------

In light of the recent addition of fixed income capabilities, re-organizational priorities and ensuing strategic choices, EdRAM has set up a plan of action for 2014 involving the definition of an ESG analysis framework applicable to the specificities of fixed income. For this reason, and despite the percentage of assets in this given asset class, EdRAM does not wish to answer the "Direct Fixed Income" module this year with data at end 2013.

Edmond de Rothschild Asset Management

Reported Information

Public version

Overarching Approach

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.

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

OA 01.1 Indicate if you have a responsible investment policy.

☒ Yes

☐ No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

☒ Yes

☐ No

Since 2007, Edmond de Rothschild Asset Management (EdRAM) 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'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., EdR Euro SRI and EdR Tricolore Rendement) is a way for Edmond de Rothschild Asset Management 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 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 European equity 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 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, EdRAM 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, EdRAM 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). EdRAM also supports collaborative working groups on SRI in order to contribute to the progress of the ESG integration on the European market place.

OA 02.1

Indicate if your responsible investment policy is publicly available.

☒ Yes**OA 02.2**

Provide a URL to your responsible investment policy.

URL

<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-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.

☒ 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.

Policy or document name	URL
EdRAM's Voting Policy	http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/2014-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/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/transparency-code-EdR-Tricolore-Rendement.pdf
Engagement-policy-EdR-Tricolore-Rendement	http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsable-et-isr/engagement-policy-EdR-Tricolore-Rendement.pdf

☐ No

OA 02.5

Additional information. [Optional]

Since 2009, Edmond de Rothschild Asset Management 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

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

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

EDRAM's Responsible Investment Policy is intended to apply gradually, and in a scalable manner, to all its investments. EdRAM has indeed integrated ESG criteria in its voting policy as they may be subject to shareholder resolutions. In 2013, Edmond de Rothschild exercised its voting rights on 100% of French companies. Outside France, the proportion was 84% mainly due to administrative and legal constraints in certain countries.

In terms of **ESG integration, EdRAM 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 312 European companies.

Moreover, following a large SRI international equity mandate won in 2012, **Edmond de Rothschild Asset Management has already extended its SRI capabilities by expanding its geographical reach to North America equities.** At the end of 2013, ESG research concerned 504 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: EdR Euro SRI and EdR Tricolore Rendement, SRI equity funds with cumulated assets of €1.6 billion euros** - accounting for 7% of our total AUM and 16% of our equity AUM;
- **Two institutional mandates** with total assets under management of €1.4 billion.

Finally, **EdRAM 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 EdRAM'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, EdRAM 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.

☒ Yes

OA 04.2

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

We are not aware of any conflict of interest which may be material to our client assets.

As our parent La Compagnie Financière Edmond de Rothschild (LCFR) 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. Furthermore, Edmond de Rothschild Asset Management is geographically isolated from other activities of the Edmond de Rothschild Group liable to create a conflict of interest.

Besides, **LCFR has implemented specific 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 LCFR 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 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 's and LCFR 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, EdRAM finalised the key focus areas of the firm's **Responsible Investing Strategy 2013-2016**. This Strategy mentioned in particular ED RAM's strategic guidelines for Responsible Finance, its strategic targets and operational priorities for the coming years.

Among these key principles, EdRAM shall focus on 4 core areas:

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

Example of EdRAM'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 EdRAM's ESG-PRI strategic objectives: consolidate and strengthen our position as a key player on the European SRI market

Example of one of EdRAM's operational priorities for 2014: prepare the extension and suitability of the firm's proprietary ESG analysis coverage to a new geographical area

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.

EdRAM'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 Finance Steering Group headed by the CIO. The permanent members of this group include investment professionals, members of the institutional sales teams and ad-hoc members from Project Groups who contribute to the implementation of action plans.

Please note that since 2009, EdRAM works with a specialist SRI consultancy firm EFIRE (www.efires.fr). EFIRE assists EdRAM 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

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.

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]

Number

5

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

☒ Yes

OA 10.2

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

- ☐ 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
- ☒ 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

☒ 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]
--

Member of the Working Group tasked with drawing up a new definition for DRI with a view to launching a nation-wide SRI Label.
(*represented by our partner EFIREs)

- ☐ 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 La Compagnie Financière Edmond de Rothschild

- ☒ 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 La Compagnie Financière Edmond de Rothschild

- ☒ 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 the work on the SRI Transparency Code or on ESG indicators as part of the preparatory work for developing the specifications of a nation-wide SRI Label.

☒ Other collaborative organisation/initiative, specify

Novethic's Technical Committee of the SRI Label

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.novethic.fr>

Novethic is a Media and Research Centre : Novethic works to improve knowledge and practices on Socially Responsible Investment (SRI) and Corporate Social Responsibility (CSR) in the financial sector.

☒ 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]

<http://www.idei.fr/fdir/en/mission-en/>

☐ Other collaborative organisation/initiative, specify

☐ No

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

Promoting Responsible Investment is also a way for Edmond de Rothschild Asset Management 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 managers assesses the quality of their extra-financial research. This assessment thus has an impact on broker compensation. Meanwhile, Edmond de Rothschild Asset Management 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 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 EdRAM introduced or supported in 2013:

- **Academic research:** Financial support given to the "Chair for Sustainable Finance and Responsible Investment" (<http://www.idei.fr/fdir/en/research/>) co-run for the past three years by Ecole Polytechnique and the Toulouse School of Economics
- **Transparency and reporting:** In 2009, EdRAM 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; EdRAM'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, EdRAM offers one of the most thorough SRI reporting disciplines available on the market (monthly, quarterly and annual).
- **SRI Research Publications:** in May 2013, EdRAM launched a new quarterly publication dedicated to SRI/ESG issues, the "SRI Chronicles". The Newsletter is available to all staff and clients.
- **Events, conferences, training:** In 2013, our Head of SRI was invited to speak on Legal Risks associated with SRI to an audience of law students, lawyers and portfolio managers at Aix en Provence in the south of France. This session was part of an accredited training programme.

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.

EdRAM 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 2013:

- **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".
- **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.
- **The FIR and Eurosif promoted the SRI Transparency Code and the SRI Label with the European Commission.**
- **On his side, Eurosif led lobbying activities and position paper on various subjects : IIRC consultation; best practices principles for Governance research providers; EU non financial reporting, or still EC Green paper LTI.**

Innovation

OA 18

Voluntary

Descriptive

General

- **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, Engagement)
- **Frequent meetings with companies under review**
- **The ability to provide bespoke and thorough ESG reports for our institutional mandate clients** (eg. EdRAM provide 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 EdRAM'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)

Edmond de Rothschild Asset Management

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
--------	---	-----------------	-------

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
--------	-----------	-------------	-------

Edmond de Rothschild Asset Management'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 decided to expand its responsible investment expertise in 2008. This followed up on its 2007 creation of EdR 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 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.**

EdRAM 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 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 included an Engagement Policy in its largest AuM fund, EdR Tricolore Rendement, it demonstrated the strategic importance that it attaches to SRI. Moreover, since 2011, stocks involved in Cluster bombs and Anti personal bombs 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 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.** The SRI Investment and Research team is composed of four persons, including the Principal Manager of SRI Investment and Research, who reports directly to the CIO of Edmond de Rothschild Asset Management. In addition, two French equity managers work closely with the SRI team in implementing the SRI Engagement process in the EdR Tricolore Rendement fund, and one person dedicated from the Marketing department.

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

- **The Voting and Engagement Committee** includes the investment heads, the SRI research team, as well as a Management Board member and the Chief Investment Officer.
- **ESG/SRI meetings**, which includes the SRI investment team, as well as the European equity management teams
- **The three Investment and Extra-financial Investment Committees** that were set up in the context of our institutional mandate management and whose members meet at least once a year.

The resources, tools and processes in place since 2007 in the aim of fostering gradual and

structured ESG integration within EdRAM's investment strategies.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03

Mandatory

Gateway/Core Assessed

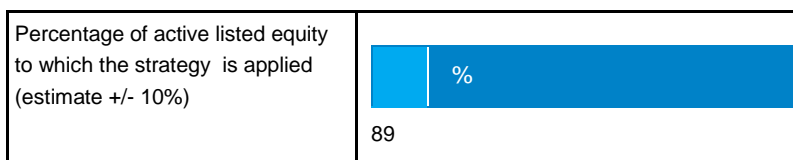
PRI 1

LEI 03.1

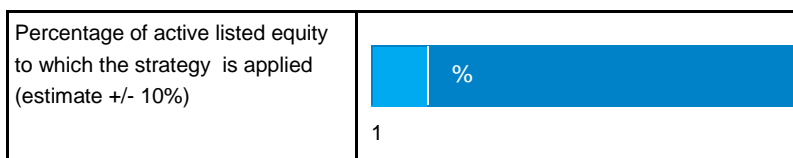
Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

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

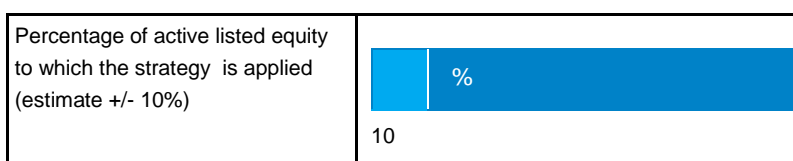


☒ Thematic alone (i.e. not combined with any other strategies)



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

☒ Screening + Integration strategies



☐ Thematic + integration strategies

☐ Screening + thematic strategies

☐ All three strategies combined

☐ No incorporation strategies applied

Total actively managed listed equities

100%

In 2013, the SRI/ESG strategies developed by EdRAM apply to 3 open-ended funds (EdR Euro SRI, EdR Tricolore Rendement and EdR Ecosphere), with cumulated assets of €1.6 billion under management, **and to 2 institutional mandates** accounting for €1.4 billion in AUM.

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 EdRAM 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 EdRAM**, 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

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

The EdR Tricolore Rendement fund combines ex-post ESG screening with an ESG Engagement policy, based on a structured and traceable investment process.

Information on EdRAM'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 EdR 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'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-SRI to CCC-SRI. The universe of stocks eligible for inclusion on the Edmond de Rothschild Euro SRI fund only includes stocks with ASRI 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 04

Voluntary

Additional Assessed

PRI 1

LEI 04.1

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- ☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

Indicate who provides this information

- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Screened stock list

Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Issue-specific analysis or ratings

Indicate who provides this information

- ☐ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Other, specify

Controversies alerts

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager

LEI 04.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

The work carried out by the SRI team leverages on **proprietary research, based on an in-house ESG analysis matrix fed with complementary data obtained from a variety of sources:**

- **From the companies being analysed** (RSE CSR publications and corporate websites, meetings with company management)
- **Provided by external extra-financial rating agencies:** broad-based agencies such as Vigeo, or specialist players (Glass Lewis for the Governance pillar, RepRisk for controversial issue alert systems).
- **From brokers producing ESG focused research** (Oddo, Kepler-Cheuvreux, Exane, Natixis, ...)
- **From proxy voting providers** (Proxinvest and ISS)
- **From other stakeholders** (NGOs, outside experts, trade union members...)

EdRAM's ESG analysis process is applied ex-ante in the funds concerned and mentioned in questions LEI 03, with the exception of the EdR Tricolore Rendement Fund, where our in-house ESG analysis is applied to the stocks in the portfolio on an ex-post basis: based on the ESG rating and identified risks, a structured, traceable, dialogue-engagement policy is initiated on a number of stocks in the portfolio.

For the management of institutional SRI mandates, we use our proprietary ESG research as well as SRI ratings from Vigeo during the transition period, due to geographical coverage constraints.

LEI 04.3

Indicate if you incentivise brokers to provide ESG research.

☒ Yes

LEI 04.4

Describe how you incentivise brokers.

Brokers who provide data for our in-house ESG analysis are paid annually on the basis of the rating they receive from the SRI research and investment team, based on the management of the SRI fund, EdR Euro SRI.

☐ No

LEI 05

Voluntary

Additional Assessed

PRI 1

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.
-----------------	---

☒ 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]
-----------------	------------------------------------

EdRAM 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 EdR Tricolore Rendement SRI fund** (only available in French on our website)

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
---------------	------------------	--------------------	--------------

LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

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

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

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.

Definition of ESG criteria and SRI ratings

EdRAM'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 EdRAM'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 EdRAM'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 EdRAM's SRI funds

Edmond de Rothschild Asset Management'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 ASRI 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's Compliance Office 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 EdRAM'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, EdRAM 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 EdRAM'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 EdRAM's SRI research or investment process.

LEI 07	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

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 EdRAM'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** (for instance: Vigeo reviewed one of the portfolios managed by EdRAM on behalf of an institutional client; this process resulted in Vigeo granting EdRAM one of the highest ratings relative to the client's other portfolio managers).
- **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 EdR 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.

(B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 09.1	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
----------	--

☒ Environmentally themed funds

☐ Socially themed funds

☐ Combination of themes

LEI 09.3	Additional information. [Optional]
----------	------------------------------------

EdRAM launched an environment thematic fund in 2007: EdR Ecosphere. After 6 years of track record the fund was closed in October 2013.

(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	<p><input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We do not review environmental issues</p>
Social	<p><input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We do not review social issues</p>
Corporate Governance	<p><input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We do not review corporate governance issues</p>

EdRAM's Responsible Investment Policy is intended to apply gradually, and in a scalable manner, to all investments:

In terms of ESG integration:

- EdRAM has integrated the ESG criteria in its voting policy as they may be subject to shareholder resolutions. In 2013, Edmond de Rothschild exercised its voting rights on 100% of French companies. Outside France, the proportion was 84% mainly due to administrative and legal constraints in certain countries.
- EdRAM 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 currently concerns **312 European companies: this ESG information is therefore available and accessible in-house to all European equity fund managers.**
- Moreover, following a large SRI international equity mandate won in 2012, **Edmond de Rothschild Asset Management has already extended its SRI capabilities by expanding its geographical reach to North America equities. At the end of 2013, ESG research was carried out across 504 stocks in North America. These ratings can be accessed by EDRAM's US and global equity fund managers.**

Finally, **please note that our ESG analysis has a systematic impact on investment decisions/ decisions to initiate a dialogue-engagement process for two of our open-ended SRI funds (EdR Euro SRI and EdR Tricolore Rendement) and two of our institutional mandates.**

For the remainder of our equity funds, ESG factors are introduced in a simple manner at this stage. We provide our investment teams with the ESG research data and SRI ratings carried out by the in-house SRI team. This data serves as additional input which can be taken into account, on a discretionary basis, in the investment teams' financial analysis and/or investment decisions.

LEI 13	Voluntary	Additional Assessed	PRI 1
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
- ☐ Fair value/fundamental analysis
- ☐ Other, specify

LEI 13.3	Additional information.
----------	-------------------------

The structured deployment of ESG-related information and the embedding of these factors into financial analysis is one of EdRAM's long-term objectives.

However, based on our experience of managing our existing SRI funds, we have defined weighting rules for the portfolio based on a stocks' financial and extra-financial rating (rule applied to the EdR Euro SRI fund). Consequently, only stocks with extra-financial ratings of ASRI or above can be added to the portfolio. The weighting allocated to individual stocks is larger if they enjoy high SRI rating and are strong financial convictions.

Based on the feedback from these first five years, we observed strong financial performance and limited risk for the EdR Euro SRI Fund. **This first stage is an initial step which we intend to build upon, drawing upon the close collaboration between the SRI and investment teams.**

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

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 funds managed with a positive /best-in-class screening approach

Specify the percentage reduction

%

30

☐ Thematic

☒ 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

LEI 15.2

Additional information.

As an example of how the integration of ESG factors into our investment process has influenced portfolio construction, we would cite Iliad - a French midcap company - which had a bad SRI rating based on our ESG research methodology.

This young, fast-growing company had downplayed the importance of communicating on ESG issues. Following discussions we had with the company's executive management- who also wished to comply with French regulatory standards concerning the disclosure of ESG information- Iliad set up a structured CSR policy with a strong focus on the social pillar, including the definition of a pertinent HR policy. **This effort to thoroughly structure the company's CSR framework, supported by dedicated reporting, convinced us to improve the company's ESG rating based on tangible evidence.** As a result, the company was upgraded to "A". **Iliad therefore entered our SRI investment universe in October 2013 and ranks among the "best effort" companies of the year.**

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-responsible-et-isr/transparency-code-EdR-Euro-SRI.pdf>

Provide URL

<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsible-et-isr/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

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
--------	-----------	-------------	-------

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 EdR 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 meeting. **In 2013, the SRI team undertook in France and Europe 39 company visits on ESG issues.** 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 EdR Tricolore Rendement.

The euro equity fund EdR Tricolore Rendement (€1.5 bn AUM) has been managed with a SRI Engagement approach since 2009.

This specific approach to SRI, developed in keeping with Edmond de Rothschild Asset Management'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 EdRAM 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 EdR 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 EdRAM'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 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.

In 2013, 23 companies within the Edmond de Rothschild Tricolore Rendement portfolio were contacted with information on the fund's engagement policy and received Edmond de Rothschild Asset Management's Voting Policy prior to the shareholder meetings. **In the same year, 13 of these companies replied, willing to engage with our fund managers on resolutions that had been submitted for voting at the 2013 shareholder meetings.** We were able to engage with the following companies: Lagardère, Michelin, Renault, Groupe Eurotunnel, Cap Gemini, Natixis, Publicis, Alstom, Sanofi, Total, Thales, Vivendi and Casino. Finally, in 2013, fund managers carried out approximately 40 one to one meetings with the top management of portfolio companies.

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---

Type of engagement	Reason for interaction
Individual/Internal staff 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 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 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
--------	-----------	---------------	-------

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 EdR 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.

Note that **our approach is not uniquely focused on risks, but also on opportunities. We believe that taking ESG factors into account is a source of opportunity:** a company may be considered socially responsible and attractive for our funds if the societal benefits generated by the company's initiatives exceed the total social costs.

☐ 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 has **the means and resources to monitor its Engagement initiatives:**

- **For each company, EdRAM 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** ("Quarterly Extra Financial Reporting for EdR Tricolore Rendement" - available in French only, Annual ESG Engagement Report for EdR Tricolore Rendement" - available in French only, and the "2013 Annual Voting Report").

At the end of the engagement period, and **if the dialogue was unsuccessful, Edmond de Rothschild Asset Management may submit resolutions to the Shareholder Meeting, or join shareholder coalitions. If a company shows no tangible improvement on a given ESG issue, the stock's weighting within the portfolio of EdR Tricolore Rendement may be reduced, or the position even sold. These extreme outcomes will only be considered as a last resort, and following EdRAM'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 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 2013, Edmond de Rothschild Tricolore Rendement's investment team upped their conviction on a company whose SRI rating reflected poor governance, but with whom the engagement process -initiated in 2012- demonstrated the company's desire to improve transparency and the efficiency of its governance bodies.

☐ No

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

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'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 EdRAM to join up. We are also **watchful of players who contact us with a view to joining shareholder coalitions**. As an example, in 2013, we took part in action pushing for Pay Ratio Disclosure within a coalition of investors led by Bâtirente, with the support of Calvert/Calpers amongst other investors.

☐ No

LEA 06

Mandatory

Core Assessed

PRI 2

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 EdRAM'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 companies you engage with.
----------	--

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]

EdRAM 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.

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA
15.1

Indicate whether your organisation proactively discloses information on its engagements.

☒ We disclose it publicly

please provide URL

<http://www.edmond-de-rothschild.fr/News%20Documents/2013-04-24-edram-en-annual-report-on-exercising-voting-rights-2012.pdf>

please provide URL

<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsible-et-isr/Reporting-annuel-engagement-Tricolore-Rendement.pdf>

LEA
15.2

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

☒ Yes

LEA
15.3

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

Engagement information disclosed

- ☒ 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.

- ☐ Disclosed continuously (prior 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
15.6**

Additional information. [Optional]

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

As a responsible investment firm, **Edmond de Rothschild Asset Management 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 has set no minimum shareholding or geographical limits for taking part in votes.

The principles of Edmond de Rothschild Asset Management'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'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/2014-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 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 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 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 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 decides to vote otherwise, it must justify its stance.

At last, Edmond de Rothschild Asset Management'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 shall systematically vote against any resolution to eliminate the holding of live shareholder meetings. Edmond de Rothschild Asset Management 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.		
	<div>Approach</div> <p> <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. </p>		
	<div>Based primarily on</div> <p> <input type="radio"/> the service provider voting policy signed off by us <input checked="" type="radio"/> our own voting policy <input type="radio"/> our clients requests or policy <input type="radio"/> other, explain </p> <p> <input type="radio"/> 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. <input type="radio"/> We hire service provider(s) which make voting decisions on our behalf. </p>		

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 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's voting policy apply uniformly to all positions held. However, if the fund manager votes differently of EdRAM'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 ensures that it places the clients' interests above any other consideration. With this in mind, Edmond de Rothschild Asset Management 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'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 or the employee concerned shall report to Edmond de Rothschild Asset Management 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 20.1	Indicate if your organisation has a securities lending programme.
-----------------	---

- ☐ Yes
- ☒ No

LEA 20.3	Additional information. [Optional]
-----------------	------------------------------------

Edmond de Rothschild Asset Management 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
---------------	------------------	----------------------	--------------

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.
-----------------	---

- ☐ 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]
-----------------	------------------------------------

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 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 2013, about 13 conference calls 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
--------	-----------	---------------	-------

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.

☒ We do track or collect this information

Votes cast (to the nearest 1%)

%

86

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

☐ We do not track or collect this information

LEA 23	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

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 proposals	<div> <div></div> <div>%</div> </div> <p>79</p>
Against (opposing) management proposals	<div> <div></div> <div>%</div> </div> <p>21</p>
Abstentions	<div> <div></div> <div>%</div> </div> <p>0</p>

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 EdRAM's website (<http://www.edmond-de-rothschild.fr/SiteCollectionDocuments/edram/pdf/finance-responsible-et-isr/2014-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/News%20Documents/2013-04-24-edram-en-annual-report-on-exercising-voting-rights-2012.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