



# Exclusion policy relating to controversial weapons

2024

## Rothschild & Co Asset Management has established a formal exclusion policy regarding investment into companies linked to the production of controversial weapons.

This exclusion policy is part of a comprehensive Responsible Investment framework for Asset Management activities and are:

- Compliant with the regulations in force;
- Aligned with our approach to ESG criteria integration among our investment strategies;
- Part of a response to the risks induced by ESG risks for our investors.

This exclusion policy applies to our various Asset Management investment activities. It also covers managed accounts and dedicated funds, but it does not apply to index-linked structured products.

## Defining the controversial weapons sector:

This exclusion policy applies to companies involved in the manufacture of prohibited controversial weapons and associated systems or components, in particular:

- Cluster munitions (Oslo Convention of 2008);
- Landmines (Ottawa Treaty of 1999);
- Biological and chemical weapons (1972 & 1993 conventions);

In 2024, Rothschild & Co Asset Management extended the scope of exclusion for direct management to all so-called controversial weapons and associated systems or components. These include:

- Depleted uranium;
- Blinding laser weapons;
- Incendiary weapons (white phosphorus);
- Non-detectable fragment weapons.

Compliance with these principles is based on information from our extra-financial data provider MSCI ESG Research. The list of issuers concerned is updated quarterly.

This exclusion will be extended to open architecture products by the end of 2024.

## This exclusion policy is implemented according to the following rules:

### Direct management of listed and non-listed assets

- No investment can be made, and no lending provided to companies involved in the production of these prohibited weapons.
- Where companies in which we have already invested are involved in the production of these prohibited weapons, we will divest within 1 month.

As a matter of principle, we apply the exclusions to the parent company and its subsidiaries.

### Indirect management, listed and non-listed funds of funds

When we do not invest in individual companies but rather in funds or funds of funds, the implementation of this exclusion policy is more complex. Therefore:

- We integrate into our funds selection process the analysis of the controversial weapons policy exclusion implemented by fund managers.
- We have defined, at the level of listed funds of funds, a very residual threshold of 1% maximum of real exposure to violating companies. This exposure can only come from products whose composition is linked to indices exposed to one or more countries that are not signatories to the Oslo Convention, the Ottawa Treaty and the biological and chemical weapons conventions.

Only illiquid funds (such as private equity funds) and those linked to commodities, as defined in the Rothschild & Co Asset Management buy list or by the Private Assets activity, are excluded from this framework for technical reasons (lack of data transparency, concentration of the universe, composition of indices, etc.). These funds continue to be subject to engagement to set up a policy or to discuss their possible exposure. Since 2022, the Private Assets activity has raised its controversial weapons requirements in its funds selection, systematically verifying with its stakeholders the existence and implementation of an exclusion policy, or where appropriate through the signing of a cover letter when possible. In all cases, we always make our best efforts to find the alternative that best respects our investment principles regarding controversial weapons.

### In delegated management

For direct investment, our exclusion policy applies to the delegated management company by delegation for the part of the portfolio that is delegated to it.

For delegates investing in mutual funds, the latter (with the exception of certain strategies for the technical reasons explained above) must apply the controversial weapons exclusion policy defined by the delegates.

This exclusion policy relating to controversial weapons is published on the website of the management company Rothschild & Co Asset Management. It is updated annually.

**Non-promotional document.**

Rothschild & Co Asset Management Europe, organized under the laws of France, registered with the Trade and Companies Register of Paris RCS Paris 824 540 173. A management company licensed by the Autorité des Marchés Financiers under N° GP 17000014, having its registered office 29, avenue de Messine, 75008 Paris, France.

**About the Asset Management's division of Rothschild & Co**

As the specialised asset management division of the Rothschild & Co group, we offer personalised asset management services to a broad client base of institutional investors, financial intermediaries and distributors. Our development is focused on a range of open-ended funds, marketed under four strong brands: Conviction, Valor, Thematic and 4Change, and leveraging our long-term expertise in active management with conviction as well as in delegated management. More information at: [www.am.eu.rothschildandco.com](http://www.am.eu.rothschildandco.com)



Join us on  
LinkedIn 

For further information  
[am.eu.rothschildandco.com](http://am.eu.rothschildandco.com)

 **Rothschild & Co**  
Asset Management