



PUBLIC TRANSPARENCY REPORT

2023

EDM

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About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

In line with our corporate purpose, EDM has developed an investment philosophy focusing on long-term quality growth that favours companies which can generate sustainable earnings growth.

The analysis conducted by our analysts and portfolio managers pays particular attention to two aspects: visibility on results and management quality.

EDM has chosen the ESG integration approach because it fits very well with EDM's general approach of stock picking quality companies with long-term investment horizon.

ESG criteria are based on the concepts of sustainable development and Corporate Social Responsibility (CSR).

These aspects occupy a growing place in EDM's research, analysis and investment decisions.

EDM needs to identify material ESG risks and opportunities of investee companies. This approach offers a broader and complementary assessment of companies in addition to information provided by the traditional fundamental financial analysis.

This focus on materiality allows us to monitor key issues and to use the results of our research for valuation purposes.

Regarding the responsible investment commitments that we have assumed in recent years, it has been to improve our internal methodology in order to incorporate additional metrics that complement the analysis.

In addition, we have improved our stewardship activities and, in particular, our voting policy. We engaged companies which is fundamental in our procedure and, in order to comply with the principle of transparency, last year we decided to make public our first Voting and Engagement report in which we detail some specific cases and it is available in our website.

In line with our responsibility commitment, last year we created a new ESG risk committee that is responsible for making final decisions in order to avoid certain conflicts of interest. In this committee represented by some Directors, Compliance department and Head of ESG, we discuss specific cases such as ESG score less than 50 in our internal methodology or when we identify a high (or very high) risk in terms of controversies. This committee is in charge of making the final decision based on a previous report with detailed information and analysis.

Finally, as a commitment to this endeavour, in 2014 we joined the United Nations Principles for Responsible Investment and we have conduct rigorous ESG assessments of the companies in which we invest.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

The process of integrating EDM's ESG criteria includes: (1) positive inclusion: investing in quality companies, with good corporate governance and that promote positive change for society, (2) internal ESG evaluation: integrates ESG risk analysis that incorporates the analysis of controversies and PAIs, (3) stewardship activities and publication of the annual vote and participation report that is public and available in our website and, (4) Sectoral exclusion: we do not invest in activities such as controversial weapons, gambling and pornography.

At EDM we have developed an internal ESG analysis methodology which integrates stewardship activities with investees to create long term value for clients, it includes both engagement activities and also voting.

(i) The investment team is responsible for the financial and extra-financial analysis that incorporates specific ESG criteria. From this analysis we obtain a score that allows us to consider the risk assumed in ESG.

(ii) All scores below 50/100 will be reviewed in detail. It is mandatory to contact the company in order to obtain further details. In these particular cases we give a period of one year to know if the company has incorporated improvements in its policies and reporting.

(iii) Individual engagement.

We look to engage with companies where we have identified material ESG risks that can be mitigated and/or ESG opportunities that can be developed. Engagement activities allow us to have a better knowledge of the ESG issues that could affect the business.

(iv) As part of the enhanced ESG integration, once the ESG quality level has been determined, it is translated into a company specific ESG discount rate which is added to the initial discount rate given by the financial analyst based on market risk and business risk. The ESG discount rate considers all ESG risk / opportunity elements found in the in-depth ESG report.

(v) We use Clarity AI and Bloomberg as a support tool in our internal assessment, with the aim of contrasting information while avoiding possible conflicts of interest and reducing risks of internal bias.

(vi) Exclusion lists, including portfolio specific exclusion lists, are controlled at this stage to ensure that unauthorised positions are not added to the portfolio.

(vii) Review frequency: annual with updated information in annual reports and sustainability reports.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Our approach to responsible investing. We are sensitive to the importance of acting responsibly as individuals and as a company in order to contribute to the current and future wellbeing of society. As such, our activity includes a series of principles that contribute to the spread of conscientious and honest practices in the market economy we inhabit. We take into account environmental, social and governance (ESG) criteria in all areas of our work.

In order to advance our commitment to responsible investment, each year we update our framework and incorporate new criteria into our ESG analysis in order to improve our internal methodology.

At EDM we have an ESG team who is responsible to follow the European guidelines for compliance, as well as the standardization of processes. At EDM we think that developing our own methodology strengthens when making investment decisions since it is integrated into the procedure. In the coming years we must continue improving our procedure and advancing to obtain more data in order to integrate it into the analysis of risks and opportunities. Furthermore, in terms of public information we will continue to offer as much data as possible within complementary reports.

Additionally, we pursue to continue improving in stewardship activities.

Engagement is relevant in our analysis, we maintain an active dialogue with companies in which we discuss financial and extra financial information. To be consistent with the principle of transparency, last year we developed our first annual Engagement and voting report in which we specify that we held more than 130 meetings with companies. Our ambition is to improve our procedure and policies fully aligned with regulation and new standards. It is important to highlight the improvement we have made internally since we started with an exclusion screening and improved to integrate ESG into our analysis and decision making.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

EDM

Position

This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework.

Organisation's Name

EDM

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 1,767,274,720.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 1,933,132,729.00

Additional information on the exchange rate used: (Voluntary)

Total net national assets under execution approach. Some clients use different platforms as an investment vehicle to invest in funds. EDM offers to the client advisory services (recommendations), but they ultimately make the investment decision.

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>50-75%	>0-10%
(B) Fixed income	>10-50%	>0-10%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(1) Listed equity	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	>75%	>10-50%	>75%	0%	0%
(B) Passive	0%	0%	0%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	>75%	0%
(C) Fixed income - active	>75%	0%

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental >75%

(D) Other strategies 0%

ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

Provide a further breakdown of your internally managed fixed income AUM.

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >10-50%

(D) Active – corporate >75%

(E) Securitised 0%

(F) Private debt 0%

MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

What percentage of your organisation's externally managed assets are managed by PRI signatories?

>75%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(1) 0%
(C) Fixed income – corporate	(2) >0 to 10%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(3) Fixed income - active
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active (9) >70 to 80%

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(C) Listed equity - active - fundamental



(E) Fixed income - SSA



(F) Fixed income - corporate



EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?

(1) Yes, we incorporate ESG factors when selecting external investment managers

(2) No, we do not incorporate ESG factors when selecting external investment managers

(A) Listed equity - active



(C) Fixed income - active



EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>

EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>

ESG STRATEGIES

LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone 0%

(B) Thematic alone 0%

(C) Integration alone 0%

(D) Screening and integration >75%

(E) Thematic and integration 0%

(F) Screening and thematic 0%

(G) All three approaches combined >0-10%

(H) None >0-10%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	0%
(C) A combination of screening approaches	>75%

FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Screening alone	>75%	0%
(B) Thematic alone	0%	0%
(C) Integration alone	0%	0%
(D) Screening and integration	0%	>75%
(E) Thematic and integration	0%	0%
(F) Screening and thematic	0%	0%
(G) All three approaches combined	0%	0%
(H) None	>0-10%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Positive/best-in-class screening only	0%	0%
(B) Negative screening only	0%	0%
(C) A combination of screening approaches	>75%	>75%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>75%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Additional information: (Voluntary)

EDM is a financial services company that provides investment solutions tailored to each client, with the conviction, transparency, and confidence to root our solutions in high quality, prosperous, responsible businesses - Asset Management and Wealth Management.

80% of total EDM Funds are classified as Article 8 SFDR and integrates ESG approach.

42% of total AUM are EDM funds classified under Article 8 SFDR, thus promoting ESG characteristics. The rest of the assets are sicavs or managed portfolios that invest mainly in companies that integrate ESG analysis but are not classified as Article 8 SFDR.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

- (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(V) External manager selection, appointment and monitoring (SAM) – fixed income - active	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

Specific guidelines on governance issues affecting the companies we invest in, such as board members and independence, responsible political engagement and executive pay.

Our investments are complemented by the broader objectives of society including those set out in the SDGs and the Paris Agreement. Additionally, we are recognising that the real-world sustainability outcomes connected to their investment activities can feed back into the financial risks they face.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

<https://www.edm.es/en/responsible-investment/>

(B) Guidelines on environmental factors

Add link:

<https://www.edm.es/en/documents/politica-isr-angles.pdf>

(C) Guidelines on social factors

Add link:

<https://www.edm.es/en/documents/politica-isr-angles.pdf>

(D) Guidelines on governance factors

Add link:

<https://www.edm.es/en/documents/politica-isr-angles.pdf>

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

(G) Specific guidelines on human rights (may be part of guidelines on social factors)

(H) Specific guidelines on other systematic sustainability issues

(I) Guidelines tailored to the specific asset class(es) we hold

(J) Guidelines on exclusions

Add link:

<https://www.edm.es/en/documents/politica-isr-angles.pdf>

(K) Guidelines on managing conflicts of interest related to responsible investment

Add link:

<https://www.edm.es/en/documents/politica-de-implicacion-v1-octubre-2021-final-en.pdf>

(L) Stewardship: Guidelines on engagement with investees

Add link:

<https://www.edm.es/en/documents/politica-de-implicacion-v1-octubre-2021-final-en.pdf>

(M) Stewardship: Guidelines on overall political engagement

Add link:

<https://www.edm.es/en/documents/politica-de-implicacion-v1-octubre-2021-final-en.pdf>

(O) Stewardship: Guidelines on (proxy) voting

Add link:

<https://www.edm.es/en/documents/politica-de-implicacion-v1-octubre-2021-final-en.pdf>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

(A) Yes

Elaborate:

The policy defines EDM's sustainable and responsible investment (SRI) approach and outlines the criteria considered in the integration of ESG variables in the investment analysis and decision-making process, as well as incorporating systematic sustainability issues and outcomes into investment and stewardship activities. It also incorporates relevant aspects within SRI and as part of its fiduciary duty, such as the exercise of voting rights and engagement which, in turn, are developed in detail in the corresponding Engagement Policy available on the website.

These may include duties of due care, skill and diligence and requirements to use powers for our proper purposes acting in the interest of clients and/or beneficiaries.

This includes:

- Incorporating financially material ESG factors into their investment decision making, consistent with the timeframe of the obligation.
- Being an active owner, encouraging high standards of ESG performance in the companies in which we are invested.
- Supporting the stability and resilience of the financial system.
- Avoid conflicts of interest.
- Not act for the benefit of themselves or third parties.

Therefore, we disclose our investment approach to clients, including information about how preferences are incorporated into the scheme's investment strategy and the potential risks and benefits of doing so.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://www.edm.es/en/documents/politica-de-implicacion-v1-octubre-2021-final-en.pdf>

<https://www.edm.es/en/documents/informe-anual-de-voto-y-engagement-2022.pdf>

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(5) >80% to 90%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change (2) for a majority of our AUM

(B) Specific guidelines on human rights (2) for a majority of our AUM

(C) Specific guidelines on other systematic sustainability issues (1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%**
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

We specify in our voting policy:

- Voting must be consistent with the objectives and investment policies of the managed vehicles and end-clients.
- In the event that EDM (including all managed vehicles and portfolios) holds a combined stake in an issuer of at least 1% of the capital that is older than one year, EDM will be required to exercise the right to vote at general meetings.

Last year (2022) we expanded the voting policy to vote in all those companies in which we invest and the vote has to be fully aligned with the ESG metrics of our internal methodology.

The portfolios managed by EDM are invested in securities from both inside and outside the European Union. However, given the diversity and regulatory heterogeneity of each region, the EDM Engagement Policy only applies to those companies admitted to trading on a regulated market that located in the EU. That explains why we vote approximately 80% of our listed equity holdings, since we are not available to vote in US companies.

In order to make it public and comply with the transparency principle, we have a public report on our website that details the total number of votes and the direction of the vote:

<https://www.edm.es/es/documents/informe-anual-de-voto-y-engagement-2022.pdf>.

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent**

Specify:

ESG considerations form part of the evaluation and compensation plan for senior executive who are responsible of the commitment and prupose of EDM. In addition, senior executives are responsible for managing individual departments within the company and ensuring that they are in alignment with corporate strategies and plans.

- (C) Investment committee, or equivalent**

Specify:

ESG considerations form part of the evaluation and compensation plan for PMs and Investment Committee who have to promote the integration of ESG criteria into financial analysis and decision-marking.

The Investment Committe is responsible for implementing its responsible investment policy and approach for achieving its related objectives, Therefore, oversight of ESG analysis is carried out by the Head of ESG, ensuring that there is accountability for incorporating ESG considerations.

- (D) Head of department, or equivalent**

Specify department:

ESG considerations form part of the evaluation and compensation plan for Head of department who has to incentivise the integration of ESG criteria into financial analysis and decision-making.

Head of department is responsible and accountable for implementing its responsible investment policy and approach and achieving the objectives related to these.

Therefore, oversight of ESG analysis is carried out by the Head of ESG, ensuring that there is accountability for incorporating ESG considerations

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

(2) Senior executive-level staff, investment committee, head of department, or equivalent

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

● (A) Yes

Describe how you do this:

Individual engagement is an important part of our process and is aligned with our commitment to the PRI principles. As such, our activity includes a series of principles that contribute to the spread of conscientious and honest practices in the market economy we inhabit. Essentially, our commitment is to preserve the long-term interests of EDM, including the broad interests of the stakeholders, which is underpinned by robust governance and transparency, leading to well-informed, inclusive and effective public policy decisions that contribute to minimise asset and systematic risks.

Fundamentally, we look to engage with companies where we have identified material ESG risks that can be mitigated and/or ESG opportunities that can be developed in order to preserve the long-term interests of EDM and stakeholders.

We pursue a policy of active engagement, establishing constructive dialogue with investee companies and challenging current practices where we believe improvement is needed.

We look to engage with companies where we have identified material ESG risks that can be mitigated and/or ESG opportunities that can be developed. As a result, the engagement with invested companies allows us to have a better knowledge of the ESG issues that could affect the business.

We engage on a case-by-case basis. We do not go into our meetings with companies with a standardized checklist, and we do not expect them to give us standardized answers.

Where we engage on classic ESG themes, such as diversity or corporate governance, we tailor our questions and our recommendations to the circumstances of the company. Maintaining an ongoing dialogue with investee companies is part of our monitoring activities. Additionally, Engagement is mandatory for all scores below 50/100 which will be reviewed in detail. In these particular cases we give a period of one year to know if the company has incorporated improvements in its policies and reporting.

During the year 2022, at EDM we have met with 105 companies, and we have carried out 137 engagement meetings with them.

The most relevant issues discussed during these dialogues have been the strategic plans, the advances in the ESG criteria and in some cases, the specific risks for some divisions.

In our Voting and Engagement Report (2022) there are some specific examples based on the controversies identified, the engagement process and the final decision made.

Most of these relevant issues discussed during these dialogues allow us to expand information and visibility of the investee company. In most cases, the data is qualitative but allows us to make decisions. We consider the dialogue success if we can make an informed decision.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) Internal role(s)

Specify:

Our policy regulates both the scoring model and people involved in the process. ESG team develops the internal process, however each research analyst and portfolio manager is responsible for incorporating ESG analysis into their valuations. This analysis is always supervised by ESG team who is in charge of participating in the engagement part. ESG Team is responsible for establishing policies, developing the internal procedure, and supervising and monitoring the analysis.

(B) External investment managers, service providers, or other external partners or suppliers

Specify:

We require to our external managers to implement responsible investment, conducting ESG-related research and incorporating this into investment decision making, and using stewardship approaches to influence the ESG practices of holdings. ESG team is responsible to engage with external investment managers in order to understand their approach to responsible investment and established policies and to comprehend the internal procedure. In controversies, we ask them to develop an in-depth analysis.

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

● (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

● (1) KPIs are linked to compensation

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

○ (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

(2) Senior executive-level staff, investment committee, head of department or equivalent

(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="checkbox"/>

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above
Explain why: (Voluntary)

At EDM we do not have specific objectives related to the reduction of carbon emissions, however part of our internal methodology consists of measuring the carbon footprint of all Funds classified as Article 8 SFDR.

Regarding investments, our internal process consists of analyzing scope 1, 2 & 3 emissions of all investee companies. We expand this information with active environmental policies and strategic plans. We believe that with this data we have enough information to consider whether the investee companies are aligned with the transition to a low carbon economy and the Paris Agreement.

We use Clarity AI as a support tool in order to identify the temperature alignment to understand how companies comply with the Paris Agreement.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://www.edm.es/en/funds/edm-strategy-class-i-e-en/> Please find below sustainability disclosures according to SFDR: pre-contractual information related to sustainability, Sustainability annex and Statement regarding the main adverse impacts of investment decisions on sustainability factors (PAI report)

- (B) Disclosures against the European Union's Taxonomy
- (C) Disclosures against the CFA's ESG Disclosures Standard
- (D) Disclosures against other international standards, frameworks or regulations
- (E) Disclosures against other international standards, frameworks or regulations
- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

- (A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
Select from dropdown list:
 - (1) for all of our AUM subject to strategic asset allocation
 - (2) for a majority of our AUM subject to strategic asset allocation
 - (3) for a minority of our AUM subject to strategic asset allocation
- (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
Select from dropdown list:
 - (1) for all of our AUM subject to strategic asset allocation
 - (2) for a majority of our AUM subject to strategic asset allocation
 - (3) for a minority of our AUM subject to strategic asset allocation
- (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
Select from dropdown list:
 - (1) for all of our AUM subject to strategic asset allocation
 - (2) for a majority of our AUM subject to strategic asset allocation
 - (3) for a minority of our AUM subject to strategic asset allocation

(D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

Specify: (Voluntary)

We incorporate ESG factors and systematic sustainability issues into our strategic asset allocation or stock picking. Systematic sustainability is strategic for the future. These challenges are global in reach and systemic in scale. They require deliberate decisions to abandon "business-as-usual" approaches, to rethink current practices and engage in actions to transform the underlying fundamentals in order to avoid the collapse and catastrophe of systems that average people depend upon for normal life. At EDM we believe systemic risks are real and it is fundamentally necessary to generate new pathways to systemic sustainability.

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity**(2) Fixed income**

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

We pursue a policy of active engagement, establishing constructive dialogue with investee companies and challenging current practices where we believe improvement is needed in order to preserve the long-term interests of EDM, including the broad interests of the stakeholders.

Our stewardship efforts are related to engagement and voting activities. As we identify this part as crucial in our ESG analysis, we decided last year to release our first annual report on engagement and voting activities.

Fundamentally, we look to engage with companies where we have identified material ESG risks that can be mitigated and/or ESG opportunities that can be developed.

As a result, the engagement with invested companies allows us to have a better knowledge of the ESG issues that could affect the business.

We engage on a case-by-case basis. We do not go into our meetings with companies with a standardized checklist, and we do not expect them to give us standardized answers.

Where we engage on classic ESG themes, such as diversity or corporate governance, we tailor our questions and our recommendations to the circumstances of the company. Maintaining an ongoing dialogue with investee companies is part of our monitoring activities. Additionally, Engagement is mandatory for all scores below 50/100 which will be reviewed in detail. In these particular cases we give a period of one year to know if the company has incorporated improvements in its policies and reporting.

During the year 2022, at EDM we have met with 105 companies, and we have carried out 137 engagement meetings with them. The most relevant issues discussed during these dialogues have been the strategic plans, the advances in the ESG criteria and in some cases, the specific risks for some divisions.

We exercise our voting rights as a shareholder. We do not use third party providers to execute proxy voting. We have a governance structure for the execution of voting rights.

At EDM we have our Voting and Engagement Report - 2022 - available on our website with some specific examples based on the controversies identified, the engagement process and the final decision made. Most of these relevant issues discussed during these dialogues allow us to expand information and visibility of the investee company. In most cases, the data is qualitative but allows us to make decisions. We consider the dialogue success if we can make an informed decision.

Regarding the criteria that are taken into account to prioritise our stewardship activities are fundamentally classic ESG themes - systematic sustainability issues, such as climate change, gender diversity or corporate governance issues -, the materiality of ESG factors on financial and operational performance and the adequacy of public disclosure on ESG factors and performance.

On the other hand, our external managers have their own ESG methodology based on their internal policies and procedures. So we delegate the responsibility of acting for the benefit of stakeholders. Its policies and procedures have been previously discussed to be aligned with the EDM commitment. It is our responsibility to annually supervise the ESG integration procedures and stewardship activities.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

We exercise our engagement and voting rights as a shareholder. We do not use third party providers to execute proxy voting and engagement.

The position of the external investment managers acting on our behalf, we delegate stewardship activities to their own methodology, which we are familiar with, and we update annually. In specific cases we can have collaborative activities.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**
Select from the list:
 1
- (B) External investment managers, third-party operators and/or external property managers, if applicable**
Select from the list:
 2
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**
Select from the list:
 5
- (D) Informal or unstructured collaborations with investors or other entities**
Select from the list:
 3
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**
Select from the list:
 4
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?

We pursue a policy of active engagement, establishing constructive dialogue with investee companies and challenging current practices where we believe improvement is needed. We look to engage with companies where we have identified material ESG risks that can be mitigated and/or ESG opportunities that can be developed. As a result, the engagement with invested companies allows us to have a better knowledge of the ESG issues that could affect the business.

Most of these relevant issues discussed during these dialogues allow us to expand information and visibility of the investee company. In most cases, the data is qualitative but allows us to make decisions. We consider the dialogue success if we can make an informed decision.

To provide details on the standardized EDM procedure, further information is provided below:

1) Financial analyst, Portfolio managers and ESG team participate in stewardship discussions, including in company engagement meetings. We engage on a case-by-case basis and Engagement is mandatory for all scores below 50/100 which will be reviewed in detail.

2) Information is shared and discussed internally with those who are making investment decisions.

3) In particular cases, such as identified controversies or exposure to certain controversial activities, analysts, Portfolio Managers and ESG team carry out an internal engagement process with the aim of obtaining more details on that topic and discussing the identified controversies in order to subsequently make an investment decision.

In order to avoid certain conflicts of interest, the case is presented to the Risk and Sustainability Committee by the Head of ESG, who must present a report explaining how we identified the controversy, the procedure followed and people involved during the engagement process. This committee is the responsible to make a final decision independently of the investment department.

4) Investment decisions are clearly affected by engagement activities as it is a relevant part of our internal methodology. Establish a constructive dialogue with investee companies in order to discuss the strategic plans, the advances in the ESG criteria and in some cases, the specific risks for some divisions, as well as challenging current practices where we believe improvement is needed.

5) Stewardship actions are basically carried out internally, however stewardship activities of external investment managers have been delegated and we prioritize their internal methodology that has been validated and approved by EDM. In some particular cases, stewardship actions have been carried out in collaboration with other investors or entities.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

Engagement activity is a prioritisation approach at EDM.

We use Clarity AI and Bloomberg as a support tool in our internal assessment, with the aim of contrasting information while avoiding possible conflicts of interest and reducing risks of internal bias.

Additionally, the Head of ESG is a member of the Risk and Sustainability Committee. This committee represented by other EDM director members are responsible for making decisions in specific cases to avoid possible conflicts of interest between financial analysts and Portfolio Managers.

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes
- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear
- (C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

- (A) We recall all securities for voting on all ballot items

- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

(A) Yes, for all (proxy) votes

Add link(s):

<https://www.edm.es/es/documents/informe-anual-de-voto-y-engagement-2022.pdf>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(2) for a majority of votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company	(2) for a majority of votes	(2) for a majority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

(A) Yes, we publicly disclosed the rationale - Add link(s):

<https://www.edm.es/es/documents/informe-anual-de-voto-y-engagement-2022.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

We have a governance structure for the execution of voting rights:

EDM's Middle Office team is responsible for identifying general meetings in advance and ensuring that votes are cast in a proper and timely manner. The analyst and Portfolio Manager are informed of the agenda for the general meeting and voting recommendations in accordance with EDM Voting rules. The Analyst provides its voting recommendation - based on our ESG analysis - to the Middle Office who is responsible to send voting decisions. The ESG team is responsible for overseeing implementation of EDM's Voting principles and coordinating voting activity. In addition, ESG team is responsible for coordinating as well as supervising conflicts of interests.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one

(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal

(C) Publicly engaging the entity, e.g. signing an open letter

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

(F) Divesting

(G) Litigation

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) **Not investing**
- (D) **Reducing exposure to the investee entity**
- (E) **Divesting**
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	OO 8, OO 5.3 FI	N/A	PUBLIC	Stewardship: Escalation	2

Describe your approach to escalation for your internally managed SSA and/or private debt fixed income assets.

(A) SSA - Approach to escalation

Specifically on SSA we take in consideration geographic risks. We do not invest in emerging markets.

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI**
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
 - o (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations**
- (C) We provided technical input via government- or regulator-backed working groups**

Describe:

At EDM we had several meetings during 2022 with the Spanish regulator (CNMV) as well as with Luxembourg management company and lawyers, who then discussed with Luxembourg regulator (CSSF) to discuss technical input and confirm the challenges we faced.

- (D) We engaged policy makers on our own initiative
- (E) Other methods**

Describe:

We also engage with third party consultants in order to be aligned with responsible investment approach.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers
- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

Explain why:

We have no public information on this, as we had meetings with Spanish regulator and Luxembourg management company and lawyers in order to discuss regulatory requirements and EDM procedures and policies. We do not make it public as it is part of our active dialogue and commitment.

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Exposure to high controversies related to defense activities

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland

(9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Part of our ESG procedure is exclusion activity. We do not invest in controversial weapons that includes nuclear activities. Airbus and Safran are 2 holdings within the European managed fund. Both names are exposed to defense and began an engagement process in order to be sure that they are not exposed to controversial weapons according to UN definition. We focused the engagement dialogue on ArianeGroup Joint Venture and Nuclear Non-Proliferation Treaty (NPT).

We carried out a deep analysis within both companies. After the follow up meetings and approval of the ESG Risk Committee, we conclude that both companies (Safran and Airbus) do not have any division with sales related to the manufacture of controversial weapons and, therefore, we maintain the position.

(B) Example 2:

Title of stewardship activity:

Exposure to high controversies related to workers' right

(1) Led by

(1) Internally led

(2) External service provider led

(3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

(1) Environmental factors

(2) Social factors

(3) Governance factors

(3) Asset class(es)

(1) Listed equity

(2) Fixed income

(3) Private equity

(4) Real estate

(5) Infrastructure

(6) Hedge funds

(7) Forestry

(8) Farmland

(9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

November 2022, after Colombia's Ministry of Labor launched an investigation into TikTok subcontractor Teleperformance, relating to alleged union-busting, traumatic working conditions and low pay. The workers were regularly required to witness videos depicting murder, child abuse and sexual violence as part of their duties. We began an engagement process activity with company to ensure that the information was real. Despite of this, due to the violation of human rights, we decided to completely divest the position within the Fund.

(C) Example 3:

Title of stewardship activity:

(1) Led by

(1) Internally led

(2) External service provider led

(3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

(1) Environmental factors

(2) Social factors

(3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(D) Example 4:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland

(9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

At EDM we do not have specific objectives related to the reduction of carbon emissions, however part of our internal methodology consists of measuring the carbon footprint of all Funds classified as Article 8 SFDR.

Regarding investments, our internal process consists of analyzing scope 1, 2 & 3 emissions of all investee companies. We expand this information with active environmental policies and strategic plans. We believe that with this data we have enough information to consider whether the investee companies are aligned with the transition to a low carbon economy and the Paris Agreement.

We use Clarity AI as a support tool in order to identify the temperature alignment to understand how companies comply with the Paris Agreement.

To identify risks and opportunities, we analyze the environmental strategy of the companies within our Universe, as well as the active policies aligned with climate mitigation and adaptation.

Consequently, we consider a potential climate risk if the company does not establish short- and long-term objectives as well as a climate strategy plan. Therefore, in these cases we may decide not to invest or significantly penalize the ESG score.

(B) Yes, beyond our standard planning horizon

(C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

(A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

At EDM we do not have specific objectives related to the reduction of carbon emissions, however part of our internal methodology consists of measuring the carbon footprint of all Funds classified as Article 8 SFDR.

Regarding investments, our internal process consists of analyzing scope 1, 2 & 3 emissions of all investee companies. We expand this information with active environmental policies and strategic plans. We believe that with this data we have enough information to consider whether the investee companies are aligned with the transition to a low carbon economy and the Paris Agreement. Additionally, we use Clarity AI as a support tool in order to identify the temperature alignment to understand how companies comply with the Paris Agreement.

Our extra-financial analysis consists on evaluating different factors which are included within the 3 criteria ESG. The environmental (E) elements we focus in terms of identifying risks and opportunities and to integrate it into ESG scoring are: Comply with the objectives of the EU taxonomy and be aligned with the Climate-Related Financial Disclosure (TCFD). The EU taxonomy will allow investors to redirect their investments towards more sustainable technologies and companies. It will be critical to enable the EU to become climate neutral by 2050 and to achieve the 2030 targets of the Paris Agreement, including a 40% reduction in greenhouse gas emissions. In this context, the financial risks associated with climate change are analyzed and integrated into ESG scoring.

Additionally, related to climate change we are experiencing a crucial stage for the future of the planet. That is why our ESG EDM Fund focus on sustainable investments, one of the strategies we want to influence is renewable energy and efficient energy, as well as water and waste management based on circular economy, among others. We invest in all those companies whose purpose, mission and values are fully aligned with this commitment to have a positive impact on society. We measure their progress, ambitions and the ultimate impact on society.

When we measure climate-related risks and opportunities, the procedure is similar to financial risks and opportunities, we integrate them into ESG rating and it affects our investment strategy. If we detect a risk, we decide to reduce the position within the portfolio or even divest.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

Which sectors are covered by your organisation’s strategy addressing high-emitting sectors?

- (A) Coal

Describe your strategy:

We do not invest in coal directly. However, we invest in a few specific companies that still use coal as fossil fuel in a small division within its exposure to China. Although the company is concerned about this, they decide to announce a plan for the next 3 years in order to use other energy sources. The plan is implemented and underway.

We engage with executive management for more details on this and to explain their strategy and plan for the coming years in order to be aligned with Paris Agreement.

We integrate this risk (for us) into ESG rating and are committed to measuring company progress and assessing company purpose.

- (B) Gas
- (C) Oil
- (D) Utilities

Describe your strategy:

We invest in Utilities and our strategy consists of identifying those companies that are investing in renewables and alternative energies. However, in our methodology we penalize all those companies whose carbon intensity is above the average sector. For us, this is the best way to identify a potential risk / potential opportunity. Part of our analysis is to measure their progress and ambition on climate change.

(E) Cement

Describe your strategy:

We invest in companies that produce cement and concrete, being this activity highly carbon intensive. However, we identify those companies that are concerned about this and are investing in new technologies that allows the industry the transition to a low carbon economy (for example, the swiss company Sika).

In our methodology we penalize all those companies whose carbon intensity is above the average sector. For us, this is the best way to identify a potential risk / potential opportunity. Part of our analysis is to measure their progress and ambition on climate change.

- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery

(M) Chemicals

Describe your strategy:

We invest in chemical companies, another highly carbon intensive sector. However, we identify those companies that are concerned about this and are investing in introducing new alternative solutions that allows the industry the transition to a low carbon economy (for example, Linde or Air Liquide with green hydrogen).

In our methodology we penalize all those companies whose carbon intensity is above the average sector. For us, this is the best way to identify a potential risk / potential opportunity. Part of our analysis is to measure their progress and ambition on climate change.

(N) Construction and buildings

Describe your strategy:

We invest in companies in the construction and building sector. However, we identify those companies that are concerned about this and are investing in introducing new technologies, solutions or software focused on energy efficiency and automation, which allow the industry the transition to a low carbon economy (for example, Atlas Copco, Assa Abloy or Schneider Electric).

In our methodology we penalize all those companies whose carbon intensity is above the average sector. For us, this is the best way to identify a potential risk / potential opportunity. Part of our analysis is to measure their progress and ambition on climate change.

(O) Textile and leather

Describe your strategy:

While textile is another highly carbon intensive sector, our strategy within this industry is more extensive, since it consumes many raw materials, the importance of water management as a limited and scarce resource and also, the importance of human rights and, in particular, eradicating child exploitation. We invest in high-quality companies whose purpose, mission, and values are fully aligned with the stakeholders (for example, Inditex or LVMH).

In our methodology we penalize all those companies whose carbon intensity is above the average sector. For us, this is the best way to identify a potential risk / potential opportunity. Part of our analysis is to measure their progress and ambition on climate change.

If we have identified any controversy, we must undertake a detailed analysis and engagement process with management in order to make a final investment decision. Additionally, depending on the controversy identified this could impact the EDM strategy.

(P) Water

Describe your strategy:

Water management is a specific topic within the sustainable EDM fund (EDM Global Equity Impact). While in other EDM Funds we want to introduce water as one more ESG metric to analyse, now it is not a priority within our methodology. Nonetheless, we are aware that water is a limited and scarce resource and is essential in multiple industries in which we invest (for example, food and beverage sector).

EDM Global Equity Impact strategy is water and waste treatment and management, so we invest in companies that its activity consists on water Technologies, treatment infrastructure & networks. They offer solutions to address water-related problems that now affect every part of the world.

(Q) Other

- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

(D) Yes, using other scenarios

Specify:

Clarity AI helps us to measure the Temperature Alignment. This metric provides a Temperature Alignment range to understand how companies comply with the Paris Agreement. It is based on the existence or absence of companies' near-term reduction targets. Two metrics are provided: one for Scopes 1+2 and another one for Scope 3.

It calculates the Temperature Rise (TR) implied by the company's emissions according to its targets, using the scenarios in the IPCC's Special Report on Global Warming of 1.5°C (SR1.5). That TR is then converted into one of the following Temperature Alignment categories:

- 1.5°C aligned: TR is at 1.5°C or below
- 2°C aligned: TR is at 2°C or below and higher than 1.5°C
- Above 2°C: TR is higher than 2°C, up to 3°C
- Well above 2°C: TR is higher than 3°C

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

- (A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

EDM needs to identify material ESG risks and opportunities of investee companies. This approach offers a broader and complementary assessment of companies in addition to information provided by the traditional fundamental financial analysis. This focus on materiality allows us to monitor key issues and to use the results of our research for valuation purposes.

New incorporations into our investment universe, go through our internal ESG procedure. For companies we identify a potential risk, our investment team has to engage with the company management to understand better the ESG risks and exposure.

Finally, in case that after meetings with management and sell-side analysts, potential risks that can directly influence the organization's strategy continue to be identified, this must be explained in a detailed report to be presented to the ESG risk committee which will be responsible for making the final investment decision in order to avoid possible conflicts of interest.

(2) Describe how this process is integrated into your overall risk management

According to our methodology, we should penalize the valuation applying a 50bp increase over the cost of capital in order to integrate a potential climate-related risk as well as penalizing the ESG rating.

- (B) Yes, we have a process to manage climate-related risks
- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - **(2) Metric or variable used and disclosed**
 - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.edm.es/en/documents/edm-international-audited-fs.pdf>

(E) Weighted average carbon intensity

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.edm.es/en/documents/edm-international-audited-fs.pdf>

- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables
- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

- (1) Indicate whether this metric was disclosed, including the methodology
 - **(1) Metric disclosed**
 - (2) Metric and methodology disclosed
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.edm.es/en/documents/edm-international-audited-fs.pdf>

(B) Scope 2 emissions

- (1) Indicate whether this metric was disclosed, including the methodology
 - **(1) Metric disclosed**
 - (2) Metric and methodology disclosed
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.edm.es/en/documents/edm-international-audited-fs.pdf>

(C) Scope 3 emissions (including financed emissions)

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irreparable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?

(A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

EDM's investment process considers sustainability risks. To this end, EDM closely and continuously monitors the companies in which we invest, verifying the creation of long-term value for its investors and the alignment of interests with their shareholders. This implies a periodic monitoring of both, economic and financial aspects, and ESG elements.

Our philosophy is to select the companies in each sector that best manage ESG risks and opportunities. Thus, the objective in EDM is to evolve every year by adding improvements in the process of integrating ESG analysis and incorporating it to the greatest extent possible in the valuation models. EDM has chosen the ESG integration approach because it fits very well with EDM's general approach of stock picking quality companies with long-term investment horizon. We believe this system is one of the most effective in reducing risks, improving long-term profitability, and driving positive change. The risks derived from the economic activity of companies are heterogeneous depending on the sector and activity. In addition, ESG criteria within EDM's methodology is based on the concepts of sustainable development and CSR. These aspects occupy a growing place in EDM's research, analysis and investment decisions.

Human Rights as well as other criterias such as Health and safety, working conditions, customer relationship, product safety and supply chain are the metrics that we analyse within our internal analysis, we use Clarity AI and Bloomberg as a support tool in our internal assessment. If we do not have enough information on that topics we engage the company in order to pursue and insist on this interest as stakeholders.

Additionally, in the case of companies in the Retail sector, we assess whether companies take initiatives to eradicate child labor.

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
 - (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?

- (A) Workers**
Sector(s) for which each stakeholder group was included
 - (1) Energy
 - (2) Materials
 - (3) Industrials
 - (4) Consumer discretionary
 - (5) Consumer staples
 - (6) Healthcare
 - (7) Finance
 - (8) Information technology
 - (9) Communication services
 - (10) Utilities
 - (11) Real estate

(B) Communities

- (C) Customers and end-users**
Sector(s) for which each stakeholder group was included
 - (1) Energy
 - (2) Materials
 - (3) Industrials
 - (4) Consumer discretionary
 - (5) Consumer staples
 - (6) Healthcare
 - (7) Finance
 - (8) Information technology
 - (9) Communication services
 - (10) Utilities
 - (11) Real estate

(D) Other stakeholder groups

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

- (A) Corporate disclosures**
Provide further detail on how your organisation used these information sources:

At EDM, we develop our ESG methodology and procedure. The ESG team develops the internal process, however each research analyst and portfolio manager is responsible for incorporating ESG analysis into their valuations. Our ESG scoring methodology consists on analysing several issues related to ESG factors. Initially, the information we use is basically updated information in annual reports and sustainability reports of investee companies. In addition, we complement some specific topics with data from Clarity AI, and as we mentioned before, if we do not find enough information, engagement is relevant in our methodology. We are very active in terms of communication with management and investor relations of the companies invested or included in our Universe.

- (B) Media reports**

Provide further detail on how your organisation used these information sources:

In some specific cases, we detect potential controversies through media reports. According to EDM procedure we must contrast this information with the company. It is crucial for us to identify controversies and discuss them with the executive management, as well as sell-side analysts. The research analyst must explain the case and its evolution to the rest of the team, finally the Portfolio Managers are responsible for making an investment decision.

On highly controversial issues, the Head of ESG is responsible for presenting the case to the Risk and Sustainability Committee, who is responsible for making the final investment decision, in order to avoid any conflict of interest between the research analyst and the Portfolio Managers.

- (C) Reports and other information from NGOs and human rights institutions
- (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank
- (E) Data provider scores or benchmarks
- (F) Human rights violation alerts
- (G) **Sell-side research**

Provide further detail on how your organisation used these information sources:

Sell-side research is a first filter for us in terms of financial and extra-financial information. However, we always prioritise our analysis and our final conclusion to make an investment decision. Having said that, any information that we do not agree with or that is not clear enough should be discussed with the management and/or Investor relation team. We think that this is the best way to be more agile when making decisions and comparing information in order to identify any potentially negative outcomes as a stakeholder.

- (H) Investor networks or other investors
- (I) Information provided directly by affected stakeholders or their representatives
- (J) **Social media analysis**

Specify:

social networks

Provide further detail on how your organisation used these information sources:

In some specific cases, we detect potential controversies through social media reports. According to EDM procedure we must contrast this information with the company. It is crucial for us to identify controversies and discuss them with the executive management, as well as sell-side analysts. The research analyst must explain the case and its evolution to the rest of the team, finally the Portfolio Managers are responsible for making an investment decision.

On highly controversial issues, the Head of ESG is responsible for presenting the case to the Risk and Sustainability Committee, who is responsible for making the final investment decision, in order to avoid any conflict of interest between the research analyst and the Portfolio Managers.

- (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

(B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

(C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

Explain why:

We have not met in any case. If so, we would contact the company to discuss it and convey our opinion.

MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

OVERALL APPROACH

EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

	(1) Listed equity (active)	(3) Fixed income (active)
Organisation		
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior-level oversight and accountability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
People and Culture		
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Staff competencies and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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Investment Process

(F) Incorporation of material ESG factors in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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Stewardship

(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input type="checkbox"/>	<input type="checkbox"/>
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(M) Involvement in collaborative engagement and stewardship initiatives	<input type="checkbox"/>	<input type="checkbox"/>
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(N) Engagement with policy makers and other non-investee stakeholders	<input type="checkbox"/>	<input type="checkbox"/>
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(O) Results of stewardship activities	<input type="checkbox"/>	<input type="checkbox"/>
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Performance and Reporting

(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Q) Inclusion of ESG factors in contractual agreements	<input type="checkbox"/>	<input type="checkbox"/>
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>	<input type="radio"/>

SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
 - (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
 - (G) Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers

SELECTION

RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year
 - (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
 - (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

Organisation

- (A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)
 - Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates
- (B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)
 - Select from dropdown list
 - (1) for all of our mandates
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates
- (C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

People and Culture

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

Performance and Reporting

(I) ESG disclosure in regular client reporting

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(J) Inclusion of ESG factors in contractual agreements

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO 8, SAM 4	N/A	PUBLIC	Stewardship	4

During the reporting year, which aspects of the stewardship approach did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

- (A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate**
Select from dropdown list
 - (1) for all of our mandates**
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates
- (B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities**
Select from dropdown list
 - (1) for all of our mandates**
 - (2) for a majority of our mandates
 - (3) for a minority of our mandates
- (C) Their participation in collaborative engagements and stewardship initiatives
- (D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues
- (E) Details of their engagement activities with policy makers
- (F) Their escalation process and the escalation tools included in their policy on stewardship
- (G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

APPOINTMENT

SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13	N/A	PUBLIC	Segregated mandates	4

Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?

- (A) Their commitment to following our responsible investment strategy in the management of our assets
- (B) Their commitment to incorporating material ESG factors into their investment activities**
Select from dropdown list
 - (1) for all of our segregated mandates**
 - (2) for a majority of our segregated mandates
 - (3) for a minority of our segregated mandates
- (C) Their commitment to incorporating material ESG factors into their stewardship activities**

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities

(F) Exclusion list(s) or criteria

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(G) Responsible investment communications and reporting obligations, including stewardship activities and results

(H) Incentives and controls to ensure alignment of interests

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD

(J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

(K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments

(L) Other

(M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

MONITORING

RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

(1) Listed equity (active)**(3) Fixed income (active)****Organisation**

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)



(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)



(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

**People and Culture**

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)



(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

**Investment Process**

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Performance and Reporting		
(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Inclusion of ESG factors in contractual agreements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 11	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

Describe an innovative practice you adopted as part of monitoring your external investment managers' responsible investment practices in a specific asset class during the reporting year.

In order to monitor the external investment managers' when selecting a new manager, we primarily focus on:

- 1) Classification according to SFDR. Basically we are looking for Article 8 SFDR, however the priority is responsible investment practices aligned with internal ESG procedures.
- 2) In methodological terms, we look for external investment managers aligned with our commitments and purposes. Preferably, internal ESG methodology which should include various ESG data analysis and internal procedures involving PMs and the investment committee, as well as senior executive within the organization.
- 3) All procedures and methodologies must be public and available on the website, fully aligned with the requirements of European regulations.
- 4) Stewardship activities complemented by voting and engagement reports in order to have detailed information.

We have at least one annual meeting in order to update procedures and methodologies as well as discuss specific topics related to ESG and process standardization.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?

	(1) Listed equity (active)	(3) Fixed income (active)
(A) At least annually	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Less than once a year	<input type="checkbox"/>	<input type="checkbox"/>
(C) On an ad hoc basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 13	CORE	OO 8, OO 21	N/A	PUBLIC	Stewardship	1, 2

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' stewardship practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

	(1) Listed equity (active)	(3) Fixed income (active)
(A) Any changes in their policy(ies) or guidelines on stewardship	<input type="checkbox"/>	<input type="checkbox"/>
(B) The degree of implementation of their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) How they prioritise material ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) How they prioritise risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Their investment team's level of involvement in stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Whether the results of stewardship actions were fed back into the investment process and decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities	<input type="checkbox"/>	<input type="checkbox"/>
(H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	<input type="checkbox"/>	<input type="checkbox"/>

(I) Whether they participated in collaborative engagements and stewardship initiatives

(J) Whether they had an active role in collaborative engagements and stewardship initiatives

(K) Other

(L) We did not monitor our external investment managers' stewardship practices during the reporting year

ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 15	PLUS	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

Describe how your organisation engaged with external investment managers to improve their responsible investment practices during the reporting year.

At least annually we meet with external investment managers to update policies, procedures and stewardship activities.

Basically, this meeting is about updating the policies and their process for integrating ESG into their analysis. Most of the meeting we debated and discussed about the updated regulation and how we adapt each methodology in order to evaluate and measure responsible and sustainable investments. Also, it is important to understand their methodology and standards as we delegate ESG integration into their investments to them.

When we select an external investment manager, a full review is carried out, we look for managers with a similar philosophy, and ESG integration is part of the evaluation.

These meetings are positive for both parties, since they allow us to discuss some procedures and policies and make changes if needed.

During this year - 2022, we had several meetings with external investment managers.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?

	(1) Listed equity (active)	(3) Fixed income (active)
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input type="checkbox"/>	<input type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input type="checkbox"/>	<input type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>	<input type="radio"/>

VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?

	(1) Listed equity (active)	(3) Fixed income (active)
(A) We checked that the information reported was verified through a third-party assurance process	<input type="checkbox"/>	<input type="checkbox"/>
(B) We checked that the information reported was verified by an independent third party	<input type="checkbox"/>	<input type="checkbox"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

(3) Active - fundamental

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(2) for a majority of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(2) for a majority of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

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(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

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MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

(3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(2) for a majority of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

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(B) Yes, we have a formal process but it does not include scenario analysis - Specify: (Voluntary)

At EDM, the investment process considers sustainability risks. To this end, we closely and continuously monitor the companies in which we invest, verifying the creation of long-term value for investors and the alignment of interests with their shareholders. This implies a periodic monitoring of both, economic and financial aspects, and ESG elements. New additions to the investment universe require a case-by-case analysis of disputes and a focus on their importance with respect to the company analyzed by the investment team. Our philosophy is to select the companies in each sector that best manage ESG risks and opportunities. Thus, the objective in EDM is to evolve every year by adding improvements in the process of integrating ESG analysis and incorporating it to the greatest extent possible in the valuation models. As part of the enhanced ESG integration, once the ESG quality level has been determined, it is translated into a company specific ESG discount rate which is added to the initial discount rate given by the financial analyst based on market risk and business risk. The ESG discount rate considers all ESG risk / opportunity elements found in the in-depth ESG report.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

(2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(1) in all cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

(3) Active - fundamental

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

(2) in a majority of cases

(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

(2) in a majority of cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

(2) in a majority of cases

(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

In line with our corporate purpose, EDM has developed an investment philosophy focusing on long-term quality growth that favours companies which can generate sustainable earnings growth.

The analysis conducted by our analysts and portfolio managers pays particular attention to two aspects: visibility on results and management quality.

EDM has chosen the ESG integration approach because it fits very well with EDM's general approach of stock picking quality companies with long-term investment horizon.

ESG criteria are based on the concepts of sustainable development and Corporate Social Responsibility (CSR). These aspects occupy a growing place in EDM's research, analysis and investment decisions.

EDM needs to identify material ESG risks and opportunities of investee companies. This approach offers a broader and complementary assessment of companies in addition to information provided by the traditional fundamental financial analysis. This focus on materiality allows us to monitor key issues and to use the results of our research for valuation purposes.

By detail:

(i) The investment team is responsible for the financial and extra-financial analysis that incorporates specific ESG criteria. From this analysis we obtain a score that allows us to consider the risk assumed in ESG.

(ii) All scores below 50/100 will be reviewed in detail. It is mandatory to contact the company in order to obtain further details. In these particular cases we give a period of one year to know if the company has incorporated improvements in its policies and reporting. In the case of companies with a rating lower than 50, it will be essential to contact the company and penalize the valuation applying a 50bp increase over the cost of capital.

- (iii) Individual engagement. We look to engage with companies where we have identified material ESG risks that can be mitigated and/or ESG opportunities that can be developed. We reiterate the importance of engagement. If after 12 months, in the following annual evaluation, the company has not obtained an improvement in the rating, it should be excluded from the portfolio.
- (iv) As part of the enhanced ESG integration, once the ESG quality level has been determined, it is translated into a company specific ESG discount rate which is added to the initial discount rate given by the financial analyst based on market risk and business risk. The ESG discount rate considers all ESG risk / opportunity elements found in the in-depth ESG report.
- (v) We use Clarity AI and Bloomberg as a support tool in our internal assessment, with the aim of contrasting information while avoiding possible conflicts of interest and reducing risks of internal bias.
- (vi) Exclusion lists, including portfolio specific exclusion lists, are controlled at this stage to ensure that unauthorised positions are not added to the portfolio.
- (vii) Review frequency: annual with updated information in annual reports and sustainability reports.

An initial preview is carried out by the financial analysts in relation to financial and extra-financial criteria. Where companies pass this initial screening, they are considered as potential investment ideas.

If there is more interest in a specific company, a deep fundamental financial analysis is conducted by the financial analyst and it is purposed to be included in EDM's investment universe.

At this stage, an ESG check is conducted by the financial analyst in order to have a first ESG opinion highlighting any potential significant ESG issues.

At each investment meeting, the possible sustainability risk is debated and questioned, the final decision is agreed to by the analysts and portfolio managers.

If there are still doubts, it will be essential to contact the company to clarify the possible risks.

Where enhanced ESG integration is applied, each company will be reviewed once a year. Except for those companies with short-term or structural ESG concerns with a material impact that have been found during this ESG check.

In addition, if ESG team detects any controversy, it must be analysed and presented to the Risk and Sustainability Committee in order to make a final investment decision. Controversies are reviewed quarterly.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(3) Active - fundamental

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.

At EDM we believe that through the incorporation of ESG factors, it's possible to assess better the risks and opportunities of our investments. After some years since the launch of our own ESG policy, we have witnessed many cases where the incorporation of ESG factors have positively impacted the realized returns. This positive impact can be sorted in two groups:

1. Re-rating of the multiple: Incorporating ESG factors, has enabled us to assess better the risks and opportunities that our investees face. In many cases, those companies with a better ESG commitment have had a re-rating in their multiples, anticipating their capacity to keep creating value under any circumstances.

Ex: Corticeira Amorim is a Portuguese company with a leading position in the cork industry. Their commitment towards a net zero target plus the incorporation of ESG factors in their taking decisions process, have been clearly well received by the market. In the last 15 years the PE multiple has doubled and now trades with an ESG premium versus its peers.

2. Prevention of tail risks: In many cases, the tail risks that companies face are not financial but ESG related. The absence of an ESG analysis can sometimes lead to the miss management of risk factors. Therefore, many value losses come from non-financial risk that were not evaluated ex-ante. Misleading accountability, environmental externalities or lack of human rights, are some examples that can provoke huge losses in the investments.

Ex: Teleperformance is a French company leading the outsourcing of customer service. It is an excellent company in financial terms. However, some of their workers were allegedly facing psychological abuse during their trainings for social media expertise. After the beginning of an investigation by the authorities, the company suffered a big downturn in its price. Our ESG analysis, was key to sell our position before the news went out. We avoided a negative impact in our realized returns.

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

FIXED INCOME (FI)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?

	(1) SSA	(2) Corporate
(A) Yes, our investment process incorporates material governance factors	(2) for a majority of our AUM	(2) for a majority of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(2) for a majority of our AUM	(2) for a majority of our AUM

(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons (2) for a majority of our AUM (2) for a majority of our AUM

(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion ○ ○

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors ○ ○

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?

(1) SSA

(2) Corporate

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but does it not include scenario analyses (2) for a majority of our AUM (2) for a majority of our AUM

(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion ○ ○

(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets

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PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?

(1) SSA

(2) Corporate

(A) We incorporate material environmental and social factors

(B) We incorporate material governance-related factors

(C) We do not incorporate material ESG factors for the majority of our fixed income investments

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?

	(1) SSA	(2) Corporate
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector		
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	○	○
(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments	(1) for all of our AUM	(1) for all of our AUM
(B) We make a qualitative assessment of how material ESG factors may evolve		

(C) We do not incorporate significant changes in material ESG factors

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ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?

(1) SSA

(2) Corporate

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(2) for a majority of our AUM

(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(2) for a majority of our AUM

(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

(1) SSA

(2) Corporate

(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations

(2) for a majority of our AUM

(2) for a majority of our AUM

(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits

(2) for a majority of our AUM

(2) for a majority of our AUM

(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors

(2) for a majority of our AUM

(2) for a majority of our AUM

(D) We use another method of incorporating material ESG factors into our portfolio's risk management process

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(1) SSA

(2) Corporate

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realized returns of those assets.

At EDM we believe that through the incorporation of ESG factors, it's possible to assess better the risks and opportunities of our investments. After some years since the launch of our own ESG policy, we have witnessed many cases where the incorporation of ESG factors have positively impacted the realized returns. This positive impact can be sorted in two groups:

1. Re-rating of the multiple: Incorporating ESG factors, has enabled us to assess better the risks and opportunities that our investees face.

In many cases, those companies with a better ESG commitment have had a re-rating in their multiples, anticipating their capacity to keep creating value under any circumstances.

Example as a corporate: Veolia is a leading ESG company for meeting environmental challenges. Decarbonization, economy and regeneration of resources, and depollution: these are the three challenges they are addressing for their stakeholders. These solutions, to be effective, must then be adopted and produce measurable effects, creating a "before" and an "after": this implies that they are affordable, replicable, scalable, and desirable.

We believe that Veolia is very well positioned to address climate issues while in a transition phase to adapt and mitigate climate in order to positively impact society.

This is reflected in stock performance and market consensus upward revision to earnings.

2. Prevention of tail risks: In many cases, the tail risks that companies face are not financial but ESG related. The absence of an ESG analysis can sometimes lead to the miss management of risk factors. Therefore, many value losses come from non-financial risk that were not evaluated ex-ante. Misleading accountability, environmental externalities or lack of human rights, are some examples that can provoke huge losses in the investments.

Maxam is an example of NO investment due to the exposure to a controversial sector like Defense and the investment decision is aligned with EDM principles and philosophy.

Despite, the company is transforming itself. November 2022 Maxam agreed a deal to sell the explosives and ammunition activity to a german military company, Rheinmetall in order to divest from this controversial activity.

They has been redefined in order to ensure a constinuosly improvement on their environmental conduct and the quality of their products and services and they are committed to preserve our planet through strict environmental procedures, focusing on energy consumption, water management, biodiversity, climate change and circular economy.

Maxam commitment consists on the contribution to its customers' value chain anywhere in the world translates into progress and sustainable development for society as a whole. MAXAM operates in a highly regulated environment, which limits the existence of human rights risks. In any case, the Company has strict mechanisms in place to ensure the ethics and integrity of all its operations.

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

(A) Sustainability outcome #1

- (1) Widely recognised frameworks used to guide action on this sustainability outcome
 - (1) The UN Sustainable Development Goals (SDGs) and targets**
 - (2) The UNFCCC Paris Agreement**
 - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - (5) The EU Taxonomy**
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights
 - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
 - (1) Environmental**
 - (2) Social
 - (3) Governance-related
 - (4) Other
- (3) Sustainability outcome name
 - GHG emissions and Taxonomy alignment
- (4) Number of targets set for this outcome
 - (1) No target
 - (2) One target
 - (3) Two or more targets**

(B) Sustainability outcome #2

- (1) Widely recognised frameworks used to guide action on this sustainability outcome
 - (1) The UN Sustainable Development Goals (SDGs) and targets**
 - (2) The UNFCCC Paris Agreement
 - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)**
 - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights

- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) Environmental
 - (2) Social**
 - (3) Governance-related**
 - (4) Other
- (3) Sustainability outcome name
- Gender diversity and equality
- (4) Number of targets set for this outcome
- (1) No target
 - (2) One target**
 - (3) Two or more targets
- (C) Sustainability outcome #3**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets**
 - (2) The UNFCCC Paris Agreement
 - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)**
 - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights
 - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) Environmental
 - (2) Social**
 - (3) Governance-related**
 - (4) Other
- (3) Sustainability outcome name
- Eradicate child labour
- (4) Number of targets set for this outcome
- (1) No target
 - (2) One target**
 - (3) Two or more targets
- (D) Sustainability outcome #4**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets
 - (2) The UNFCCC Paris Agreement
 - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights

- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) Environmental
 - (2) Social
 - (3) **Governance-related**
 - (4) Other
- (3) Sustainability outcome name
- Ethics, values and good corporate governance
- (4) Number of targets set for this outcome
- (1) No target
 - (2) One target
 - (3) **Two or more targets**
- (E) **Sustainability outcome #5**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets
 - (2) The UNFCCC Paris Agreement
 - (3) **The UN Guiding Principles on Business and Human Rights (UNGPs)**
 - (4) **OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights
 - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) Environmental
 - (2) **Social**
 - (3) **Governance-related**
 - (4) Other
- (3) Sustainability outcome name
- Working conditions and employee satisfaction. Health and safety for employees.
- (4) Number of targets set for this outcome
- (1) No target
 - (2) **One target**
 - (3) Two or more targets
- (F) Sustainability outcome #6
 - (G) Sustainability outcome #7
 - (H) Sustainability outcome #8
 - (I) Sustainability outcome #9
 - (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	GHG emissions and Taxonomy alignment					
(1) Target name	GHG emissions and Taxonomy alignment					
(2) Baseline year	2022					
(3) Target to be met by	2030					
(4) Methodology	<p>Regarding investments, our internal process consists of analyzing scope 1, 2 & 3 emissions of all investee companies. We expand this information with active environmental policies and strategic plans. We believe that with this data we have enough information to consider whether the investee companies are aligned with the transition to a low carbon economy and the Paris Agreement. We use Clarity AI as a support tool in order to identify the temperature alignment to understand how companies comply with the Paris Agreement.</p> <p>Regarding Taxonomy alignment, we measure the eligibility and alignment to EU Taxonomy with EDM Global Equity Impact Fund in order to measure the activities that could be qualify as environmentally sustainable fully aligned to mitigate and adapt the effects of climate change. The taxonomy will allow investors to redirect their investments towards more sustainable technologies and companies. It will be critical to enable the EU to become climate neutral by 2050 and to achieve the 2030 targets of the Paris Agreement, including a 40% reduction in greenhouse gas emissions. In this context, the financial risks associated with climate change are analyzed.</p>					
(5) Metric used (if relevant)	We monitor direct and indirect emissions (scope 1, 2 and 3) complemented with the monitoring of active policies and the environmental strategy of the companies. This allows us to assess environmental risks and opportunities.					
(6) Absolute or intensity-based (if relevant)	(2) Intensity-based					

(7) Baseline level or amount (if relevant):	We monitor this data annually. Some of the companies analyzed established 2019 as a reference level with goals for 2025 or 2030.
(8) Target level or amount (if relevant)	We monitor this data annually. Some of the companies analyzed established 2019 as a reference level with goals for 2025 or 2030.
(9) Percentage of total AUM covered in your baseline year for target setting	70%
(10) Do you also have a longer-term target for this?	(2) No

(A2) Sustainability Outcome #1: Target details

(A2) Sustainability Outcome #1:	GHG emissions and Taxonomy alignment
(1) Target name	GHG emissions and Taxonomy alignment
(2) Baseline year	2022
(3) Target to be met by	2030
(4) Methodology	<p>Regarding investments, our internal process consists of analyzing scope 1, 2 & 3 emissions of all investee companies. We expand this information with active environmental policies and strategic plans. We believe that with this data we have enough information to consider whether the investee companies are aligned with the transition to a low carbon economy and the Paris Agreement. We use Clarity AI as a support tool in order to identify the temperature alignment to understand how companies comply with the Paris Agreement.</p> <p>Regarding Taxonomy alignment, we measure the eligibility and alignment to EU Taxonomy with EDM Global Equity Impact Fund in order to measure the activities that could be qualify as environmentally sustainable fully aligned to mitigate and adapt the effects of climate change. The taxonomy will allow investors to redirect their investments towards more sustainable technologies and companies. It will be critical to enable the EU to become climate neutral by 2050 and to achieve the 2030 targets of the Paris Agreement, including a 40% reduction in greenhouse gas emissions. In this context, the financial risks associated with climate change are analyzed.</p>
(5) Metric used (if relevant)	We monitor direct and indirect emissions (scope 1, 2 and 3) complemented with the monitoring of active policies and the environmental strategy of the companies. This allows us to assess environmental risks and opportunities.

(6) Absolute or intensity-based (if relevant)	(2) Intensity-based
(7) Baseline level or amount (if relevant):	We monitor this data annually. Some of the companies analyzed established 2019 as a reference level with goals for 2025 or 2030.
(8) Target level or amount (if relevant)	We monitor this data annually. Some of the companies analyzed established 2019 as a reference level with goals for 2025 or 2030.
(9) Percentage of total AUM covered in your baseline year for target setting	70%
(10) Do you also have a longer-term target for this?	(2) No
(B1) Sustainability Outcome #2: Target details	
(B1) Sustainability Outcome #2:	Gender diversity and equality
(1) Target name	Gender diversity and equality
(2) Baseline year	2022
(3) Target to be met by	2026
(4) Methodology	<p>Monitoring and evaluation are important parts of the process of change, the gender equality plan (GEP) will typically address several issues at once, leading to a complex set of measures. This analysis can support the effective implementation of measures, ensure accountability, and enhance your knowledge and understanding of ongoing changes.</p> <p>Our methodology consists on identifying quantitative indicators selected to fit our specific objectives. Some indicators are: staff numbers by gender at all levels and shares of women and men in Board of Directors.</p>
(5) Metric used (if relevant)	Quantitative indicators
(6) Absolute or intensity-based (if relevant)	(1) Absolute
(7) Baseline level or amount (if relevant):	We monitor and evaluate this data on an annual basis to identify if they meet the established objectives

(8) Target level or amount (if relevant) By 2026, companies will need to have 40% of the underrepresented sex among non-executive directors or 33% among all directors fully aligned with EU guidelines.

(9) Percentage of total AUM covered in your baseline year for target setting 70%

(10) Do you also have a longer-term target for this? (1) Yes

(C1) Sustainability Outcome #3: Target details

(C1) Sustainability Outcome #3: Eradicate child labour

(1) Target name Eradicate child labour

(2) Baseline year 2022

(3) Target to be met by 2023

(4) Methodology

The use of underage children as labor in the world's farms, factories, mines and trucks to power our global supply chains is modern slavery. And it's endemic. For most global companies, underaged labor — the exploitation of children — feels remote. The reality is that child labor is in many of today's finished goods and produce, and not just in the well-known areas of cocoa production and agriculture. As EDM investors push companies to track and report their corporate social responsibility efforts and impact.

Regulators around the world are introducing legislation that will make companies responsible for human rights abuses in their supply chains. But more important, companies now have technologies for tracking materials and monitoring suppliers across their entire complex, multi-geography supply chains. are beginning to compel companies to track and report their corporate social responsibility efforts and impact.

We monitor the active internal policies and the commitment of retail companies that historically some of them have had some controversial exposure in their supply chains.

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 70%

(10) Do you also have a longer-term target for this? (1) Yes

(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4: Ethics, values and good corporate governance

(1) Target name Ethics, values and good corporate governance

(2) Baseline year 2022

(3) Target to be met by 2023

(4) Methodology

Related to leadership and quality of company management. Responsibility in the governance of the organization may include actions such as promoting transparency in accounting, not engaging in illegal practices, or encouraging discussions among shareholders to make important decisions. The composition of the Board of Directors will be assessed as positive, making an annual monitoring of the number of members (between 9-12 members) as well as the independence of the directors (at least 30% of Board members).

Additionally, we evaluate the Governance and Sustainability System that is based upon a commitment to ethical principles, transparency and leadership in the application of the best international practices in good governance and revolves around three main vectors: environmental, social and corporate governance. We use as a support tool to measure this data Clarity AI in order to evaluate their efforts on that.

Finally, we monitor the variable remuneration at C-level. As part of their commitment, we value as positive that investee companies incorporate detailed ESG metrics into their variable remuneration arrangements.

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(1) Absolute

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 70%

(10) Do you also have a longer-term target for this?

(2) No

(D2) Sustainability Outcome #4: Target details

(D2) Sustainability Outcome #4: Ethics, values and good corporate governance

(1) Target name Ethics, values and good corporate governance

(2) Baseline year 2022

(3) Target to be met by 2023

(4) Methodology

Related to leadership and quality of company management. Responsibility in the governance of the organization may include actions such as promoting transparency in accounting, not engaging in illegal practices, or encouraging discussions among shareholders to make important decisions. The composition of the Board of Directors will be assessed as positive, making an annual monitoring of the number of members (between 9-12 members) as well as the independence of the directors (at least 30% of Board members).

Additionally, we evaluate the Governance and Sustainability System that is based upon a commitment to ethical principles, transparency and leadership in the application of the best international practices in good governance and revolves around three main vectors: environmental, social and corporate governance. We use as a support tool to measure this data Clarity AI in order to evaluate their efforts on that.

Finally, we monitor the variable remuneration at C-level. As part of their commitment, we value as positive that investee companies incorporate detailed ESG metrics into their variable remuneration arrangements.

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(1) Absolute

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

70%

(10) Do you also have a longer-term target for this?

(2) No

(E1) Sustainability Outcome #5: Target details

(E1) Sustainability Outcome #5:

Working conditions and employee satisfaction. Health and safety for employees.

(1) Target name

Working conditions and employee satisfaction

(2) Baseline year

2022

(3) Target to be met by

2023

(4) Methodology

We use Clarity AI as a support tool in order to measure this data.

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 70%

(10) Do you also have a longer-term target for this? (2) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(B1) Sustainability Outcome #2: Gender diversity and equality	Gender diversity and equality		By 2026, companies will need to have 40% of the underrepresented sex among non-executive directors or 33% among all directors fully aligned with EU guidelines.
(C1) Sustainability Outcome #3: Eradicate child labour	Eradicate child labour		<p>Corporations have a duty to prevent child labor abuses in their supply chains. Big corporations have the power to ensure compliance with labor and employment laws among their labor contractors and prevent the exploitation of children within their supply chains.</p> <p>They can set minimum labor standards in their supply chains, regularly audit their subcontractors and suppliers to ensure compliance, and cease working with subcontractors and suppliers that violate minimum labor standards. We monitor it.</p>

FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

(A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: GHG emissions and Taxonomy alignment

Target name: GHG emissions and Taxonomy alignment

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(A2) Sustainability outcome #1:

(A2) Sustainability outcome #1: GHG emissions and Taxonomy alignment

Target name: GHG emissions and Taxonomy alignment

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: Gender diversity and equality

Target name: Gender diversity and equality

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(C1) Sustainability outcome #3:

(C1) Sustainability outcome #3: Eradicate child labour

Target name: Eradicate child labour

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(D1) Sustainability outcome #4:

(D1) Sustainability outcome #4: Ethics, values and good corporate governance

Target name: Ethics, values and good corporate governance

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(D2) Sustainability outcome #4:

(D2) Sustainability outcome #4: Ethics, values and good corporate governance

Target name: Ethics, values and good corporate governance

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(E1) Sustainability outcome #5:

(E1) Sustainability outcome #5: Working conditions and employee satisfaction. Health and safety for employees.

Target name: Working conditions and employee satisfaction

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	GHG emissions and Taxonomy alignment
(1) Target name	GHG emissions and Taxonomy alignment
(2) Target to be met by	2030
(3) Metric used (if relevant)	We monitor direct and indirect emissions (scope 1, 2 and 3) complemented with the monitoring of active policies and the environmental strategy of the companies. This allows us to assess environmental risks and opportunities.
(4) Current level or amount (if relevant)	
(5) Other qualitative or quantitative progress	We monitor quantitative indicators as direct and indirect emissions (scope 1, 2 and 3) as well as % of revenue aligned to EU Taxonomy within the sustainable fund.
(6) Methodology for tracking progress	We monitor this data on an annual basis to assess their progress and evolution in terms of their objectives. If we identify any significant difference we apply engagement activity in order to get further details on this.

(A2) Sustainability outcome #1: Target details

(A2) Sustainability outcome #1:	GHG emissions and Taxonomy alignment
(1) Target name	GHG emissions and Taxonomy alignment
(2) Target to be met by	2030
(3) Metric used (if relevant)	We monitor direct and indirect emissions (scope 1, 2 and 3) complemented with the monitoring of active policies and the environmental strategy of the companies. This allows us to assess environmental risks and opportunities.
(4) Current level or amount (if relevant)	
(5) Other qualitative or quantitative progress	

(6) Methodology for tracking progress

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2: Gender diversity and equality

(1) Target name Gender diversity and equality

(2) Target to be met by 2026

(3) Metric used (if relevant) Quantitative indicators

(4) Current level or amount (if relevant)

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

(C1) Sustainability Outcome #3: Target details

(C1) Sustainability Outcome #3: Eradicate child labour

(1) Target name Eradicate child labour

(2) Target to be met by 2023

(3) Metric used (if relevant)

(4) Current level or amount (if relevant)

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4:	Ethics, values and good corporate governance
(1) Target name	Ethics, values and good corporate governance
(2) Target to be met by	2023
(3) Metric used (if relevant)	
(4) Current level or amount (if relevant)	
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	

(D2) Sustainability Outcome #4: Target details

(D2) Sustainability Outcome #4:	Ethics, values and good corporate governance
(1) Target name	Ethics, values and good corporate governance
(2) Target to be met by	2023
(3) Metric used (if relevant)	
(4) Current level or amount (if relevant)	
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	

(E1) Sustainability Outcome #5: Target details

(E1) Sustainability Outcome #5:	Working conditions and employee satisfaction. Health and safety for employees.
(1) Target name	Working conditions and employee satisfaction
(2) Target to be met by	2023
(3) Metric used (if relevant)	
(4) Current level or amount (if relevant)	
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	

INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers
Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders
- (C) Stewardship: engagement with policy makers
- (D) Stewardship: engagement with other key stakeholders
- (E) Capital allocation

- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 5	N/A	PUBLIC	Capital allocation	1

During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Capital allocation activities used	(2) Sector allocation (4) Divestment from assets or sectors
(2) Explain through an example	<p>Firstly, as investors is basic to identify and understand the unintended outcomes of our investments. This assessment involves identifying positive and negative real-world outcomes related to investees' operations, products and services e.g. climate change and water scarcity, food security and poverty.</p> <p>We decided to invest in specific sectors with higher carbon intensity and above average portfolio emissions, however we identify positive outcomes and as investors we seek to shape outcomes in line with the policies and targets, and report on progress against those objectives.</p>

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	GHG emissions and Taxonomy alignment
(1) Capital allocation activities used	(2) Sector allocation (4) Divestment from assets or sectors
(2) Explain through an example	<p>Veolia is an example of a company with a higher carbon intensity above the industry average and 33% of revenue aligned with the taxonomy. However, we believe that this percentage will increase when the rest of the activities within the EU Taxonomy are defined. It is an example of a company exposed to water scarcity, circular economy and climate change, for which we identified positive outcomes. Nonetheless, the company is in the process of transitioning to a low carbon economy.</p>

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Gender diversity and equality

(1) Capital allocation activities used

(2) Sector allocation

(2) Explain through an example

Despite European targets on gender diversity, specifically in tech, women are still underrepresented, underpaid, and often discriminated against in the tech industry. Lack of representation for women in the IT industry can be attributed to a wide array of often interrelated factors, and its persistence has follow-on effects in terms of compensation, opportunity, and safety in the workplace.

Companies that emphasize equity and inclusion, however, are making inroads when it comes to promoting the careers of women — and retaining them.

We invest in several Tech companies, all of them has ambitious targets of incorporating more women and reduce inequalities. Part of our methodology is to monitor the percentage of women in the organization within different areas and leadership positions.

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Eradicate child labour

(1) Capital allocation activities used

(2) Sector allocation

(4) Divestment from assets or sectors

(2) Explain through an example

In retail sector (Inditex, LVMH) it is really important for us that companies disclose policies on Human Rights and the effective abolition of child labour. Inditex Group is fully committed to respecting, promoting and protecting Human Rights across its entire value chain, and this forms one of the main pillars of its business model. Inditex does not tolerate any form of modern slavery or human trafficking in its organization or in its supply chain and plays an active role in promoting and respecting Human Rights. This is done by setting and implementing policies aligned with Human Rights and the fundamental labour standards. They also establish monitoring and direct cooperation tools with their suppliers and take part in multilateral dialogue with organizations and institutions in the field.

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Ethics, values and good corporate governance

(1) Capital allocation activities used

(2) Sector allocation
(4) Divestment from assets or sectors

(2) Explain through an example

Focusing on board dynamics, remuneration and reporting can deliver a systematic, accountable and authentic approach to sustainability.

Schneider Electric is a European company with a Board of Directors. Late last year, the Board of Directors announced that they decided to implement a new governance structure that splits the office of Chairman from that of Chief Executive Officer.

We view this as positive because one of the main functions of the board of of the board's main roles is to monitor the operations of the company and to ensure that it is being run in conjunction with the mandate of the company and the will of the shareholders. As the CEO is the management position responsible for driving those operations, having a combined role results in monitoring oneself, which opens the door for abuse of the position.

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Working conditions and employee satisfaction. Health and safety for employees.

(1) Capital allocation activities used

(2) Sector allocation
(4) Divestment from assets or sectors

(2) Explain through an example

For employers looking to recruit and retain top talent, sustainability is crucial as more and more employees look for value-driven companies. Employee/Job satisfaction leads to high productivity, motivation and low employee turnover whereas Job dissatisfaction leads to lack of motivation, poor performance, and negative attitudes.

ASML is an example. We use Clarity AI to monitor data.

STEWARDSHIP WITH INVESTEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach

In EDM, stewardship with investees gains importance and relevance within responsible investment and outlines the stewardship tools investors can incorporate into policies, processes and practices. For us stewardship and ESG incorporation (integration of ESG factors in our investment and capital allocation decisions) are complementary strategies. Responsible investment involves both, including each feeding back into the other, for example by using insights garnered from engagement to enhance investment decision making – and vice versa.

We pursue a policy of active engagement, establishing constructive dialogue with investee companies and challenging current practices where we believe improvement is needed. We look to engage with companies where we have identified material ESG risks that can be mitigated and/or ESG opportunities that can be developed. As a result, the engagement with invested companies allows us to have a better knowledge of the ESG issues that could affect the business.

We engage on a case-by-case basis. We do not go into our meetings with companies with a standardized checklist, and we do not expect them to give us standardized answers. Where we engage on classic ESG themes, such as diversity or corporate governance, we tailor our questions and our recommendations to the circumstances of the company. Maintaining an ongoing dialogue with investee companies is part of our monitoring activities. Additionally, Engagement is mandatory for all scores below 50/100 which will be reviewed in detail. In these particular cases we give a period of one year to know if the company has incorporated improvements in its policies and reporting.

(2) Stewardship tools or activities used

(1) Engagement
 (2) (Proxy) voting at shareholder meetings
 (4) Nominating directors to the board

(3) Example

Teleperformance. We carried out an engagement process after an article published quoted anonymous employees at the company in Colombia citing very low pay for working six days a week on day and night shifts, while having to watch disturbing videos including of child sexual abuse and cannibalism.

The employees said Teleperformance was imposing unrealistic performance targets and subjecting them to extensive surveillance, including at home, while offering little psychological support.

Their attempts to unionize to secure better conditions have been repeatedly opposed, they said.

In accordance with our internal procedure when a controversy is identified, we decided to carry out an engagement process with sell-side analysts and the management of the company.

Conclusion.

After the engagement process, we concluded that there is a very high reputational risk at Teleperformance important. Applying the principle of prudence, we sell the entire position.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: GHG emissions and Taxonomy alignment

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Gender diversity and equality

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Eradicate child labour

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Ethics, values and good corporate governance

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Working conditions and employee satisfaction. Health and safety for employees.

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) We prioritise the most strategically important companies in our portfolio.

Describe how you do this:

At EDM we build an existing practice related to stewardship but explicitly prioritises the seeking of outcomes over process and activity, and common goals and effort over narrow interests. We do not just focused on the risks and returns of these individual holdings, we expand this information by addressing systemic issues such as climate change and/or corruption / controversies. It means prioritising the long-term, absolute returns for universal owners, including real-term financial and welfare outcomes for beneficiaries more broadly.

We prioritise the most strategically important companies within our portfolio, however this engagement process is extended to other investee companies if necessary.

Select from the list:

- 2
- 3
- 4

(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.

(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.

Describe how you do this:

At EDM we engage with companies that operate in sectors with higher carbon emissions as we consider this an area of potential risk. In accordance with our methodology, we penalize within the ESG scoring those companies with a carbon intensity above the industry average in order to reflect potential risk. Meanwhile we engage with investee companies to obtain further information related to this potential risk area. We ask the investees to prioritise their approach based on the concept of severity by assessing the scale of outcome mainly based on the availability to restore those affected to a situation at least equivalent to their previous situation. Basically, our engagement process consists of updating active policies and their strategic plan in order to monitor their transition and good progress fully aligned with Paris Agreement.

Select from the list:

- 1
- 3
- 4

(D) Other

STEWARDSHIP WITH EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	OO 5, SO 5	N/A	PUBLIC	Stewardship with external investment managers	2

During the reporting year, how did your organisation, or the external service providers acting on your behalf, engage with external investment managers to ensure that they take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach

In EDM, stewardship with investees gains importance and relevance within responsible investment and outlines the stewardship tools investors can incorporate into policies, processes and practices. For us stewardship and ESG incorporation (integration of ESG factors in our investment and capital allocation decisions) are complementary strategies. Responsible investment involves both, including each feeding back into the other, for example by using insights garnered from engagement to enhance investment decision making – and vice versa.

We pursue a policy of active engagement, establishing constructive dialogue with investee companies and challenging current practices where we believe improvement is needed.

We require to our external managers to implement responsible investment, conducting ESG-related research and incorporating this into investment decision making, and using stewardship approaches to influence the ESG practices of holdings. We delegate ESG policies and procedures while annually, we discuss with managers how they integrate ESG into analysis and discuss the stewardship tools embedded in policies, processes and practices.

So basically we have an active dialogue with external managers in order to understand their investment management approach for investee stewardship. This include:

- 1) engagement with investees
- 2) voting at shareholder meetings
- 3) nomination of directors to the board
- 4) leveraging roles on the board or on board committees
- 5) direct oversight of portfolio companies or assets

and in terms of broader stewardship, it includes:

- 1) policy engagement
 - 2) engagement with industry groups
 - 3) stewardship actions of intermediaries in the investment chain, e.g. engagement with other stakeholders
-

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: GHG emissions and Taxonomy alignment

(1) Describe your approach

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Gender diversity and equality

(1) Describe your approach

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Eradicate child labour

(1) Describe your approach

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Ethics, values and good corporate governance

(1) Describe your approach

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Working conditions and employee satisfaction. Health and safety for employees.

(1) Describe your approach

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
 - (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited
- (B) Manager selection, appointment and monitoring
- (C) Listed equity
- (D) Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

Provide details of the internal audit process regarding the information submitted in your PRI report.

Internal review and verification is one of the control activities that EDM implemented as part of its system of internal controls. The activity include review by a compliance team, as well as the approval by Board of Directors of any ESG policy. Specifically, ESG procedures are approved by Risk and Sustainability Committee represented by Compliance, Head of ESG, CEO, Chief of Asset Management, Chief Investment Officer and Chiel of Wealth Management.

The internal audit process consists on validating our policies and procedures applied in ESG analysis.

At EDM we have an ESG team who is responsible for establishing policies, developing the internal procedure, and supervising and monitoring the analysis. All policies and procedures are verified and approved by Compliance team. Compliance team is responsible to review all ESG policies and so, identifying deficiencies and providing advice on how to improve undeveloped governance practices.

Internal audit proceeds to:

- 1) interview staff members directly involved with ESG policies and procedures: Head of ESG, ESG team, Compliance, Investment department, Portfolio Managers, Head of Investment department in order to ensure that organisation's risk management, accounting processes and internal controls are operating effectively. Observing and assessing risks, control design and operational effectiveness.
- 2) review and verify the accuracy of ESG policies and procedures as well as ESG process integration and testing of internal controls.
- 3) ensure that the culture of accountability and integrity is maintained by communicating the outcome of the audit activity and ensuring relevant teams are involved to help potential additional control measures.
- 4) the frequency of auditing internal control systems for the collection and reporting of ESG information is ad-hoc due to the constant updates of the regulation.
- 5) share audit outcomes in order to improve areas if needed and develop additional control measures

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent

Sections of PRI report reviewed

- (1) the entire report
- (2) selected sections of the report

- (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year