Engagement and Voting Report

Fiscal Year 2023

Taking Part in the Transition

The world has changed: economic growth and investments shall now be considered from a sustainability perspective. Across industries, geographies, and competitive environments, sustainability issues have a major impact on companies' growth prospects, financing capabilities, stakeholders, reputation, and, therefore, long-term valuations.

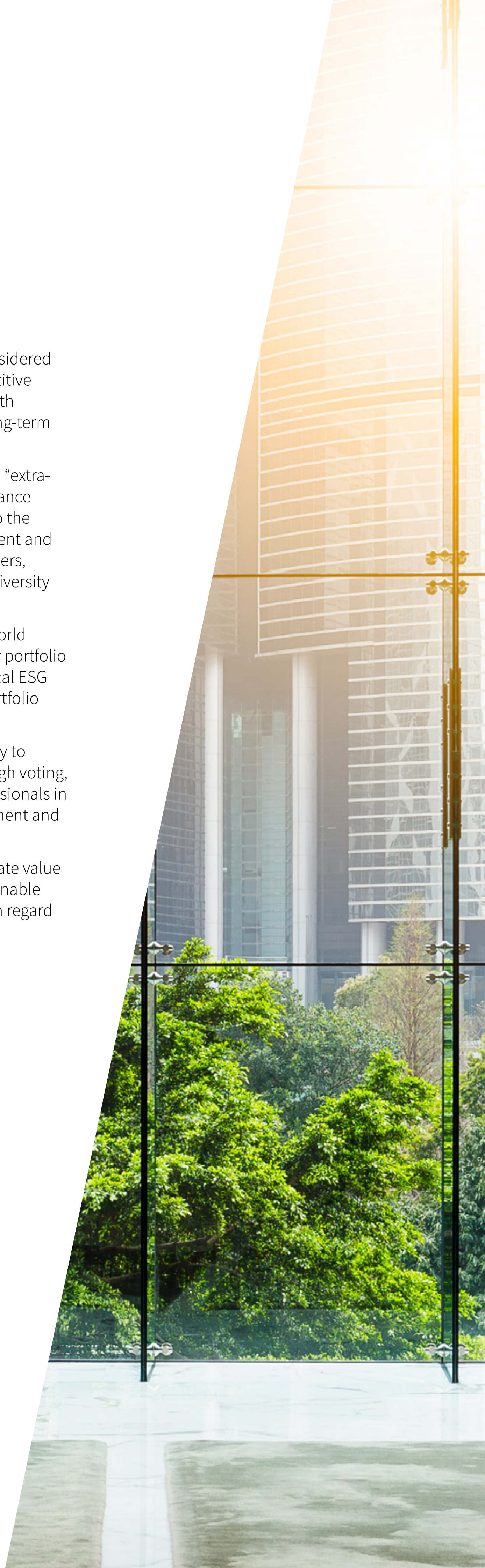
Having investment convictions means going beyond a regulatory vision or an "extra-financial process" to form a more global opinion on the soundness and relevance of a business model, the credibility of a strategy, or the ability to contribute to the transformation towards a more sustainable and inclusive world. Our investment and engagement approach aims to foster the transformation of all economic players, regardless of their sector of activity, on issues related to climate change, biodiversity conservation, and social stakes.

Supporting the transition of economic players towards a more sustainable world requires a great deal of analytical rigour, coupled with a long-term vision. Our portfolio managers and teams of analysts identify for investee company the most critical ESG issues, the objectives to be achieved, the underlying risks, the impacts on portfolio construction and and the relevant indicators to monitor progress.

Our engagement approach is framed for the long-term and requires the ability to create the conditions for continuous and transparent communication. Through voting, individual dialogue with issuers, and collaboration with other industry professionals in national and international initiatives, we actively participate in the establishment and dissemination of good practice.

We are conviction-based managers, and our investment strategies aim to create value for our clients by actively participating in the transformation to a more sustainable world. This report aims to provide a more detailed and concrete account with regard to the engagement initiatives we undertook in 2023.

Pierre Baudard
Managing Partner & CEO



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Our vision of engagement

1.1 A sustainable approach to performance

A sustainable approach to performance

Initiated more than a decade ago, our approach to sustainability is consistent with our management DNA, i.e., creating value for our clients by anticipating structural shifts in the market. As conviction-based fund managers, we are guided in our investment decisions by three key principles:

1

Integrating sustainability issues into financial analysis

Sustainability criteria are not just extra-financial: they must be integrated into the overall analysis of an asset. This is why we combine financial and ESG analysis. Having convictions means going beyond a mere regulatory vision or an extra-financial process and forging a more comprehensive view of the solidity and relevance of a business model, the credibility of a strategy, and the ability to contribute to the transformation towards a more sustainable world.

2

Supporting all economic players in as part of a dynamic transition

We believe that transitioning towards a more sustainable world requires integrating all sectors, including the least virtuous ones. However, embracing a transition goal requires rigorous analysis, combined with a long-term vision. We are convinced that in supporting companies from all industries we will make greater progress, which, moreover, will come with an increase in market value.

3

Participating in the development of a more inclusive economy

A socially acceptable process is the prerequisite for a long-lasting transition. Our approach therefore intends to articulate the environmental and social dimensions consistently. We believe that a sustainable economic model encourages more inclusive practices.

We want to encourage companies in our portfolios to adapt their practices and steer their financial flows towards actors that integrate these challenges into their strategies and offer real-world solutions.

Hence, at a time when investors are being encouraged to invest massively in sustainable themes, we have chosen to offer a transition approach that makes it possible to invest in all sectors and to combine this with the sustainable transformations of companies and the goal of greater financial returns.

Our sustainability approach is applied at all levels

- **At the level of our investment portfolios,** through the implementation of a common ESG policy, complemented by regulatory and discretionary exclusion policies, a policy of engagement with issuers and asset management firms (for our open-architecture funds), an ISR voting policy, or the implementation of sharing units consisting in donating a portion of our management fees to charitable partners.

Respecting our convictions and those of our clients

1. Regulatory and discretionary exclusions

- Exclusion of controversial weapons / international sanctions
- Fundamental principles
- Rothschild & Co's investment principles for the thermal coal sector
- Exclusion of the tobacco sector
- Other specific filters relating to the investment strategy

Strengthening our conviction management

2. Integration of sustainability issues into our analysis

- Portfolio stock selection process based on an analysis of ESG criteria in addition to financial analysis
- On all our products[(1)] an average rating of BBB or higher, combined with a minimum coverage rate (MSCI ESG Research)
- ESG rating higher than that of the investment universe for the majority of our directly managed open-ended products
- Minimum sustainable investments for SFDR Article 8 and Article 9 products

Working for a positive impact

3. Engagement and voting policies

- Dialogue with issuers and asset management firms
- A voting policy that abides by sustainable investment principles
- Involvement in initiatives to promote sustainable investment
- Creation of sharing units

- **At the level of the sustainable finance ecosystem** *via* diligent participation in industry initiatives (Institut de la Finance Durable, Investors for a Just Transition, Climate Action 100+, Net Zero Asset Managers initiative, etc.), discussions with our external stakeholders (clients, data providers, public authorities, NGOs, education field) and mass market communication campaigns.
- **At the level of our organisation,** by setting up an ESG team at the heart of our management process and by involving all our teams in the strategic and operational deployment of our approaches, from portfolio managers to the heads of our organisation, including operational and sales functions (IT, Risk, Internal Control, Compliance, Communication, Marketing, Human Resources, etc.).

Didier Bouvignies
Managing Partner & Head of Asset Management

European equities

Anthony Bailly
Head of Equities Management

- *Vincent Iméneuraët*
- *Ugo Kiraz*

Bonds

Emmanuel Petit
Managing Partner & Head of Bond Management

- *Kristell Agaësse*
- *Philippe Lomné*
- *Julien Boy*
- *Michael Longeard*
- *Nicolas Racaud*
- *Yann Roux*
- *Samuel Gruen*
- *Mirthula Pirapakaran*
- *Henry Ndong*
- *Jérôme Loire*
- *Nataly Loaiza Santamaria*

Thematic

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Head of Thematic Management

- *Thierry Combes*
- *Alban Seydoux*
- *Nathalie Bourdoncle*
- *Valérie Oelhoffen*
- *Paul Reuge*

ESG & Financial Analysis

Ludivine de Quincerot
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Thomas Vincent
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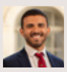
Natacha Rousset
Financial & ESG Analyst



Jorge Velandia
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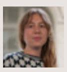
Edward Luu ESG Analyst & Head of Engagement

Andrea Sekularac
ESG Specialist



Alice Lagny
ESG Specialist

Global diversified allocation

Yoann Ignatiew
Managing Partner & Head of the Valor range

- *Charles-Edouard Bilbault*
- *Henri Captier*
- *Elsa Fernandez*
- *Klara Sok*
- *Louise Li*
- *Abel Amine*
- *Sergio Gallo*

Open Architecture

Marc Terras
Head of Open Architecture fund management

- *Thomas Ayache*
- *Stéphane de Kermoal*
- *Mathieu Six*
- *Sylvie Harvard-Duclos*
- *Laurent Cheng*
- *Linh Mansion*
- *Jade Weil*
- *Pierre Hauvette*
- *Morgane Wespieser*
- *Ambre Laurenson*

Investment solutions

Étienne Rouzeau
Head of Investment Solutions

- *Vincent Gouzon*
- *Valérie Chevalier*

(1) Excepté R-co OPAL Emergent

Over 10 years of sustainable investment

2023

Signature of FIR "Say on Climate" open letter

AFG: participated in the "Diversity & gender" and "Transition plan" working groups

Participation in 2 new working groups of the Institut de la Finance Durable (methodology of extra financial analysis & Fossil fuels trajectory)

Member of the FAIR collective

Member of the FIR (participation in the Social working group and the Engagement Commission)

2022

New biodiversity data provider (Carbon4 Finance & CDC)

Involvement in the Finance For Tomorrow working group dedicated to biodiversity

Participation in the 2DII and ADEME working group on financial product environmental communications

Member of 1% for the planet

Publication of our NZAM targets

Publication of fossil fuel investment principles

Signature of FIR "Say on Climate" open letter

2021

96% of AuM in open-ended funds classified SFDR Articles 8 and 9 and 86% in AMF Categories 1 & 2

New ESG data providers (Carbon4 Finance & EthiFinance)

10 labelled funds, including 2 funds of funds

Member of Finance for Tomorrow, Investors for a Just Transition coalition, the Net Zero Asset Managers Initiative, and the fossil fuels working group of the French Asset Management Association (AFG)

Partnerships with Polar Pod and Café Joyeux

Signatory to the UN Global Compact, at Rothschild & Co Group level

2020

Rothschild & Co’s sustainable investment roadmap

Rothschild & Co Group’s thermal coal investment principles

2019

4Change SRI labelled product range

Member of “Climate Action 100+”

Rothschild & Co’s Group Sustainable Investment Committee

2018

Launch of an institutional mandate Low Carbon

2017

New ESG data provider (MSCI ESG Research)

Signatory to the CDP (Carbon Disclosure Project), at Rothschild & Co Group level

2015

Launch of the work on carbon and social issues

2012

ESG rating tool for portfolios

2011

Signatory to the UN PRIs

ISS sustainable voting policy implementation

Highlights of 2023

Our sustainability approach is more than 10 years old. With this experience, which allows us to stand back and keep a critical eye in a changing environment, we accelerated our initiatives, making sure to keep our approach clear and simple.

- **Drawing up an analysis grid for company transition plans**

  As part of our direct management of a limited number of funds(2), we now have a grid for analysing companies' transition plans. Established by our analysts, it is based on the assessment of predefined criteria, based on six pillars: governance of climate issues and just transition, transparency of greenhouse gas emissions reporting, public commitments to the climate, robustness of environmental objectives, measures and investments, and results observed in terms of transition.

  Its aim is threefold:

  - Establish the transition potential of companies by identifying the measures they have already implemented and assessing the credibility and relevance of their ambitions;
  - Foster dialogue with companies; and
  - Respond to growing demands (from regulations, customers, labels, etc.) to identify and invest in so-called "transitional" assets.

As part of the process of formalising this proprietary approach, we have decided, from 2023 onwards, to draw on existing frameworks and to take part in industry initiatives (AFG, IFD) aimed at defining best practice for analysing companies' transition plans. We are committed to continuous improvement and intend to develop our approach further over the coming years.

- **Finansol label obtained and Towards Sustainability labels maintained**

  Since 2019, as part of our dedicated products and our 4Change range of open-ended funds we have managed labelled socially responsible investment strategies. These are based on enhanced sustainable selection criteria, additional exclusions, specific engagement programs and address environmental (Net Zero transition, Green Bonds) or social (Inclusion) issues. The "4Change" range is aligned with European standards(3) and includes funds with the SRI, Towards Sustainability and/or Finansol labels. It constitutes a demonstration of our know-how and our engagement in favour of specific sustainability challenges.

10
Labelled funds in our 4Change range

5
Funds categorised as Article 9 under SFDR

2
Net Zero investment strategies

	Equity/Multi-management		Diversified	Fixed-Income
Eurozone	R-co 4Change Net Zero Equity Euro (SFDR Article 9)	R-co 4Change Equity Euro (SFDR Article 8)		R-co 4Change Net Zero Credit Euro (SFDR Article 9)
Europe	R-co OPAL 4Change Equity Europe (SFDR Article 8)	R-co 4Change Inclusion & Handicap Equity (SFDR Article 9)	R-co 4Change Moderate Allocation (SFDR Article 8)	R-co 4Change Convertibles Europe (SFDR Article 8)
World	R-co OPAL 4Change Sustainable Trends (SFDR Article 8)	R-co Valor 4Change Global Equity (SFDR Article 9)		R-co 4Change Green Bonds (SFDR Article 9)

SRI label from the French government   Towards Sustainability label awarded by the Belgian financial institution

Febelfin Sharing fund dedicated to the Polar Pod expedition   Sharing fund dedicated to the Café Joyeux solidarity enterprise

(2) The scope of the funds concerned is available on request.
(3) a) Labelled funds have AFG-Eurodif transparency codes. b) Investments in sustainable bonds (green bonds, social bonds and sustainability bonds) comply with all the principles set out in the AFG-Eurodif transparency code. (b) Investments in sustainable bonds (green bonds, social bonds and sustainability bonds) all comply with the principles laid down by the International Capital Market Association (ICMA), namely the Green Bond Principles "GBP", the Social Bond Principles "SBP" and the Sustainability Bond Guidelines "SBG".

Notably, following the various audits carried out in 2023, we were awarded the Finansol label for the first time, recognising the work carried out on our strategy dedicated to inclusion and disability. The R-co 4Change Moderate Allocation, R-co Valor 4Change Global Equity, R-co 4Change Green Bonds and R-co Opal 4Change Sustainable Trends funds maintained their Towards Sustainability labels, meeting increasingly strict certification criteria.

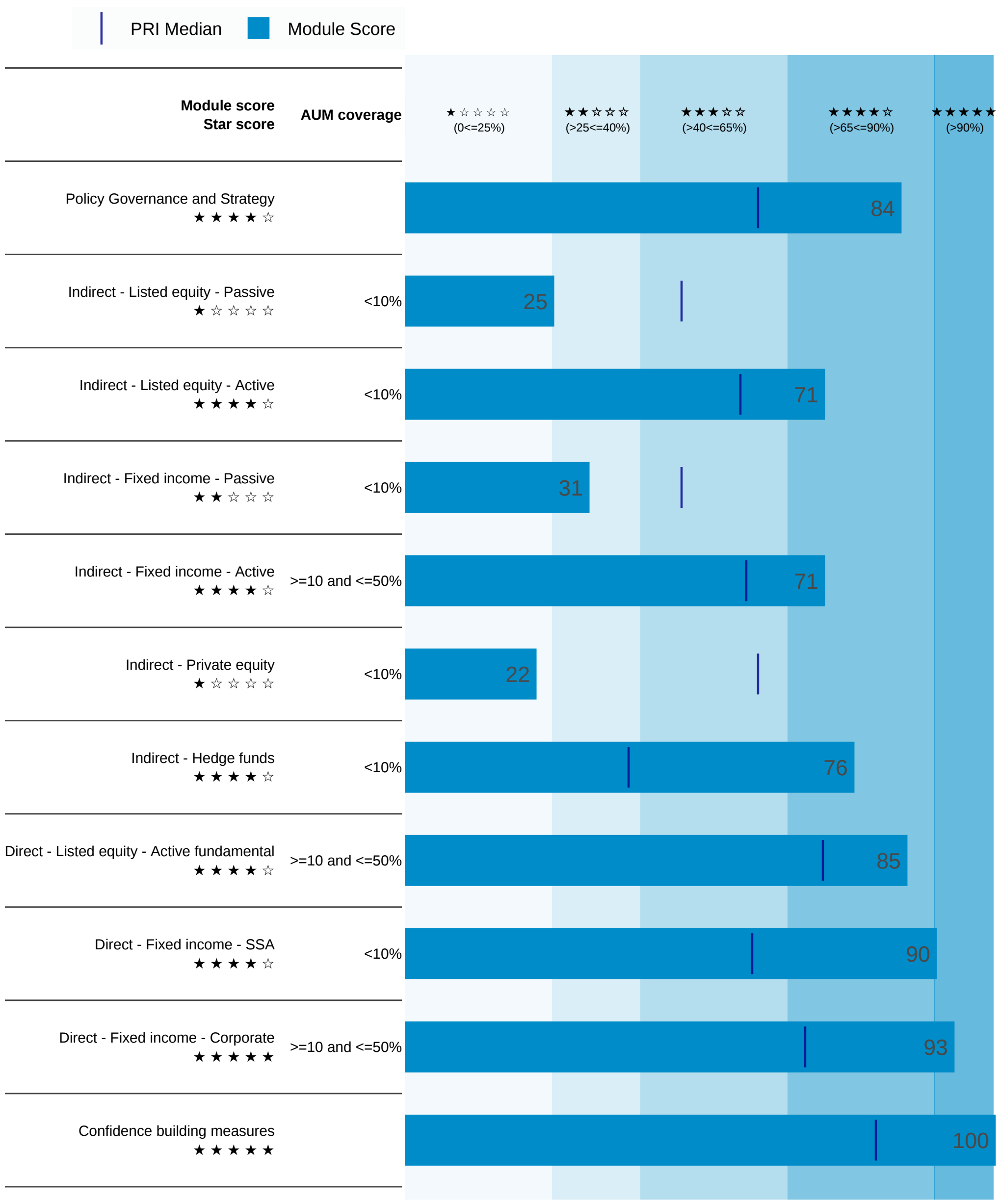
We have actively followed and participated in discussions on the development of the specifications for our various labels, with a view to making them ever more demanding and transparent. This work will continue in 2024 with the strengthening, in particular, of our engagement and controversy monitoring procedures.

- **Encouraging assessment of the UN PRI (United Nations Principles for Responsible Investment)**
  In line with previous years, we once again achieved encouraging results in the main categories of the annual UN PRI survey.

  The assessment report for the 2022 financial year confirmed our good positioning compared with other respondents: in 8 of the 11 categories evaluated, we scored above the median.

  We are committed to continuous improvement in our sustainable positioning and intend to take full advantage of this transparency exercise.

SUMMARY SCORECARD



Source: UNPRI, Rothschild & Co Asset Management Assessment Report, 2023.

FOCUS

Being part of a committed Group

At the centre of the financial markets for over 200 years, the Rothschild & Co Group is one of the world's leading independent financial advisory groups. With a network of more than 3,500 high-level professionals in over 40 countries and more than 60 offices, the Group's values are reflected in a Corporate Responsibility Policy in which Rothschild & Co Asset Management is involved in all aspects of its asset management activitie. For example, in the area of environmental responsibility:

- The Group's public support for the recommendations of the Task Force on Climate-related Financial Disclosures has enabled us to strengthen our analysis - of climate change risks in our investments and has led to the publication of a dedicated annual report (which also meets the requirements of Article 29 of the French Energy Climate Act);
- The Group's signature of the United Nations Global Compact in 2021, the compliance of which by the companies we invest in, is integrated into the common exclusion framework for our investments;
- The Group's 2021 commitment to achieve net zero emissions from its operations by 2030 is reflected in our responsible investment product offering (Net Zero strategies) and the initiatives we support (Polar Pod, Net Zero Asset Managers initiative, etc.);
- The investment principles related to the thermal coal sector, defined at Group level and reinforced annually, are complied with by all our dedicated and open investment vehicles.

Active participation in the Group's governance bodies

In 2019, the Rothschild & Co group materialised the strategic importance of sustainable investment for its various businesses by creating a dedicated committee, on which we are represented by Pierre Baudard, Managing Partner & CEO, and Ludivine de Quincerot, Head of ESG and Financial Analysis.

Rothschild & Co
Conseil de Surveillance

↑

Comité Exécutif du Groupe

↑

Sustainable Investment Committee	World Committee for Equality and Inclusion	World Committee for Community Engagement	Group Environment, Health and Safety Committee

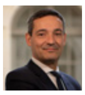
↑

President: **François Pérol**, Managing Partner – Co-Chairman of the Executive Committee

Members: representatives of all investment professions as well as central teams involved in RI (Responsible Investment Group, Risk and Compliance, Corporate Social Responsibility, Investor Relations, etc.)

↑

Members Rothschild & Co Asset Management



Pierre Baudard
Managing Partner & CEO

Ludivine de Quincerot
Head of ESG and Financial Analysis

A leading role in achieving the ESG objectives set by the Rothschild & Co Group

Rothschild & Co Asset Management has actively contributed to the realisation of the Rothschild & Co group Responsible Investment Roadmap 2019-2022. In the coming years, we will continue to play the leading role that we have historically played, in order to contribute to the realisation of the Group's Responsible Investment Roadmap 2022-2025.

Initiatives supported by the Rothschild & Co group and its subsidiaries

Initiatives	Description	Area	Participation
Robeco Circle for Sustainable Private Banking	Launched in November 2019, this initiative brings together the emblematic members of Private Banking within the "Robeco Circle for Sustainable Private Banking" with the major objective of rethinking Private Banking's place in society and sharing know-how and experience in Corporate Social Responsibility and Socially Responsible Investment.	France	Rothschild Martin Maurel
Climate Action 100+	Climate Action 100 + is an initiative aiming to alter the practices of the planet's major emitters of greenhouse gases. The participating investors in the initiative, representing total assets of more than USD 68,000 billion for nearly 700 investors, are calling on companies to improve their climate change governance, reduce greenhouse gas emissions and strengthen their climate-related financial disclosure.	World	Wealth Management UK
France Invest ESG Commission	The ESG Commission, which succeeded France Invest's Club Développement in 2013, is responsible for promoting the integration of non-financial ESG criteria among France Invest's private equity members and their portfolio companies.	France	Five Arrows
EDCi	The ESG Data Convergence Initiative (EDCi) brings together more than 350 private equity firms (240 General Partners and 110 Limited Partners), representing nearly $27 trillion in assets under management, committed to streamlining the private equity industry's historically fragmented approach to ESG data collection and reporting. Its mission is to create a critical mass of meaningful, performance-based and comparable ESG data from private companies.	World	Five Arrows
GIIN	The Global Impact Investing Network (GIIN) is the world's largest network of investors dedicated to impact investment	World	Five Arrows
ICI	The The Initiative Climate International (ICI) is a working group that aims to take into account International sustainability issues in the private equity sector.	World	Five Arrows
PIMFA	The Personal Investment Management & Financial Advice Association (PIMFA) is the trade association for the wealth management, investment services and investment and financial advice industry. The association has a strategic committee and a working group on sustainable finance.	United Kingdom	Wealth Management UK
SSF	Swiss Sustainable Finance ("SSF") promotes sustainability in the Swiss financial market and brings together financial and non-financial service providers, investors, universities and business schools, public sector entities, and other interested organisations.	Switzerland	Rothschild & Co Bank AG Zurich
The Investor Forum	The Investor Forum brings together institutional investors to create the conditions for collaborative shareholder engagement.	United Kingdom	Wealth Management UK
UK Stewardship Code	The UK Stewardship Code provides a principled and voluntary framework to encourage investors and service providers to consider ESG issues in the course of their business.	United Kingdom	Wealth Management UK
UN PRI	The Principles for Sustainable Investment (PRI), launched by the United Nations in 2006, encourage investors to integrate Environmental, Social, and Governance (ESG) issues into investment management.	World	Groupe

1.2 Contributing to change through dialogue with all of our stakeholders

At Rothschild & Co Asset Management , we are convinced that engagement is the key to having a positive and tangible impact on the real economy. Our strategy, formalised in 2021, is characterised by concrete actions in every link of our value chain, aimed at meeting three objectives:

1 **Act for the climate and preserving the planet**

2 **Contribute to a more inclusive economy**

3 **Facilitate the allocation of financial flows into sustainable investments**

In order to achieve this, we take action:

- **Alongside issuers, as part of our direct management practices.** To support and monitor their "ESG trajectories," we interact regularly and constructively with the issuers in which we invest. We assert our right of oversight whenever we deem this necessary to deepen our analyses, to evaluate issuers' capacity to transform, to guard ourselves from the risk of controversies, or to take real-world action in line with ESG investment themes (climate transition plans and Net Zero trajectories, taxonomic alignments, social inclusion, specific exclusions, sustainable performance indicators, main negative impacts, etc.). We focus on formulating areas for improvement that we can monitor. Unsuccessful or inconclusive interactions can have a direct impact on the management of our portfolios positions.
- **With asset management firms.** As part of our open architecture management and fund selection processes, we have adopted an integrated approach to ESG criteria with a single *due diligence* questionnaire. The answers provided enable discussions that are excellent opportunities to encourage asset management firms to improve their practices.
- **Within the sustainable finance ecosystem (clients, external data service providers, professional associations, local initiatives, public authorities, NGOs, educational sphere, etc.).** We actively take part in marketplace discussions by participating in public consultations, working groups and round tables, and by leading communication campaigns aimed at the general public.
- **Alongside our associative partners.** For some of our funds, a portion of the management fees associated to sharing units is donated to our charitable partners Polar POD Café Joyeux.
- **With our employees.** Training our employees and raising their awareness of our sustainable investment themes are success factors for our business. We carry out actions in this area and involve employees in our initiatives.

2

Concrete actions across the chain

2.1 Individual dialogue

Rothschild & Co Asset Management contributes to change by encouraging and supporting issuers in their efforts to improve their practices and transform their business models along with asset management companies in the development of their sustainable investment approaches. Individual dialogue enables us, as conviction-based fund managers, to ascertain their willingness to change, to strengthen our analyses and to inform our allocation and sales decisions.

2.1.1 Issuers

We believe that effective one-to-one dialogue must be:

1. Conducted with a true understanding of business models and specific challenges of each issuer and asset management company;
2. Regular and constructive, with the goal of fostering a trust-based relationship with issuers and asset management companies;
3. Mutually enriching, by having high-level people interact, including both “in the know” analysts and managers on the side of the investor, and “business line” experts or decision-makers on the side of the issuer or asset management company;
4. Contrarian and results-driven, by laying out channels for improvement and following up on them over time, while focusing on both quality and quantity.

Individual dialogue informs our analyses and ensures us of the good faith and real capacities of issuers and asset management to transform.

Targeted approach

In light of our desire to support actors in all sectors, we must conduct our engagement initiatives with the greatest degree of thoroughness.

In practice, this gives rise to a bilateral dialogue that can:

- Take place at **various points in the investment cycle** (with issuers in the portfolio and/or which might be added to it), as well as at any time and **on various grounds:**
  - In reaction to the emergence of a controversy, consistent with our goal of reducing our investments’ negative impacts;
  - In reaction to the addition to a general meeting agenda of a resolution open to debate;
  - The release of under ambitious extra-financial objectives;
  - Subpar extra-financial performances, which are generally reflected in downgraded ESG ratings;
  - Etc.
- **Deal with various ESG themes:**
  - Related to the application of our ethical exclusion frameworks (controversial weapons, international sanctions, etc.) and sector-based exclusions (thermal coal);
  - Related to the sustainability requirements and strategies specific to each of our investment products (specific sector exclusions, key performance indicators for ISR [SRI]-labelled funds, sustainable investment objectives for our Article 9 funds within the meaning of the European SFDR regulation, monitoring of sustainable investment percentages and PAI indicators within the meaning of the European SFDR regulation for our funds, in particular those referred to in Articles 8 and 9, etc.).
- Be **conducted through various communication** channels, including e-forms and emailed questions, questions asked during general meetings and during phone, videoconferencing or in-person contacts requested by our teams, or at events, whether – dedicated or not to ESG, held by the issuers and/or sell-side analysts.

The main purpose of all of these initiatives is to lay out channels of improvement for issuers. Individual dialogue is regular, constructive and monitored over time. It may be carried out jointly by the ESG & Financial Analysis team, the analysts in the various areas of expertise and the portfolio managers.

The availability of contact persons, the quality of contacts, and the will to implement the suggested channels of improvement are part of the basis on which we assess issuers. These factors come on top of the findings of our financial and ESG analyses and can have a direct impact on how we manage our positions within the portfolios. This is even more the case when the individual dialogue is part of an escalation process.

As part of the process of steering our ESG dialogue with issuers, which has intensified in recent years, in 2023 we set up an **'Engagement Committee'**, coordinated by the ESG & Financial Analysis team, with the participation of a panel of managers and analysts representative of our areas of expertise. The Committee meets every two months to:

- Conduct regular monitoring of activity, using a series of key performance indicators. Among other things, over different periods and different perimeters:
  - The number and type of interactions (individual or collaborative dialogue), their breakdown by triggering event (controversy, general meeting, etc.) as well as by interlocutors met according to the functions they occupy;
  - The number of single issuers met and their geographical and sectoral distribution;
  - The number of questions asked and their breakdown by E, S and G pillars;
  - The number of areas for improvement that have or have not been implemented by issuers.
- Ensuring that all dialogue with issuers is properly archived in our internal tool, which not only enables us to produce the above-mentioned key performance indicators, but also to share information more effectively and ensure more efficient cooperation between our various areas of expertise;
- Identify the issuers to focus on and the themes to be addressed;
- Inform participants, where necessary, of changes in market requirements in terms of engagement;
- Support the needs expressed by the "Qualification Controversy Committee" and the "Major Cases Controversy Committee";
- To facilitate the exchange of best practice and the sharing of experience between participants, in particular through the presentation of concrete cases;
- Keep up to date of Rothschild & Co Asset Management in terms of collaborative engagement.

Approach coordinated with our sectoral disengagement mechanisms

We believe that engagement cannot justify the status quo, whether in managing our investment portfolios or in changes that are desirable in the real economy and society. That being said, we believe that an escalation procedure, and particularly disengagement, must be examined pragmatically and on a case-by-case basis, in order to support actors in all sectors in their transformation, while managing risk-reward on behalf of our clients.

We believe that divestment is an option that should be considered as a "last resort", in order to drive desirable changes in the real economy and society. Effectively:

- Giving up our shareholder status means depriving ourselves of voting rights through which we can express our views and inform companies of channels for improvement.
- Giving up our shareholder or bondholder status generally means limiting our options for constructive dialogue with companies.
- Divesting our securities, which, moreover, are traded on secondary markets, limits our potential impact contribution to the real economy, or at least to be part of collective actions and to avail ourselves of a “mass effect” that can make a big difference.

To cite some examples:

- As part of the **investment principles relating to the thermal coal sector**, promoted by the Rothschild & Co group, we have discussions with companies that are exposed to thermal coal to ensure that their phase out plans are being properly implemented. Our dialogue focuses primarily on portfolio issuers that, according to Urgewald's Global Coal Exit List, breach our exclusion thresholds. The aim is to ensure that the issuers concerned have a strategy that is in line with the international timetable for phasing out coal and that takes account of the social impacts of this transition. Factors taken into account include, among others, the exit timetable (planned exit date, phasing and closures), the corporate strategy and social guarantees put in place, progress monitoring and the existence of external recognition and/or reference framework. Proof or insufficient ambition will result in the exclusion of the issuers concerned.
- **Controversies are an integral part of our processes pertaining to sustainability risks, adverse impacts, and integrating sustainability challenges in our research and in managing portfolios**
  - Our investment vehicles' ESG targets are based on MSCI ESG Research's ESG ratings. These ratings include controversies, and may therefore revised on an ad hoc basis to reflect any new factor regarding a new or existing controversy. Controversy can therefore lead to a downgrading of an issuer's ESG rating, as well as its status under international standards such as the UNGC. This may have an impact on the ESG requirements of the portfolio when the investment universe is updated. After this update, if the ESG profile revised following the controversy keeps us from complying with our ESG frameworks and constraints at the portfolio level, the issuer may be divested within one month.
  - In order to identify any weak signals and areas of risk within the issuers in the portfolio, E-S-G pillar scores of less than 2 out of 10 are monitored by the risk teams and reported to the Risk Committee.
  - In order to monitor controversies, we have set up daily and weekly automatic notifications from the MSCI ESG Research platform. We monitor newsflow on a daily basis and disseminate relevant information every morning at the portfolio managers' meeting. Compliance also monitors new cases of controversy involving issuers in the portfolio, and informs the investment teams of these developments.
  - To deal with controversies identified by Compliance or analysts, we have set up two controversy committees, involving the Risk, Compliance, ESG & Financial Analysis teams and the Managing Partners. Portfolio management teams holding securities of an issuer that is subject to controversy and analysts dedicated to that sector take part, depending on the case. The two committees differ in the way each controversy is classified, depending on its severity and materiality.

If a controversy arises, the **"Controversy Qualification Committee"**, coordinated by the ESG & Financial Analysis team, aims to qualify the seriousness and materiality of each controversy on the agenda and determine the appropriate escalation, and to monitor it. The committee votes for the most appropriate qualification for each controversy, based in particular on their financial, ESG, legal or reputational materiality. If the controversy is not deemed material, or is resolved, then no further action by the issuer is required. On the other hand, if the controversy is deemed to be material, the committee may ask for further details to be provided by the analysts, and then, depending on the seriousness of the controversy, request engagement with the issuer or a referral to the Major Cases Controversy Committee for the most serious cases.

In the event of a major event or serious controversy, the **"Major Controversy Committee"** , coordinated by Compliance, meets at its own discretion. Operating as a collegial body, the voting members of the committee decide unanimously, on a case-by-case basis, on the most appropriate decision: placing the security under surveillance, prohibiting any new investment or, in the most severe cases, divesting the issuer. In the first two cases above, they may decide how much time to grant the issuer to reply in detail to the charges against it (generally three to six months), but also on the nature of corrective actions to implement by each issuer and the deadlines for doing so.

Enriching exchanges throughout 2023

Over the past year, our teams have actively carried out dialogue with issuers, focusing in particular on those that:

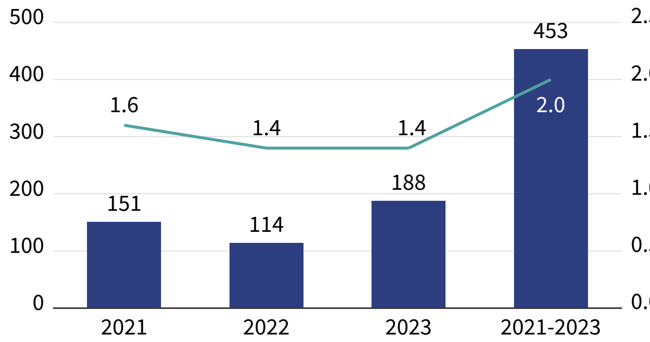
- Belong to high impact sectors;
- Have business models linked to specific investment themes (transition plans and Net Zero trajectories, taxonomic alignments, social inclusion, specific exclusions, sustainable performance indicators, main negative impacts, etc.);
- For which current events are likely to have an impact on their ESG trajectory (controversies, mergers and acquisitions, unconsensual resolutions on the agenda of the general meeting of shareholders, etc.) ;
- Have low ESG ratings and/or disappointing performance on key indicators for our strategies; or
- Are in the portfolios of our labelled funds(4).

Key performance indicators for the interactions and issuers encountered

Over the course of 2023, we were able to interact **188 times** with a total of **138 single issuers**(5), figures that are up on previous years and reflect an intensification of the dialogue.

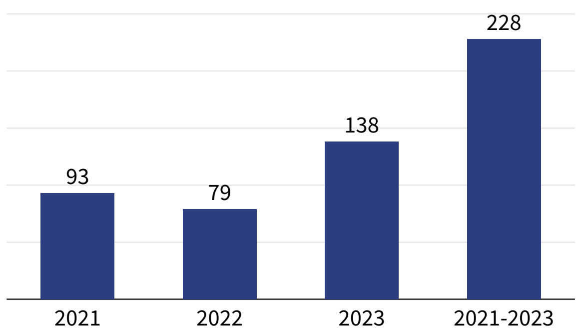
Between 2021 and 2023, we interacted **453 times** with a total of **228 single issuers**, i.e. twice on average each.

ESG dialogue in 2021, 2022 & 2023



Source: Rothschild & Co Asset Management, 29/12/23

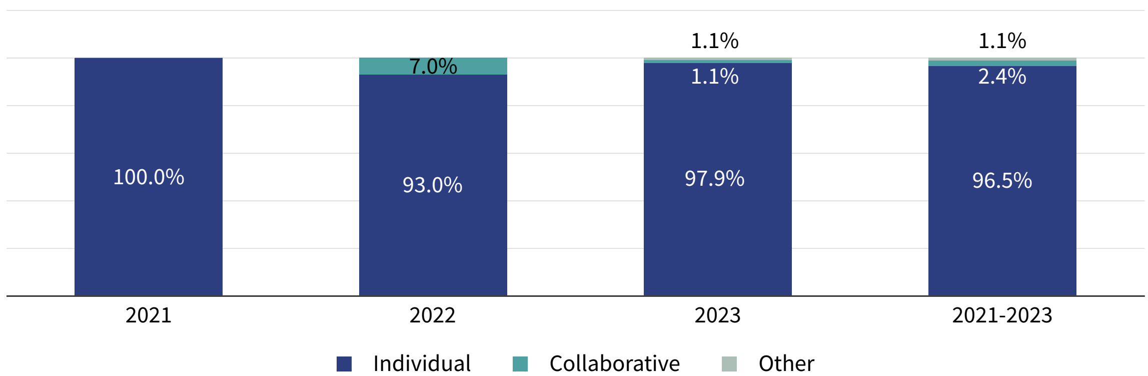
Single issuers engaged in 2021, 2022 & 2023



Source: Rothschild & Co Asset Management, 29/12/23

As in 2021 and 2022, **individual dialogue made up the majority of our engagement actions** during 2023. Collaborative dialogue with issuers (via investor coalitions, for example) and "other" types of dialogue (participation in workshops, responding to commissioned consultants or surveys commissioned by issuers, for example) remain in the minority at this stage.

Type of dialogue



Source: Rothschild & Co Asset Management, 29/12/23

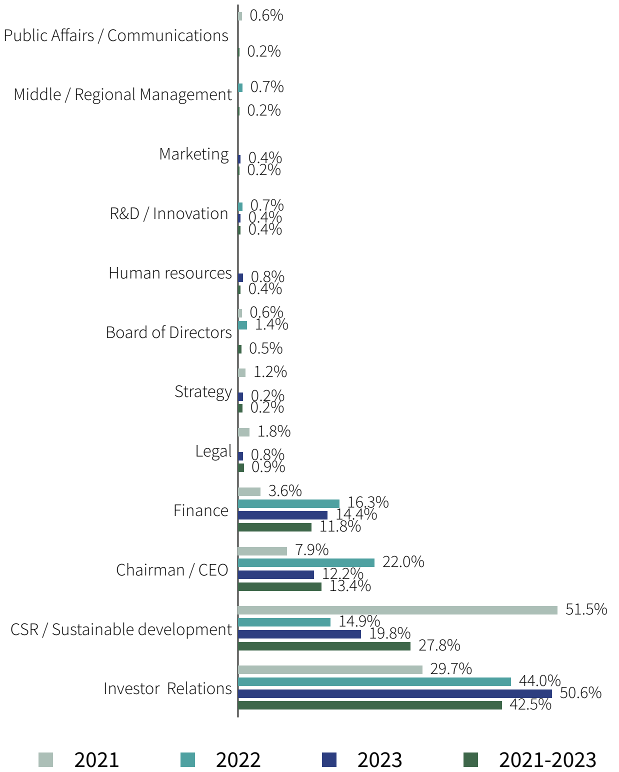
(4) In accordance with the requirements of the ISR label's "V2" reference framework, specified in Booklet 1 of the interpretation guide published on 29 November 2021, ISR-labelled funds must carry out engagement actions in relation to the indicators on which they have individually committed to achieving a better performance than that of their investment universes.

(5) Perimeter excluding issuers who did not respond to our requests as well as those who were contacted and/or participated in our data collection campaign.

Rothschild & Co Asset Management has continued to meet with high-level contacts occupying a wide range of positions within the companies it has met. The investor relations departments, which we have favoured in one out of every two cases in 2023 (and which we favour as a first approach), are gradually being equipped with professionals capable of answering both financial and sustainability-related questions. This development, which can also be seen in the financial departments (which we have met in 15% of our ESG interactions over the last two years), is part of a more general trend towards integrating sustainability issues into companies' long-term strategies. This is consistent with our desire to combine financial and ESG analysis in order to forge 360-degree investment convictions. In around 20% of our ESG interactions in 2023, we continued to interact the CSR and/or Sustainable Development departments of the companies in order to deepen our discussions. Finally, we have also continued to call on top managements to give greater weight to our areas for improvement.

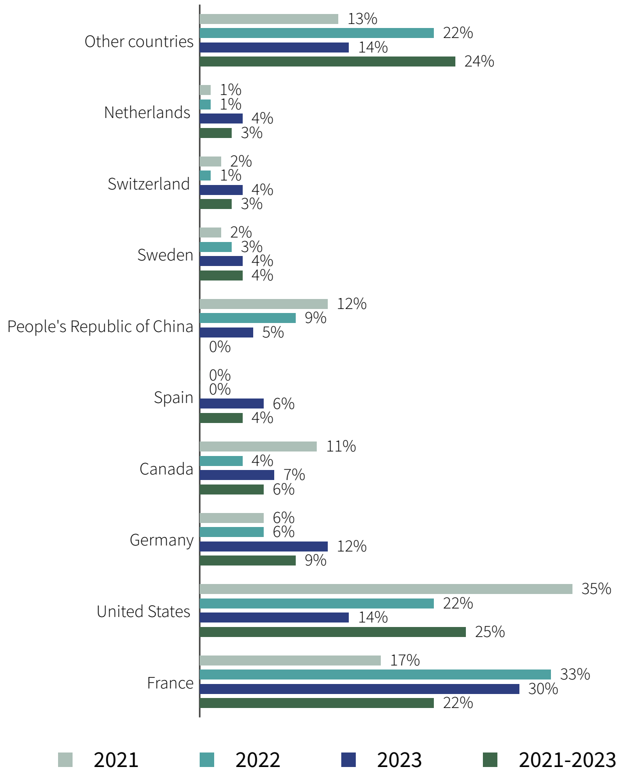
In addition, **our teams were able to talk to companies in many parts of the world during 2023**. Dialogue with European issuers, over-represented compared to the last two years, has diluted the dialogue with North American and Asian issuers, while the focus on the latter has, in practice, been maintained. To a lesser extent, these issuers favoured face-to-face events in the wake of the global COVID-19 pandemic.

Breakdown of interviewees by position



Source: Rothschild & Co Asset Management, 29/12/23

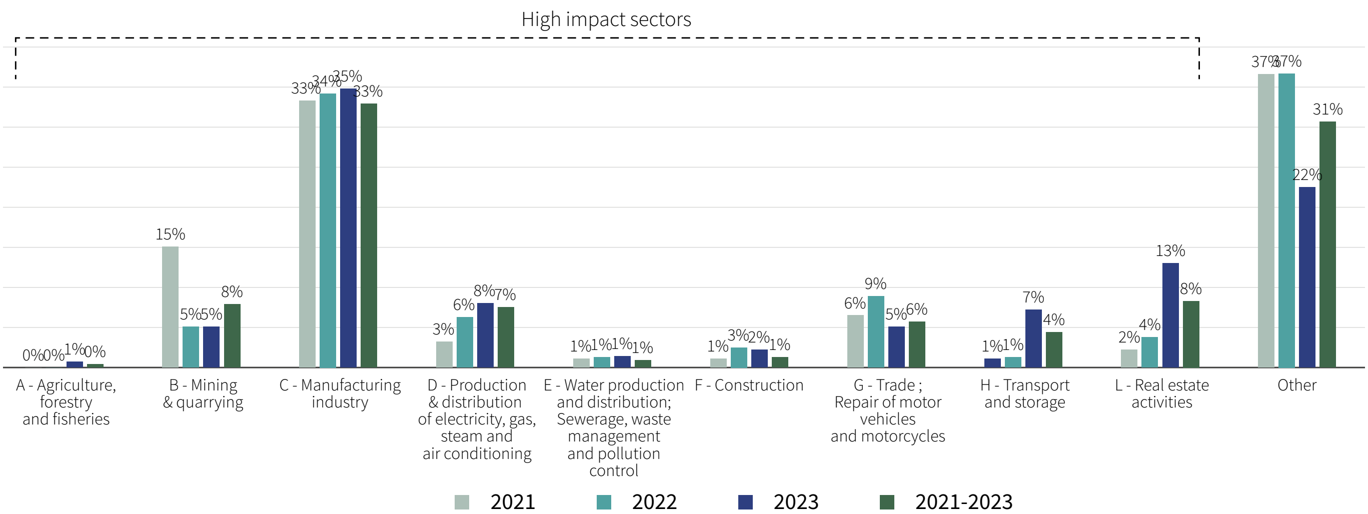
Geographical breakdown of issuers by



Source: Rothschild & Co Asset Management, 29/12/23

Finally, in line with our transition positioning, **we have continued to favour dialogue with issuers belonging to high impact sectors**, as defined by European regulations. These account for **almost 80% of the issuers we have met over the last three years**.

Breakdown of issuers encountered by NACE code

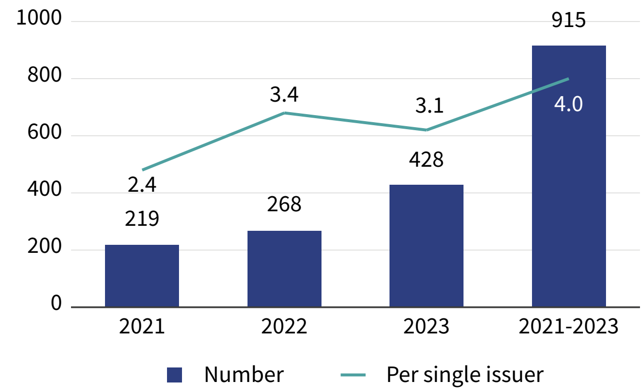


Source: Rothschild & Co Asset Management, 29/12/23

Key performance indicators for the interactions and issuers encountered

In line with our desire to prioritise the quality of discussions over quantity, we asked a total of **424 questions** in 2023, almost double the number in 2021, for an average of **3.1** per single issuer, compared with 2.4 two years earlier. All in all, we asked a total of 911 questions in the space of three years, for an average of 4 per single issuer.

Questions raised in 2021, 2022 and 2023

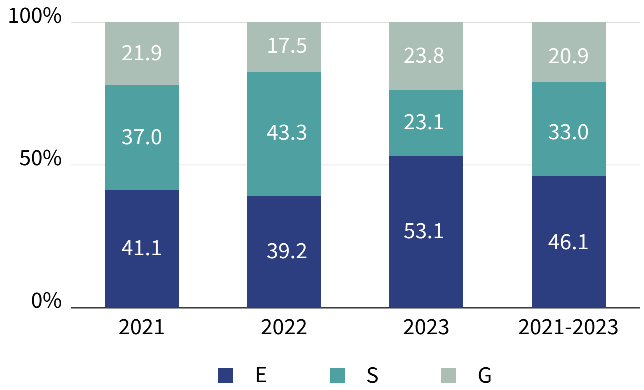


Source: Rothschild & Co Asset Management, 29/12/23

In 2023, the majority of questions asked concerned environmental issues.

The development and gradual deployment of a proprietary analysis grid to assess the credibility and robustness of companies' transition plans (see section "Highlights of 2023") has not only increased the number of questions asked, but also the quality thereof. It should be noted, however, that the breakdown by E, S and G pillars is discretionary and subjective, particularly when questions deal with more cross-cutting issues: the governance of climate issues and just transition, for example, which is one of the six pillars of our proprietary analysis grid. In the future, more granular reporting, based on a more formal nomenclature may be considered.

Breakdown of questions by E, S, G pillar

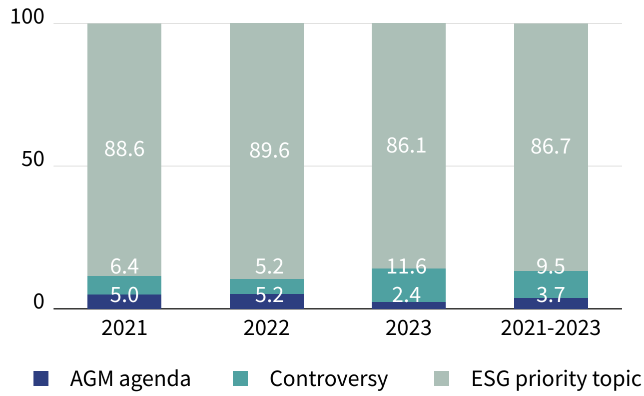


Source: Rothschild & Co Asset Management, 29/12/23

In 2023, priority has once again been given to proactive engagement on priority ESG issues.

However, we were more reactive than in previous years when controversies arose, particularly when they could be severe in the eyes of our external data service providers. This focus on controversies should be seen in the context of the establishment, in 2023, of a second "qualification" controversy committee, in addition to the "major cases" controversy committee (See "Approach coordinated with our sectoral withdrawal mechanisms" section).

Questions raised by triggering event



Source: Rothschild & Co Asset Management, 29/12/23

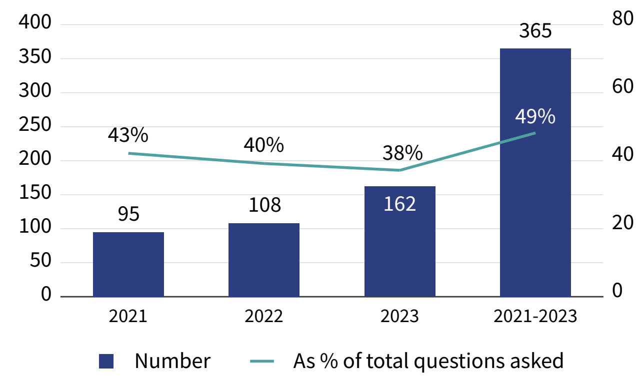
Follow-up on areas for improvement

We believe that support for issuers should be a long-term process: tangible results from discussions with issuers can never be taken for granted. The effective implementation of the areas for improvement that we formulate is monitored over time to demonstrate the effectiveness of our actions.

In 2023, 265 of the 424 questions asked involved information gathering, which can sometimes be enlightening for our conviction management. **159** did, however, lead to the formulation of areas for improvement[(6)]:

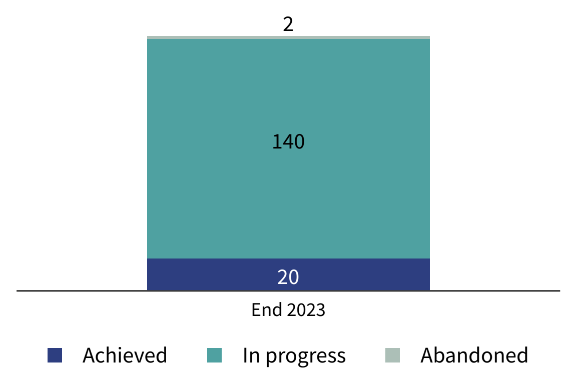
- **20** were implemented during the 2023 financial year, in the months or weeks following the dialogues;
- **137** are currently being implemented; and
- **2** have "abandoned" status(7) and will not be followed up.

Questions which led to an area for improvement being formulated



Source: Rothschild & Co Asset Management, 29/12/2023

Follow-up on implementation of actions requested in 2023

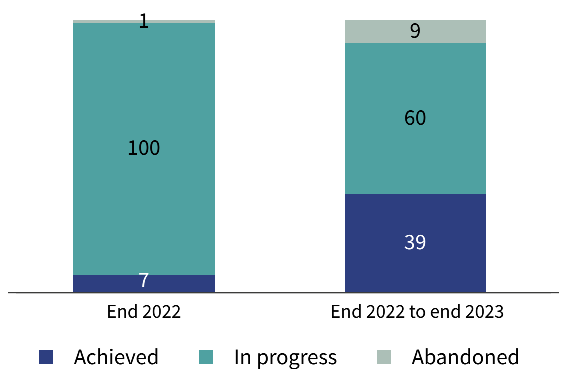


Source: Rothschild & Co Asset Management, 29/12/2023

The proportion of questions that led to the formulation of an area for improvement, in relation to the total number of questions asked, provides information on the prescriptive nature of our dialogue with issuers. The decrease in the number of questions (2 out of 5 in 2023, compared with 3 out of 5 in 2021 and 2022) can be explained by the greater number of requests for information on how companies understand the changes in their regulatory landscape (compliance with the transparency requirements imposed by the European Union's "green" taxonomy, for example).

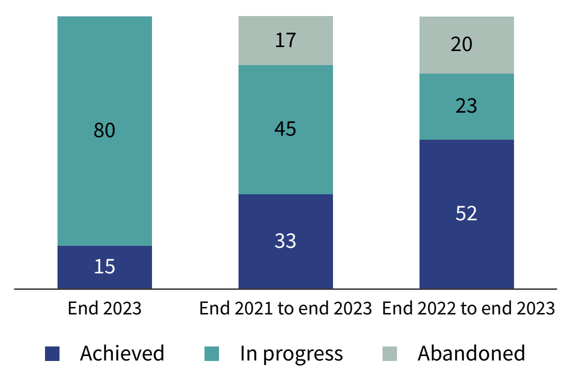
The same exercise was carried out for the areas for improvement formulated for 2021 and 2022. For your information, **our 'success rate' is 55% after less than three years, 35% after less than two years, and 12% after less than one year. Taking all periods together, our 'success rate' will be around 30% by the end of 2023.**

Monitoring the implementation of actions requested in 2022



Source: Rothschild & Co Asset Management, 29/12/2023

Monitoring the implementation of actions requested in 2021

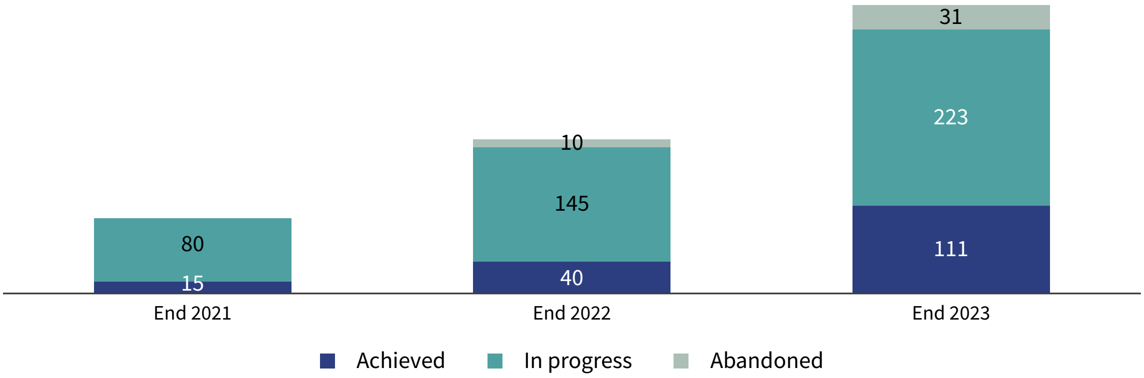


Source: Rothschild & Co Asset Management, 29/12/2023

(6) As requests to issuers may be repeated, several questions may correspond to the same area for improvement.

(7) We reserve the right not to repeat some of our requests, in particular when they no longer appear relevant or feasible (following a financial transaction, for example), or when they concern securities that have, in the meantime, been sold from our portfolios. In some cases, the company has clearly expressed its refusal to implement the suggested area for improvement.

Monitoring the implementation of the actions requested between 2021 and 2023



Source: Rothschild & Co Asset Management, 29/12/2023

Dialogue coverage rate for directly managed funds in the 4Change range

In 2024, Rothschild & Co Asset Management will continue its engagement efforts to quality over quantity. Nevertheless, in the interests of transparency for our investors and labellers, we present below the respective hedging rates of the directly managed funds in the 4Change range, based on their inventories at the end of 2023.

		2023		Cumul 2021 - 2023	
	Number of portfolio issuers* at 29/12/2023	Dialogue coverage rate (number of issuers*)	Dialogue coverage rate (as % of net assets)	Dialogue coverage rate (number of issuers*)	Dialogue coverage rate (as % of net assets)
R-co 4Change Net Zero Equity Euro	47	53.2% (25)	56.5%	66.0% (31)	71.9%
R-co 4Change Net Zero Credit Euro	122	24.6% (30)	24.5%	30.3% (37)	29.1%
R-co 4Change Equity Euro	47	55.3% (26)	57.3%	68.1% (32)	73.5%
R-co 4Change Inclusion & Handicap Equity*	52	40.4% (21)	39.1%	59.6% (30)	55.4%
R-co 4Change Convertibles Europe	56	32.1% (18)	24.2%	39.3% (22)	34.8%
R-co 4Change Moderate Allocation	113	35.4% (40)	20.8%	46.9% (53)	29.2%
R-co 4Change Green Bonds	83	20.5% (17)	19.1%	20.5% (17)	19.1%
R-co Valor 4Change Global Equity	44	45.5% (20)	45.4%	84.1% (37)	81.0%

*excluding sovereign issuers

Source: Rothschild & Co Asset Management, 29/12/2023

A survey on disability in the workplace

In 2023, the dialogue with issuers also took the form of a third data collection campaign on the subject of disability in the workplace, one of the flagship themes of the R-co 4Change Inclusion & Handicap Equity fund.

As was the case in the last two years, the aim of our survey was threefold: to clarify certain elements of public information, to obtain additional information and to express our expectations. The responses we received provided input for our analyses and helped us to identify areas for improvement to be submitted to issuers as part of the standard individual dialogue. In addition, the refusal of certain companies to take part in our campaign led to some arbitration within the portfolio.

The questionnaire on disability in the workplace covered issues such as recruitment, working conditions, career management, outsourcing to sheltered and adapted sectors, administrative recognition of the status of disabled worker, awareness-raising and training for able-bodied employees, and transparent reporting. The issuers who received our questionnaire recognised the value of our approach.

The participation rate was 29% in 2023. 37 issuers have responded at least once to our survey over the last three years, for a portfolio of 52 issuers as at 29 December 2023. We intend to repeat the exercise in 2024 in order to continue our assessment of the extent to which issuers in our portfolio are involved in disability issues.

Representative sample of our engagement and voting actions on environmental themes

Issuer	Topics covered	Initial assessment and actions taken	Outcomes	Status
Airbus ▪ ICB sector: "Industrial Goods and Services" ▪ High impact sector: Yes ("C - Manufacturing industry") ▪ Country: Netherlands	▪ Setting greenhouse gas emission reduction targets covering scope 3 ▪ Setting and validation by the Science-Based Target initiative of greenhouse gas emission reduction targets aligned with a near-term 1.5°C pathway	▪ Need for European aircraft manufacturers to set themselves a target for reducing their greenhouse gas emissions, covering their entire value chain ▪ At the start of our dialogue on this matter with the company, in 2022, only a target of a 63% reduction in scope 1 and 2 greenhouse gas emissions compared with 2015, and an initial quantification of scope 3 greenhouse gas emissions relating to the purchase of products and services (category 1 of the GHG Protocol) ▪ Need for company to have its targets validated by science ▪ 5 individual dialogues with the company since 2021, including 2 during 2022, during which these matters were discussed with the sustainable development department	▪ 2030 targets of a 63% reduction in scope 1 and 2 greenhouse gas emissions and a 46% reduction in scope 3 emissions ("per RPK") compared with 2015, validated by the Science-Based Target initiative in 2023 as being in line with a "near term" 1.5°C scenario ▪ The engagement target was considered met ▪ Other questions on environmental issues were put to the company, including the setting of targets for reducing greenhouse gas emissions beyond 2030, the development of hydrogen-powered aircraft, the use of sustainable aviation fuels, the possibility of considering the submission of a "say on climate" resolution, levels of alignment with the European Union's "green" taxonomy, and the integration of issues relating to the just transition	Achieved
Alibaba ▪ ICB sector: "Retail" ▪ High impact sector: Yes ("G - Commerce; Repair of motor vehicles and motorcycles Wholesale and retail trade") ▪ Country: People's Republic of China	▪ Setting and validation by the Science-Based Target initiative of "near term" and "net zero" targets for reducing greenhouse gas emissions	▪ In 2021, the company already committed to submitting its near-term greenhouse gas emission reduction targets to the Science-Based Target initiative for validation ▪ The company is also committed to submitting its "net zero" targets to the Science-Based Target initiative for validation ▪ 4 individual dialogues with the company since 2021, including 1 during 2023, during which the subject was discussed with the sustainable development department	▪ Targets not approved by the end of 2023 ▪ Validation by the Science-Based Target initiative, a priori, imminent ▪ The objective of the engagement was considered to be in the process of being achieved	In progress
Alstom ▪ ICB sector: "Industrial Goods and Services" ▪ High impact sector: Yes ("C - Manufacturing industry") ▪ Country: France	▪ Calculation of "Scope 4" avoided CO2 emissions	▪ Efforts by the company to highlight the transition of its business model: production of environmental product declarations and, respectively, 59%, 54% and 47% of sales, CapEx and OpEx for fiscal year 2022/23 aligned with the European Union's "green" taxonomy ▪ Relevance of calculating avoided emissions to highlight the company's comparative advantage, provided that the risk of greenwashing is guarded against ▪ 13 individual dialogues with the company since 2021, including 6 during 2021 and 2023, during which the subject was discussed with high-level contacts: the Chairman and Chief Executive Officer, the Lead Director of the Board of Directors, the Strategy Department, the Investor Relations Department and the Sustainable Development Department	▪ Specialist consultancy firm brought in at the beginning of 2023 to establish a solid methodology and figure for avoided emissions ▪ Scope 4 data available by mid-2023 and disclosure expected by 2024 ▪ The engagement target was considered to be in the process of being met ▪ It should be noted that other questions relating to environmental issues were asked, in particular about the opportunities linked to the development of hydrogen trains (current order levels and future investment required)	In progress

Issuer	Topics covered	Initial assessment and actions taken	Outcomes	Status
Carrefour ▪ ICB sector: "Personal Care, Drug and Grocery Stores" ▪ High impact sector: Yes (“- Commerce; repair and maintenance of motor vehicles and motorcycles”) ▪ Country: France	▪ Setting and validation by the Science-Based Target initiative of greenhouse gas emission reduction targets aligned with a near-term 1.5°C pathway	▪ A greenhouse gas emissions reduction target has already been validated by the Science-Target initiative as being in line with a near-term, well-below 2°C pathway ▪ "Duty to set an example" with regard to the top 100 suppliers, who the company has enjoined to align with a 1.5°C pathway by 2026, on pain of dereferencing ▪ individual dialogues with the company since 2021, including 2 during 2021 and 2023, during which the subject was discussed with high-level contacts: a member of the executive committee, the finance department, the investor relations department and the sustainable development department	▪ Already a target of 1.5°C, but only for Science Based greenhouse gas emissions from scopes 1 and 2, with a target of -50% by 2030 and -70% by 2040, compared with 2019 (using 100% electricity from renewable sources), compared with 2019 (using 100% electricity from renewable sources, a 27.5% reduction in energy underconsumption, and a reduction in refrigerants, in synergy with European 'F-Gas' regulations) ▪ Around 40 suppliers already on a 1.5°C pathway by mid-2023 ▪ Company's commitment to a 1.5°C near-term pathway validated by the Science-Based Target Initiative ▪ The engagement target was considered to have been in the process of being achieved ▪ It should be noted that other questions relating to environmental issues were raised, in particular concerning the setting and validation by the Science-Based Target of "net zero" greenhouse gas emission reduction targets	In progress
Carrefour ▪ ICB sector: "Personal Care, Drug and Grocery Stores" ▪ High impact sector: Yes ("G - Commerce; repair and maintenance of motor vehicles and motorcycles”) ▪ Country: France	▪ Scope 3 greenhouse gas emissions disclosed and audited by an independent third-party body	▪ Absolute Scope 3 greenhouse gas emissions published exclusively via the CDP and not audited by the independent third-party body ▪ Only expressed, for the most significant categories, as a percentage of the Group's total emissions in the extra-financial performance statement ▪ Current targets for reducing Scope 3 GHG emissions with 2019 as the reference ▪ 4 individual dialogues with the company since 2021, including 2 during 2022 and 2023, during which the subject was discussed with high-level contacts: a member of the Board of Directors, the Finance Department, the Investor Relations Department and the Sustainable Development Department ▪ Opposition to the company's first (and only, at this stage) "say on climate" resolution at its 2022 Annual General Meeting	▪ Lack of transparency in the extra-financial performance statement due to work to improve the reliability of the data (in conjunction with a specialist consultancy firm) ▪ Inclusion in the agenda of the 2023 Annual General Meeting of the disclosure of absolute Scope 3 greenhouse gas emissions, at the initiative of the company and at the instigation of part of the community ▪ Favourable vote at the shareholders' meeting, with the support of Rothschild & Co Management ▪ The engagement target was considered met ▪ It should be noted that other questions relating to environmental issues were asked, in particular about the frequency of "say on climate" resolutions	Achieved
Ryanair ▪ ICB sector: "Travel and Leisure" ▪ High impact sector: Yes (“H– Transport and storage”) ▪ Country: Ireland	▪ Ambitious targets for reducing greenhouse gas emissions per passenger and per kilometre travelled	▪ Unambitious target in view of the company's ambition, announced in 2022, to achieve net zero by 2050: 10% reduction in greenhouse gas emissions per passenger and per kilometre travelled by 2030 (i.e. 60g of CO2eq), compared with 2017 ▪ 4 individual dialogues with the company since 2022, including 1 during 2022, during which the subject was discussed with high-level contacts: the Investor Relations Department and the Sustainable Development Department	▪ Introduction, at the end of 2023, of a target of a 25% reduction in greenhouse gas emissions per passenger and per kilometre travelled by 2031 (i.e. approximately 50g of CO2eq) compared with 2023, as well as a 2026 target of 63g of CO2eq per passenger and per kilometre travelled ▪ The engagement target was considered met ▪ Other questions relating to environmental issues were also raised: fleet renewal, the use of sustainable aviation fuels, the near-term validation of greenhouse gas emission reduction targets by the Science-Based Target initiative, and the costs generated by the reduction in emissions allowances under the European Union's emissions trading scheme	Achieved

Issuer	Topics covered	Initial assessment and actions taken	Outcomes	Status
Vallourec ▪ ICB sector: "Energy" ▪ High impact sector: Yes ("C - Manufacturing industry") ▪ Country: France	▪ Setting and validation by the Science-Based Target initiative of greenhouse gas emission reduction targets aligned with a near-term 1.5°C pathway	▪ Targets for 2025, compared with 2017, validated by the Science-Based Target initiative in 2020 as being aligned with a "near term" "well-below 2°C" pathway, already largely achieved: ▫ Reduce the fossil and biogenic carbon footprint of industrial activities (scopes 1 and 2) by 20% in absolute terms ▫ Reduce the value chain carbon footprint by 25% in absolute terms, from the purchase of raw materials (including steel) to the use and end-of-life of products (scopes 1, 2 and 3) ▫ Reduce the intensity (tonnes of CO2 per million euros of added value) of purchased raw materials, including steel by 45% ▫ Reduce indirect "Scope 3" emissions by 25% in absolute terms, including in particular transport and the use/end-of-life of products in the various markets ▪ Two new targets have been set, with 2021 as the reference year, which have not yet been submitted to the Science-Based Target initiative for validation: ▫ Reduce CO2e emissions per tonne of tubes sold by 30% by 2030 (carbon intensity of 1.4 tonnes of CO2e per tonne of tube shipped) ▫ Reduce CO2e emissions per tonne of tubes sold by 35% by 2035 (carbon intensity of 1.3 tonnes CO2 per tonne of tube shipped) ▪ 1 first individual dialogue with the company in 2023, during which the two new targets will be submitted for near-term validation the "1.5°C" initiative with the Science-Based Target initiative was discussed with the Sustainable Development Department	▪ Willingness expressed by the company to submit new targets for validation by the Science-Based Target initiative ▪ Long processing times expected from the Science-Based Target initiative ▪ The engagement target was considered to be in the process of being met ▪ It should be noted that other questions relating to environmental issues were raised during our exchange which took place during 2023: the levels of alignment with the European taxonomy (see below) ▪ The clarity of its carbon reporting*, its alignment with the recommendations of the Task Force on Climate-related Disclosure (TCFD), its consideration of issues relating to the just transition, and the training and awareness-raising initiatives on CSR issues undertaken at Board and Executive Committee level **The company operates a eucalyptus forest in Brazil,1/7th of which is cut down every year to produce charcoal, which is then used to fuel its burners. As it stands, the presentation of Scope 1 greenhouse gas emissions, which takes into account emissions sequestered and then re-emitted into the atmosphere by the combustion of charcoal, may suggest that the company uses a carbon offsetting process rather than biomass*	In progress
Vallourec ▪ ICB sector: "Energy" ▪ High impact sector: Yes ("C - Manufacturing industry") ▪ Country: France	▪ Levels of eligibility and alignment with the European Union's 'green' taxonomy	▪ 78% of CapEx eligible for the European Union's 'green' taxonomy, compared with only 2% actually aligned according to the company ▪ 1 initial individual dialogue with the company in 2023, during which the question of the gap between the levels of eligibility and those of alignment with the European Union's 'green' taxonomy was put to the Sustainable Development Department	▪ The company's deliberately conservative approach to DSNH compliance (Do No Significant Harm to any of the other environmental objectives of the European Union's "green" taxonomy) ▪ No alignement associated with the United States, where 100% of steel comes from recycled scrap, due to the presence of certain chemicals in the manufacturing process. Else, the alignment level in the United States would have been 34% ▪ The engagement was considered closed, as it was simply a matter of taking information. The matter may be raised again with the company	Closed

Representative sample of our engagement and voting actions on social themes

<table>
<tr><th>Issuer</th><th>Topics covered</th><th>Initial assessment and actions taken</th><th>Outcomes</th><th>Status</th></tr>
<tr><td>Air Liquide
ICB sector: "Chemicals"
High impact sector: Yes (“C - Manufacturing industry”)
Country: France</td>
<td>Job cuts in France as part of the restructuring of the homecare business</td>
<td>Homecare business representing around 15% of Group sales, and less than 5% for the French subsidiary, according to our estimates
Risk of restructuring the homecare business due to the continued erosion of reimbursement rates, as well as rising costs linked to the regulatory framework, the adoption of new, more expensive technologies, and the acceleration of the inflationary context
Need for the company to enter into discussions with the regulator to ensure that the increase in fares offsets the increase in the cost of services, and to identify appropriate cost-cutting measures to protect jobs and quality of service
1 collaborative dialogue and 7 individual dialogues with the company since 2021, including 2 during 2023, during which the subject was discussed with the Finance Department and the Investor Relations Department</td>
<td>Announcement in early July that 430 jobs would be cut, representing around 7% of the French division's payroll
Discussions held with the regulator, even though unsuccessful
The company is determined not to compromise on service quality: distribution channels will be optimised, but home visits will be reduced and replaced by telephone calls
The engagement was considered closed, as it was simply a matter of taking information. The subject could be raised again in the event of a deterioration in service quality or a prolonged strike by employees</td>
<td>Closed</td></tr>
<tr><td>Arcelor Mittal
ICB sector: "Basic Resources"
High impact sector: Yes (“C - Manufacturing industry”)
Country: Luxembourg</td>
<td>Fatal accidents in Kazakhstan</td>
<td>Unacceptable situation not confined to Kazakhstan: at Group level, 22 fatal accidents in 2022, 29 in 2021, 17 in 2020, 21 in 2019 and 10 in 2018
Since 2021, 1 discussion with a consultant mandated by the company in 2021, on the decarbonisation strategy, and 8 individual dialogues, including 1 during 2022 and 2 during 2023, during which the controversy specifically linked to the fatal accidents in Kazakhstan was raised
At the 2022 AGM, abstention vote on the "say on pay" resolution and discharge not granted to the Board of Directors
Votes of no confidence not repeated at the 2023 General Meeting, as the dialogue undertaken in 2022 left us with a more positive impression: the frequency rate of accidents with days off work is falling and is relatively low; a more robust health and safety policy has been put in place, with the introduction of monitoring of near-misses and frequency rates ("Potential Serious Injury Frequency"); strengthened governance with the creation of a team dedicated to safety, drawn from the field; the introduction of regular, compulsory safety training; the introduction of a minimum weekly, visible presence time in the field for employees in positions of responsibility; and the strengthening of safety-related criteria in the allocation of variable remuneration to executives and managers</td>
<td>Announcement by the company of 22 fatal accidents in 2022 (including 14 in Kazakhstan), during the first exchange of 2023 (March) with the company: the company's efforts, such as the use of external consultants, are not bearing fruit
Information provided by the company during the second exchange of 2023 (September) on the situation in Kazakhstan:
One billion dollars to resolve the issue;
Already $130 million spent on better equipment and training;
Training volume up by more than 120% (24,000 sessions for 38,000 people);
Hiring Russian-speaking experts;
Sharing experience and best practice with Brazilian operational teams.
A cultural issue, linked to the perception of risk by local people, raised on several occasions by the company
End of October 2023: another mining accident in Kazakhstan, the worst in the country's history:
45 fatalities
End of December 2023: transfer of operations to the Kazakh state
The engagement target was considered not met
The company has been placed under surveillance as part of our "qualification" and "major cases" controversy committees. We intend to continue the dialogue by focusing on accidents that have occurred in other locations, particularly Fos-sur-Mer, with the aim of confirming, or not, the structural nature of the workplace safety problems encountered by the company</td>
<td>Abandoned</td></tr>
</table>

Issuer	Topics covered	Initial assessment and actions taken	Outcomes	Status
Fnac Darty ▪ ICB sector: "Retail" ▪ High impact sector: Yes (“G - Commerce; repair and maintenance of motor vehicles and motorcycles”)	▪ Transparent reporting on gender pay inequalities	▪ At the time of our first discussion with the company in September 2021, internal monitoring of the pay gender gap and the internal objective to reduce it ▪ Little transparency, apart from the annual disclosure of the Egapro index ▪ 4 individual dialogues with the company since 2021, including 1 during 2021, during which the transparency of reporting on pay inequalities between women and men was discussed with high-level contacts: the Investor Relations Department and the Sustainable Development Department	▪ More transparency provided by the company in 2023, on its 2022 financial year ▪ Pay gap in favour of men: 13.5%, 6.8% and 16.6% respectively for supervisors aged 30 to 39, 40 to 49 and 50 and over ▪ Pay gap in favour of men of 10.4%, 14.5% and 29.5% respectively for managers aged 30 to 39, 40 to 49 and 50 and over ▪ Pay gap in favour of women of 6.4% for employees aged 30 to 39 ▪ Objective of reducing the average annual pay gap between men and women to between -/+ 5% ▪ The engagement target was considered met ▪ In addition to transparency, an engagement had been initiated since 2022 to monitor the effective reduction in pay inequalities between men and women. The company takes steps to reduce these gaps when allocating increases following the mandatory annual negotiations, and when promoting and recruiting staff	Achieved
Kering ▪ ICB sector: "Consumer Products and Services" ▪ High impact sector: Yes (“C - Manufacturing industry”) ▪ Country: France	▪ Controversial advertising campaign	▪ Advertising campaign for French luxury brand Balenciaga, featuring children and sexually suggestive accessories ▪ Controversy that may reveal weaknesses in the company's governance ▪ Legal action brought by Balenciaga against the production company and set designer of the advertising campaign ▪ Negative impact on brand sales, particularly in the United States ▪ 4 individual dialogues with the company since 2021, including 2 during 2023, during which the subject of the Balenciaga controversy was discussed with the Chairman and Chief Executive Officer and the Finance Department in order to find out about the causes and consequences, as well as the corrective measures put in place	▪ Recruitment of an independent consultant as Brand Risk Manager and Head of Brands ▪ The engagement target was considered to be in the process of being met, pending the stabilisation and recovery of Balenciaga's sales ▪ It should be noted that other questions relating to social issues were raised during discussions with the company, particularly concerning its leather supply chain	In progress
SEB Group ▪ ICB sector: "Consumer Products and Services" ▪ High impact sector: Yes (“C - Manufacturing industry”) ▪ Country: France	▪ Disability and the wider marketing of products incorporating the principles of inclusive design	▪ Drafting of the "Good Design Playbook", a best practice guide for the design of inclusive products and services, in partnership with APF France Handicap ▪ Spring 2021 sees the launch of the Includeo range, with products (toasters, coffee makers, kettles, etc.) designed to meet the needs of all age groups (the elderly, people with disabilities, left-handed people) ▪ 3 individual dialogues with the company since 2021, including 2 during 2022 with the Sustainable Development Department and the Investor Relations Department, during which we encouraged the marketing, on a larger scale, of products incorporating the principles of inclusive design	▪ The company has expressed its desire to include these tried and tested solutions in its new breakfast ranges ▪ Launch of a similar initiative for a range of culinary products in 2023 ▪ The engagement target was considered met ▪ It should be noted that other questions relating to social issues were raised during discussions with the company: the representation of women in management positions, or the circular economy as a vector for economic inclusion, etc	Achieved

Representative sample of our engagement and voting actions on the theme of good corporate governance

Issuer	Topics covered	Initial assessment and actions taken	Outcomes	Status
Alstom ▪ ICB sector: "Industrial Goods and Services" ▪ High impact sector: Yes ("C - Manufacturing industry") ▪ Country: France	▪ Separation of the roles of Chairman of the Board of Directors and Chief Executive Officer	▪ Concentration of powers contrary to good governance practice and deleterious, in the long term, to the proper management of the company's strategy ▪ 13 individual dialogues with the company since 2021, including 3 in 2023, during which the subject was discussed with the Investor Relations Department and the Development Department ▪ Votes "against" the re-election of the Chairman and Chief Executive Officer at the 2023 AGM	▪ Little reason for hope until the announcement, in November 2023, of the appointment of a new Chairman of the Board of Directors, from Safran ▪ Announcement following a warning on free cash flow generation one month earlier ▪ The engagement target was considered met	Achieved
Arcelor Mittal ▪ ICB sector: "Telecommunications" ▪ High impact sector: Yes ("J - Information and communication") ▪ Country: Germany	▪ Directors' CSR skills and training initiatives	▪ A skills matrix for the members of the Supervisory Board that is not very objective, but one director with a clear CSR expertise to take it to the highest level ▪ Strategy, ESG and Innovation Committee recently set up at Supervisory Board level ▪ Strengthen the robustness of the governance of CSR issues by providing greater transparency regarding any CSR training activities for members of the supervisory board ▪ 1 initial one-to-one dialogue with the company in 2023, during which the subject of directors' CSR skills and training initiatives was discussed with the Investor Relations Department and the Sustainable Development Department	▪ More information to come in the 2024 sustainable development report on the training of supervisory board members ▪ The engagement target was considered to be in the process of being met. ▪ At the same time, other questions were raised during our one and only exchange with the company in 2023, notably concerning governance in relation to data protection issues (introduction of a condition for the granting of annual bonuses to senior executives based on the company's performance in terms of data protection)	In progress
Téléperformance ▪ ICB sector: "Industrial Goods and Services" ▪ High impact sector: Yes ("J - Information and communication") ▪ Country: France	▪ Separation of the Chair and Chief Executive Officer roles ▪ Succession planning	▪ Putting in place a succession plan, which is crucial given the advanced age of the current Chairman and Chief Executive Officer ▪ Consideration to be given, in the event of succession, to the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer ▪ Concentration of powers contrary to good governance practice and deleterious, in the long term, to the proper management of the company's strategy ▪ 2 individual dialogues with the company since 2022, including 1 during 2023, during which the subject was discussed with the Investor Relations Department and the Sustainable Development Department	▪ Succession plan in place, with different scenarios ▪ The current Chairman and Chief Executive Officer would continue to play a part in the Group's decision-making process, by retaining the chairmanship of the Board of Directors and stepping down as Chief Executive Officer ▪ If this were the case, the issue of the independence of the Chairman of the Board of Directors would not be resolved to the same extent ▪ The engagement target was considered to be in the process of being met ▪ Related questions were asked about the nature and robustness of the ESG criteria linked to the annual variable remuneration of the current Chairman and Chief Executive Officer	In progress

2.1.2 Asset management firms and clients

As part of Rothschild & Co Asset Management's engagement policy, our multi-management team communicates with asset management firms on the one hand, and clients on the other, to promote and support sustainable investment practices.

Dialogue with asset management firms

Within our multi-management capability, we have opted for an approach integrating ESG criteria in our selection process of long-only funds. We have drawn up a single due diligence questionnaire for the following, overlapping purposes:

- To have a **360-degree view of asset management companies** (exclusion, engagement and voting policies, addressing climate change risks and opportunities, managing human resources and human capital, governance, etc.) and funds (integrating ESG criteria into the management process, the portfolio's ESG rating, certifications, carbon intensity, etc.)
- **Promote the adoption of good practices in sustainable investment.**

The answers provided give rise to and generate discussions that are privileged opportunities to encourage asset management firms to improve their practices, and more specifically to:

- **Formalise their sustainable investment approach and demonstrate transparency:** Our multi-management team encourages asset management firms to adopt policies (ESG, voting, engagement, exclusions, etc.) and to communicate on their sustainable investment approach (engagement and voting reports, participation in market initiatives, etc.)
- **Obtain an ESG rating for buy list funds:** Our multi-management team invites asset management firms to regularly submit the inventories of their portfolios studied to Lipper so that they can be rated in terms of ESG by MSCI ESG Research. These ESG ratings then allow analysts to update their analyses and be able to have an overall ESG rating at fund of fund levels
- **Give credibility to the sustainable approaches of funds by obtaining demanding labels and complying with European and French regulatory frameworks (SFDR, AMF doctrine 2020-03)**

After broadening the scope of our questions on controversial weapons in 2022 and strengthening our questions on engagement and voting, in 2023 we further structured our analysis of the environmental aspects of asset management companies. We also carried out a fund raising campaign focused on funds' sustainable investments. Finally, we questioned the asset management companies on the application of an exclusion policy relating to the tobacco sector - in line with its inclusion in the Rothschild & Co Asset Management common base.

Example of dialogue with an Anglo-American asset manager with an international dimension
One alternative investment fund on the buy list, which did not have any exclusion policies (except for controversial weapons), was divested in 2023. The reduction in the level of transparency meant that we could no longer ensure that it complied with our policies.

Dialogue with clients

In 2023, we supported insurers in developing their sustainable product offering, in line with the ACPR's recommendations in this area. This type of partnership is made possible by the complementarity of our expertise in allocating funds with varied risk-return-sustainability profiles, our knowledge of European and French sustainable regulation, and our ability to produce the documentation needed to market sustainable profiles to their customers (pre-contractual and periodic SFDR appendices, EET).

+350
meetings organised
meetings organised
in 2023 (+400 en 2022,
+300 in 2021)

54
questionnaires
66 in 2022, 63 in 2021)
sent to
20
Asset Managers
in 2023 (38 in 2022,
37 in 2021)

85
funds on the **buy list** with at least one label at the end of 2023 (87 at the end of 2022) 69 at end 2021)

55%
of funds on the **buy list** categorised Article 8 or 9 SFDR at end 2023 (55% at end 2022, 45% at the end 2021)

5%
Minimum threshold for sustainable investment ("Sustainable Investments") for funds categorised under Article 8

2.2 Exercising voting rights in shareholders' meetings

Since 2011, Rothschild & Co Asset Management has implemented an active voting policy in accordance with sustainable investment principles. Apart from the exclusion framework that applies to Rothschild & Co Asset Management Europe concerning controversial weapons, respect for fundamental principles, and the thermal coal and tobacco sectors, we try to favour an engagement approach with companies on ESG themes as much as possible.

To this end, we have entrusted the analysis and recommendations of the resolutions to the specialist company Institutional Shareholder Services (ISS) and have chosen to adopt their SRI voting policy.

Orientation	**We have focused on the SRI voting policy,** rather than the ISS Climate and Sustainability voting policies, to enable us to assess companies across all ESG pillars.
Voting process	The specialist company Institutional Shareholder Services (www.issgovernance.com) analyses proposed voting resolutions and make **reasoned voting recommendations** that comply with responsible investment principles.
	Rothschild & Co Asset Management remains the **ultimate decision-maker** in exercising voting rights. Qualitative analysis, on a case-by-case basis, of specific resolutions (and in particular those on the agenda of shareholders' meetings of companies belonging to sensitive sectors) sometimes leads us to vote differently from the recommendations of our service provider ISS.

Voting policy covering the entire Equity scope

Rothschild & Co Asset Management exercised its voting rights in 2023 in accordance with the voting policy in place. The report below details and describes the exercise of voting rights from 1 January 2023 to 31 December 2023.

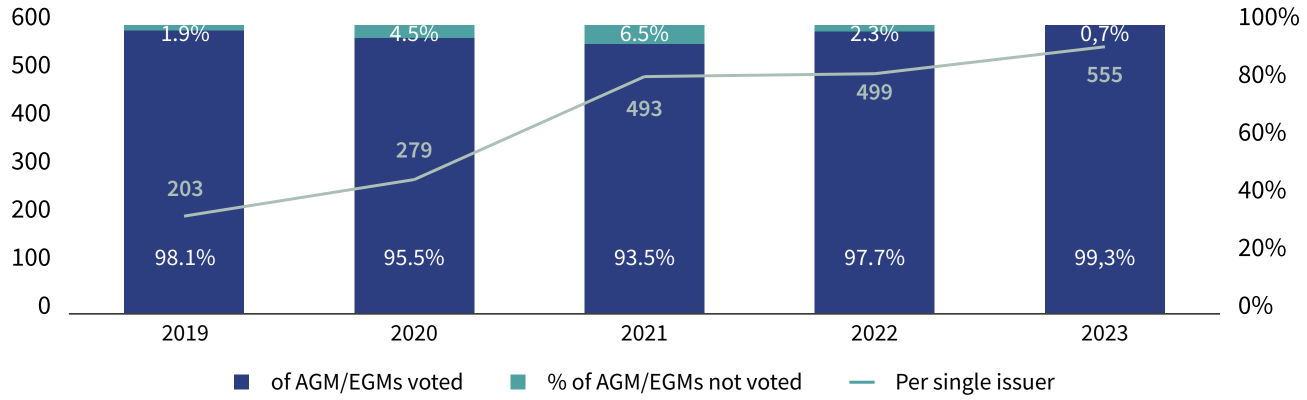
Since 2021, our voting policy covers the entire scope of our equity investments, regardless of the companies' geography or market capitalisation.

As a result, the scope of voting rights now covers European and international equities held in our funds. In addition, we reserve the right to exercise our voting rights on an exceptional basis at Bondholder and SICAV meetings.

Evolution of participation rate at shareholders' meetings

In 2023, Rothschild & Co Asset Management participated in **555 annual or extraordinary shareholders' meetings** (AGMs/EGMs) (499 in 2022, 493 in 2021) out of 559 (511 in 2022, 527 in 2021), i.e. participation rate of over 99% (98% in 2022, 94% in 2021). The improvement in the participation rate reflects greater efforts to ensure that our voting rights are properly exercised, with a broader scope of voting rights from 2021.

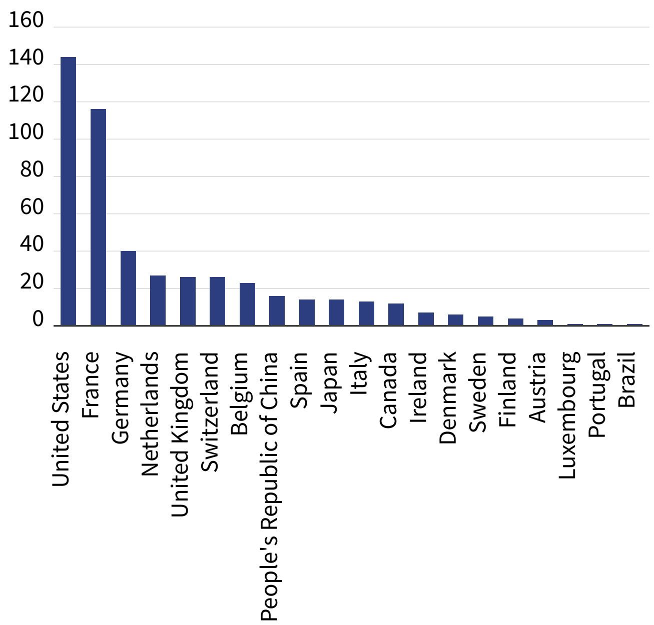
Evolution of shareholders' meeting participation rate



Source: Rothschild & Co Asset Management, 29/12/2023

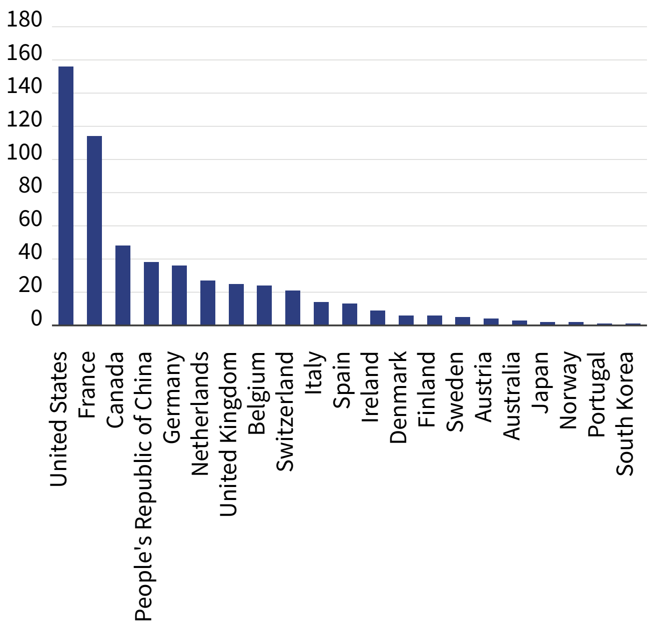
Geographical breakdown of AGMs/EGMs

Breakdown of shareholders' meetings at which we voted in 2022



Source: Rothschild & Co Asset Management, 29/12/2023

Breakdown of shareholders' meetings at which we voted in 2023



Source: Rothschild & Co Asset Management, 29/12/2023

Our main voting guidelines

Exercising our voting rights at general meetings is an integral part of our engagement approach and is consistent with the dialogues that we conduct with companies.

The implementation of the SRI voting policy is based on the recommendations issued by our service provider ISS, the main guidelines of which are set out below.

Appropriation of net income / payment of dividend:

- As a general rule, vote against or abstain from voting when the payout ratio has regularly been belowbelow 30 % without appropriate explanation, or when the payout ratio appears excessive in relation to the company's financial situation.

Board independence:

- As a general rule non-controlled companies, vote against or abstain from voting for the election or re-election of a non-independent candidate if the Board comprises less than one third of independent members or does not comprise a majority of independent members, excluding employee representatives.
- As a general rule, at controlled companies, vote against or abstain from voting for the election or re-election of a non-independent candidate if the Board does not include at least one-third independent members.

Executive remuneration:

- As a general rule, vote against or abstain when all the components of remuneration are not adequately disclosed:
  - Maximum grant limits for short-term and long-term remuneration components;
  - Exercise price, grant date and period, vesting period (minimum three years prior to grant), any discounts, performance criteria (assessed over three consecutive years), in the case of long-term incentive plans;
  - Discretionary powers may be granted;
  - Limits on exemptions (ceilings, weight, etc.).
- As a general rule, vote against or abstain when:
  - Variable remuneration components (including ESG) are not clearly linked to the company's strategy and objectives;
  - Remuneration appears to be excessive in relation to the company's performance or market/peer practices;
  - Significant pay increases are not clearly explained and justified.

Diversity:

- As a general rule, vote against or abstain from voting for members of the existing Appointments Committee if the Board of Directors does not include at least one member of an under-represented gender and, more specifically:
  - In continental Europe, vote against or abstain from voting for members of the existing nomination committee if the board of directors does not include at least 40 % members of an under-represented gender.
  - In Canada, the United Kingdom and Australia, vote against or abstain from voting for members of the appointments committee if the board does not include at least 40 % of members from an under-represented gender and at least 20 % of members from under-represented ethnic minorities.

Climate:

- As a general rule, vote on a case-by-case basis on management-supported “say-on-climate” resolutions while assessing the exhaustiveness and thoroughness of the company’s climate ambitions, including:
  - Disclosure of all sources of greenhouse gas emissions (Scopes 1, 2 and 3);
  - The credibility of its short-, medium-, and long-term greenhouse gas reduction targets;
  - Its commitment to obtaining an independent science-based validation of its greenhouse reduction targets;
  - Its commitment to be “Net-Zero” by 2050;
  - Its commitment to report regularly in the coming years on the proper implementation of its climate transition plan;
  - Third-party verification of its climate data; etc.
- As a general rule, vote on a case-by-case basis on external resolutions calling on the company to:
  - Disclose its sources of greenhouse gas emissions, its greenhouse gas reduction target and/or its climate transition plan;
  - Provide an opportunity to its shareholders to voice their opinions on its climate ambitions and its climate transition plan;
  - External environmental and social resolutions: As a general rule, vote for resolutions seeking to promote transparency on (i) financial, regulatory or physical risks faced by the company in relation to the impact of climate change on its activities; and (ii) procedures implemented to identify and manage such risks.

External environmental and social resolutions:

- As a general rule, vote for resolutions seeking to promote transparency on (i) financial, regulatory or physical risks faced by the company in relation to the impact of climate change on its activities; and (ii) procedures implemented to identify and manage such risks.

Full details of the ISS "SRI" voting principles are available at the following address:
https://www.issgovernance.com/file/policy/active/specialty/SRI-International-Voting-Guidelines.pdf?v=1

Voting results and breakdown of resolutions at Rothschild & Co Asset Management level

During the 2023 financial year, Rothschild & Co Asset Management opposed **1,511** resolutions (1,338 in 2022, 848 in 2021) out of a total of **8,205** resolutions (8,347 in 2022, 7,866 in 2021), representing an opposition rate of **18%** (16% in 2022, 11% in 2021).

We voted against at least one resolution in **65%** of the AGMs/EGMs we participated in (66% 2022, 52% in 2021).

The most contested resolutions concerned:

- External resolutions, with **27%** of votes against), which accounted for 4% of the total number of resolutions.
- Executive and employee compensation (excluding employee shareholding), with **24%** of votes against.

Resolution Type	Votes For	Abst.	Votes Against	Total	% against
Appointment/ Attendance fees for members of the Board of Directors or Supervisory Board	2,607	772	5	**3,384**	22.8 %
Anti-takeover bids and financial transactions/mergers	929	205	0	**1,134**	18.1 %
Remuneration of Directors and Employees (excluding employee share ownership)	1,017	330	4	**1,351**	24.4 %
Employee shareholding	132	1	0	**133**	0.8 %
Formalities and other reasons	1,731	103	4	**1,838**	5.6 %
External resolutions (proposed by shareholders)	264	100	1	**365**	27.4 %
TOTAL	**6,680**	**1,511**	**14**	**8,205**	**18.4 %**

"Say on Climate" resolutions

In 2023, we also expressed our views on **10** environmental resolutions proposed and supported by company management.

4 of these did not benefit from our support (30% voted against and 10% abstained from the environmental resolutions).

Votes misaligned with our policy

During 2023, the votes on **14** resolutions were misaligned with our policy.

Filing of external resolutions

Rothschild & Co Asset Management reserves the right to take part in submitting external resolutions. This option was not exercised in 2023.

Predeclarations of voting intentions

For **258** resolutions, predeclarations on voting intentions were made by Rothschild & Co Asset Management in 2023, via the collaborative platform of the United Nations Principles for Responsible Investment.

Conflict of interest management

The asset management company has a conflicts of interest policy and a conflicts of interest map that covers ESG risk.

In 2022 Rothschild & Co Asset Management had no conflicts of interest when exercising voting rights.

Transparency

In addition to this annual voting report for Rothschild & Co Asset Management, we also publish voting reports for SRI-labelled equity funds on our website. These provide details of the votes cast, resolution by resolution.

In addition, details of the votes cast, resolution by resolution, at Rothschild & Co Asset Management level, will also be made available on our website.

2.3 Collaborative engagement

Participation in industry-led initiatives

Rothschild & Co Asset Management has chosen to join a selected number of industry-led initiatives directly related to our investment themes to be fully involved in developing and disseminating best practice.

Initiatives	What is it all about?
French Asset Management Association	The French Asset Management Association (Association Française de Gestion Financière, AFG) represents third-party asset management professionals. It brings together all the players in the asset management business, whether individualised (mandates) or collective. The AFG is organising a plenary session dedicated to sustainable investment, which Rothschild & Co Asset Management is attending. We were also a member of a working group on fossil fuels led by the AFG. Since 2023, we have been participating in working groups on diversity and gender in asset management companies, as well as on transition plans, just transition and biodiversity in investment.
Climate Action 100+	Climate Action 100 + is an initiative that aims to change the practices of the world's major greenhouse gas emitters. The participating investors in the initiative, representing total assets of more than USD 68,000 billion for nearly 700 investors, are calling on companies to improve their climate change governance, reduce greenhouse gas emissions and strengthen their climate-related financial disclosure. Rothschild & Co Asset Management joined Climate Action 100+ in 2019 and has since taken part in the various initiatives that have been undertaken.
"Investors for a Just Transition" coalition	The Investors for a Just Transition Coalition is an initiative to engage in dialogue with issuers in selected sectors to promote a socially acceptable transition to low-carbon economies. Rothschild & Co Asset Management joined Investors for a Just Transition in 2021 as a founding member and is currently taking part in an engagement campaign with various companies. We are responsible for and contribute to the "Food and Agriculture" and "Energy" working groups respectively.
Institut de la Finance Durable	Launched in 2016 by Paris Europlace, the Finance for Tomorrow initiative, which became the Institut de la Finance Durable in early 2023, aims to make of the French capital, a hub for green and sustainable finance. Rothschild & Co Asset Management joined this initiative in 2021 and since then has participated in various working groups on a wide range of subjects: regulatory developments in the field of sustainable finance (Policy commission), preservation and restoration of biodiversity and natural capital, development of impact finance, just transition, etc. Since 2023, we have been involved in the working group on extra-financial analysis methodologies and the fossil fuel trajectory.
FAIR	Rothschild & Co Asset Management is a member of FAIR, a collective committed to solidarity finance and promoter of the Finansol label.
French Sustainable Investment Forum	The French Sustainable Investment Forum (FrenchSIF / Forum pour l'Investissement Responsable / FIR) is a multi-stakeholder association set up in 2001 to promote and develop responsible investment and its best practices. In 2023, Rothschild & Co Asset Management became a member of the "Dialogue and Engagement" commission and the "Social Taxonomy" working group, and decided to take part in the 5e campaign of written questions to CAC 40 companies.
Net Zero Asset Managers Initiative	The Net Zero Asset Managers initiative (NZAMi) is a group of asset managers committed to meeting Net-Zero targets by 2050, in line with a 1.5 C pathway, as well as an additional, intermediate target of reducing CO2 emissions by 50% by 2030. Rothschild & Co Asset Management joined the initiative in 2021 and published its targets in November 2022: to hold 75% of companies with targets aligned with a 1.5°C scenario in 2030, within the basket of assets held through our open-ended direct management funds.
Pledge for the development of impact finance	As part of its participation in the Institut de la Finance Durable's working group on impact finance, Rothschild & Co Asset Management signed a pledge for the development of impact finance in 2021.
"Say on Climate" open letters from the French Sustainable Investment Forum	In 2022, and again in 2023, Rothschild & Co Asset Management signed two declarations by the French Sustainable Investment Forum (FrenchSIF / Forum pour l'Investissement Responsable / FIR) in favour of the generalisation of a demanding "Say on Climate".
United Nations' Principles for Responsible Investment	The United Nations launched the Principles for Responsible Investment (PRI) in 2006. They encourage investors to integrate Environmental, Social, and Governance (ESG) issues into management. A signatory since 2011, Rothschild & Co Asset Management answers the UN PRI questionnaire every year. In 2024, Rothschild & Co Asset Management became a member of the French-speaking UNPRI reference group and the commission on sustainable regulation.

2.4 Engagement with external data service providers

The **availability, comparability and reliability** of ESG data disclosed by companies are major issues for investors and regulators. The work currently being carried out by the International Sustainability Standards Board (ISSB) and the European Financial Reporting Advisory Group (EFRAG), among others, is designed to address these long-standing issues.

In the meantime, we have regular exchanges with external data service providers to test the robustness of their methodologies and the quality of the information they make available to us. We see this dialogue as engagement, in that we make them aware of the **growing and increasingly specific needs of investors** and help them to improve their offerings.

To enhance the readability of our sustainable investment strategies and reporting, we are also seeking to acquire tools that can offer new and differentiating views of our management practices while dovetailing with those that we already possess. In 2023, we met once again with nearly a dozen players in the ESG data ecosystem.

We also interacted **nearly 40 times** with our main service provider over the course of 2023, in order to question certain aspects of its methodology or the accuracy of the data it collects from companies. This is how we are seeking to encourage closer collaboration between our main external data provider and the companies, which is not only desirable but also possible while preserving the independence of each party.

With a view to formalising our approach and intensifying our dialogue with external data service providers, in 2023 we set up a **'Service Provider Committee'**, coordinated by the ESG & Financial Analysis team, with the participation of the Risk Management and Compliance teams. The Committee meets twice a year to:

- Monitor partnerships with various data suppliers, in particular data quality and the proper integration of data into our internal tools;
- Maintain the ESG data flow map;
- Monitor the competition and align the prospecting of potential service providers with the generation of ideas and new needs, on the basis of predefined selection criteria.

13
Players in the ESG data ecosystem met in 2023

39
Interactions with our main external data service provider in 2023

2.5 Engagements *vis-à-vis* regulatory and certification bodies

From time to time, we take part in public consultations aimed at gathering feedback, good practice and areas for improvement from stakeholders on the general framework for sustainable finance. As asset managers and investors, we are at the forefront of the implementation of these rules, whether they are regulatory or backed by sustainable labels. This is why we believe it is our role to bring technical expertise, operational reality and pragmatism to the table of these regulatory and certification bodies.

During 2023, we responded to the following public consultations:

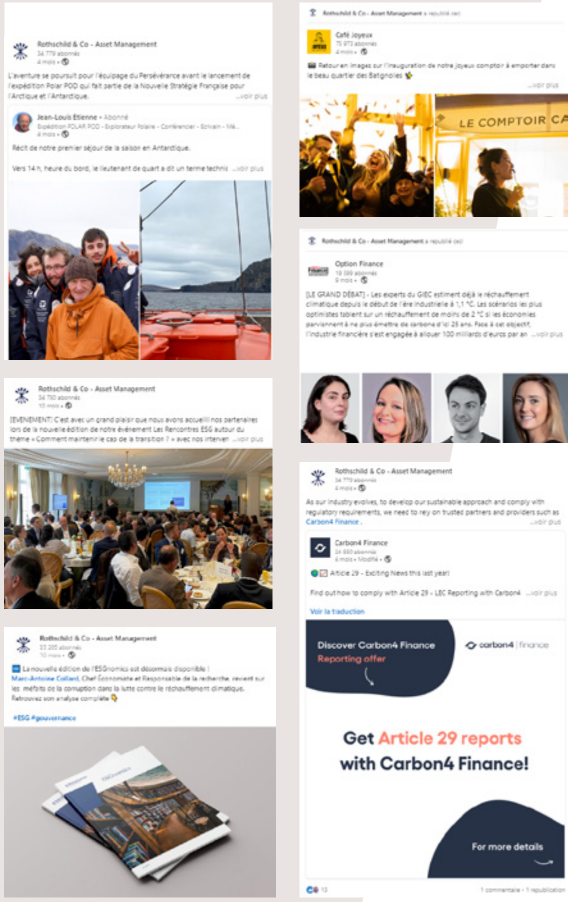
Instance	Description	Topics covered
European Commission	■ Revision of the founding principles of the SFDR regulation ("level 1" framework legislation)	■ Review of current requirements (usefulness and understanding by investors, clarity of concepts, implementation costs) ■ Relationship with other European legislation, in particular the Corporate Sustainability Reporting Directive (CSRD) and the Taxonomy ■ Potential changes to transparency and information obligations at "entity" and "product" level ■ Possible overhaul of the classification system for financial products: ▫ Option 1: Clarify the distinction between "Article 8" and "Article 9" financial products, and introduce minimum guarantees ▫ Option 2: Categorise financial products according to their investment strategies
European Commission & European Supervisory Authorities	■ Revision of the terms of application of the regulatory technical standards ("RTS") SFDR ("level 2" framework legislation)	■ Principal Adverse Impacts (“PAI”) ■ Decarbonisation targets ■ Definition of sustainable investment and "Do No Significant Harm" ("DNSH") principles
SRI Label Committee	■ Revised specifications initiated at the request of the Ministry of the Economy and Finance	■ Reinforcement of selectivity requirements and maintenance of the generalist nature of the SRI Label ■ Introduction of a systematic double materiality requirement ■ Incorporation of the climate dimension into the basis of the SRI Label
Label Towards Sustainability	■ Revision of the specifications initiated by the Belgian Financial Sector Federation (Febelfin)	■ Increased level of ambition of the Towards Sustainability Label and tightening up the requirements ■ Alignment of requirements with certain concepts introduced by the SFDR regulation

2.6 Communicating our sustainable beliefs

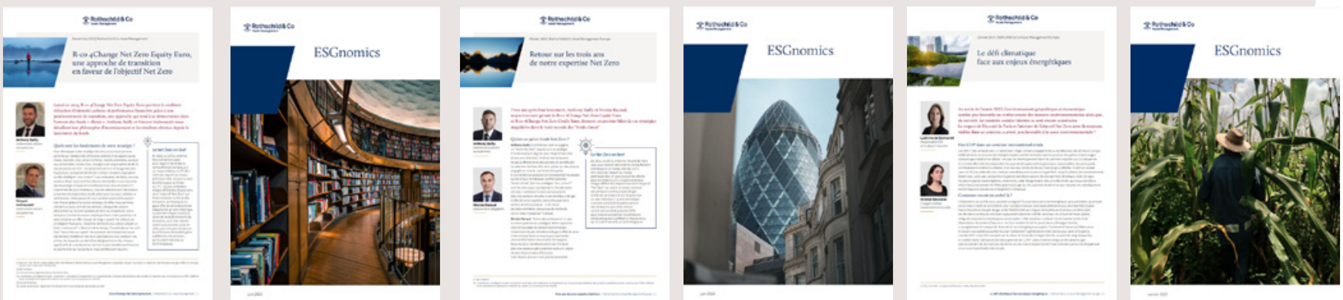
In 2023, Rothschild & Co Asset Management stepped up its communication efforts with the general public, in line with its sustainable investment themes and its news. To inform, explain and promote our sustainable initiatives, we participated in **round tables discussions**, organised **events**, and increased our presence in the **traditional media** and on **social media**.

10 dedicated events

30 LinkedIn Posts



9 Articles / Documents



2.7 Sharing units and charitable partnerships

We have chosen to materialise our convictions by financing several associations *via* sharing units created specifically for this purpose, as well as via 1% for Planet France.

Rothschild & Co Asset Management is a member of the support committee and sponsor of Jean-Louis Etienne's Polar Pod expedition

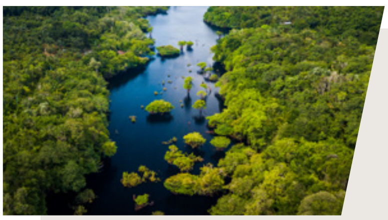
- This scientific project aims to explore the little-known Southern Ocean with a revolutionary vessel
- The expedition is pursuing 4 lines of research
  - Atmosphere-ocean exchanges
  - Monitoring the Southern Ocean by satellite remote sensing
  - Making an inventory of marine fauna
  - Measuring anthropogenic impacts
- We have signed a sponsorship agreement with Polar POD for a period of five years and are donating part of the management fees from our Net Zero funds to finance this expedition

The R-co 4Change Net Zero Equity Euro & R-co 4Change Net Zero Credit Euro funds donate 0.15% per annum in management fees to the Polar Ocean association to help finance the Polar POD expedition.

Partnership with Café Joyeux, the first family of solidarity cafés-restaurants committed to the inclusion of people with mental or cognitive disabilities

- All the profits from this solidarity enterprise go towards opening new cafés-restaurants and hiring team members on permanent contracts
- As a sharing-based fund, R-co 4Change Inclusion & Handicap Equity donates part of its management fees to Café Joyeux
- An early bird unit that passes on all the management fees to charity is available to investors for the first €50 million subscribed
- We give our employees the opportunity to order coffee at preferential rates

R-co 4Change Inclusion & Handicap Equity gives annually between 0.44% and 0.25% of its management fees to Café Joyeux, depending on the unit concerned (except for the early bird share).



Rothschild & Co Asset Management is a member of the 1% for the Planet France movement

- 1% for the Planet is a worldwide movement supported by companies that have decided to donate 1% of their sales to environmental protection associations

Since 2022, 1% of the Net Banking Income of the of funds 4Change range was donated to projects selected by 1% for the Planet.

2.8 Employee engagement and engagement

Involving all our teams in making our sustainability approach a reality

In the dynamic and ever-changing environment of sustainable finance, our people play a key role in the operational roll out of our sustainability approach. At the heart of Rothschild & Co Asset Management's strategy, the development of an ever more sustainable product offering mobilises many functions within our organisation on a daily basis.

1. Providing financial incentives to our employees

Remuneration policy that includes ESG targets	Since 2021, Rothschild & Co Asset Management has reviewed its remuneration policy in accordance with the requirements of the SFDR regulations. Compliance with ESG engagements is one of the **objectives of fund managers** and contributes to performance analysis without quantification. For the 2023 financial year, for all Rothschild & Co Asset Management employees, compliance with ESG policies and engagements, as well as the contribution to the ESG business development of Rothschild & Co Asset Management are part of the criteria for measuring annual performance. The teams most directly impacted by ESG issues (fund managers, analysts, sales, compliance and risk teams) will define a complementary ESG goal that is relevant and in line with their business.

2.TRAINING OUR EMPLOYEES ON SUSTAINABLE FINANCE CONCEPTS

Periodic discussion forums	The ESG & Financial Analysis team organises discussion forums on a **monthly or quarterly** basis with our sales and management teams (equities, fixed income, multi-management, etc.). Identification of needs specific to a management expertise, new ideas (quality of ESG reporting and business presentations, etc.), requests for clarification (ESG analysis methodology, ESG indicators, regulations, etc.), feedback, etc. These forums are valuable and allow us to **move forward together**.
Committees to steer our actions	Management of Rothschild & Co Asset Management, the ESG & Financial Analysis team, as well as the marketing, risk, and compliance teams, meet **on a bi-monthly basis to steer, validate and implement our priority projects** (ESG data management, compliance with regulations, launch of new products, steering sustainable investments, monitoring of "Article 29 LEC" engagements, etc.).
ESG training offered and delivered in-house	Over the course of a year rich in current events (European regulations on sustainable finance, the outbreak of war in Ukraine, the energy crisis in Europe, COP 27 in Sharm el-Sheikh in Egypt, COP 15 on biodiversity in Montreal, the first implementation of Article 29 of the Energy and Climate Law, etc.), our sales and management teams, like our customers, were given nearly 50 training sessions by the ESG & Financial Analysis team. Notably in 2022, on World Environment Day, all Group employees were invited to take part in a series of training courses offered by the **Rothschild & Co Sustainability Academy**, an online platform developed by AXA Climate to help them understand the scientific fundamentals behind the notion of sustainable transition. This focuses on key environmental issues such as biodiversity, climate change, the depletion of natural resources and their impact on societies and the economy, and is enriched by new topics across the Group's ESG priorities. Finally, all Rothschild & Co Asset Management employees took part in a workshop inspired by the **Climate Fresk**, is a French non-profit organisation founded in December 2018 which aims to raise public awareness of climate change.
ESG training leading to certification	Rothschild & Co Asset Management encourages its employees to follow certification courses in the field of sustainable finance. A growing number of our employees have, for example, benefited from financing and successfully obtained the **"AMF Sustainable Finance Certification"**, the **"ESG Analyst Certificate (CESGA)", issued under the authority of EFFAS (European Federation of Financial Analysts Societies) and offered by the SFAF (*Société Française des Analystes Financiers*), or the "Certificate in ESG Investing" from the CFA Institute.**

3. Promoting cross-functional collaboration and internal information sharing

An ESG Newsletter	Key figures, regulatory developments, news from issuers and sustainable finance players... our employees are continuously kept informed and receive a **weekly ESG newsletter** produced by the ESG & Financial Analysis team.
Development of an in-house financial and ESG research platform	In 2022, Rothschild & Co Asset Management initiated the development of an internal financial and ESG research platform , in collaboration with ResearchPool. It will centralise all information relating to the financial and ESG analysis of issuers (sell-side research, investment dossiers produced by our analysts, ESG ratings and data, engagement actions), make it easier to read and share, and simplify reporting at the end of the chain.

Using our engagement as a lever to raise awareness among our employees via R&Co4Generations

As well as implementing a responsible investment strategy, we contribute to a sustainable economy through concrete, committed actions.

To achieve this, we rely on R&Co4Generations, the Group's foundation created in May 2021, to mobilise all our employees and our business expertise. The main mission of R&Co4Generations is to **support future generations** by empowering young people to become agents of social and environmental change. It supports initiatives that work to **address the effects of inequality and climate change**, with a particular focus on projects that:

- develop skills and talents,
- cultivate an entrepreneurial spirit among young people,
- promote innovation in response to inequalities and climate change.

R&Co4Generations uses a variety of tools to support such initiatives:

- cash donations to innovative associations and social enterprises working in the chosen fields,
- setting up targeted fundraising campaigns with matching funds from the foundation,
- and social impact investments aimed at supporting cutting-edge solutions to some of the most, pressing social and environmental challenges,
- the pro-bono consultancy service through which the Group can share its knowledge,
- and professional skills to strengthen the resilience and sustainability of promising high-impact organisations,
- offering a range of volunteering opportunities that enable employees to make a direct and tangible contribution to the causes supported by the foundation.

R&Co4 Generations

27%
of the **Group's employees** involved in R&Co4Generations activities

54
Rothschild & Co Asset Management employees involved in the activities of R&Co4Generations

54
charities supported by the Group
in
35 **countries**

Examples of projects supported by the Fondation R&Co4Generations and engagement of Rothschild & Co Asset Management Europe employees

Environmental Pillar: Engagement to the climate and preservation of natural capital	
Noé	Noé is an association for the protection of nature and the preservation of biodiversity, which implements programmes for the conservation of endangered species, the management of protected natural areas, and the support of economic activities that favour the protection of biodiversity. R&Co4Generations supports the Lepinoc project: an automated moth monitoring pilot. Moths are essential links in the food chain that play a major role in plant pollination. The Lepinoc project is crucial to our understanding of issues such as light pollution and land artificialisation so that we can adapt our practices to limit our impact. **To highlight Noé's actions, R&Co4Generations is supported by a member of staff who has been an ambassador for the association since the beginning of the partnership.**
Ecole des Pôles	Témoins Polaires supports projects linked to the poles that seek to understand and measure climate change and to raise awareness among future generations through a sense of wonder. Through the Ecole des Pôles programme, young people are informed and equipped to make a engagement to the climate. "The Arctic is warming 4 times faster than the global average. On the ground, I'm seeing changes that our models predicted would happen by the end of the century. Everything that happens in the Arctic affects not just that region but the whole planet. For polar science to have an impact, it has to be communicated, and that's where Témoins Polaires plays a crucial role: informing the younger generations, preparing them for an upturned future and, above all, giving them hope that tomorrow can be better if we take action today." Heidi Sevestre, glaciologist. **To highlight Noé's actions, R&Co4Generations is supported by an employee who has been an ambassador for the organisation since the beginning of the partnership.**

Social Pillar: Participating in the development of a more inclusive economy	
Bibliothèques Sans Frontières	Bibliothèques Sans Frontières (BSF) works internationally to facilitate access to education, culture, and information for people in precarious situations, giving them the means to learn, have fun, create links and build their future. R&Co4Generations has supported three BSF projects since 2021: ■ Hampâté Bâ: The fruit of collaboration between Seybah Dagoma, international lawyer and former French MP, and Bibliothèques Sans Frontières, the Hampâté Bâ initiative aims to create, in Central and West Africa, a network of "enhanced" school libraries open to all, with a view to transforming society for the better (3 library spaces have been set up to date), thanks to the support of R&Co4Generations. ■ IdeasBox4Women: Making the IdeasBox a dedicated, safe space for women and girls in the Rohingya refugee camp in Bangladesh. R&Co4Generations' support has enabled more than 4000 Rohingya refugee women and girls to access programmes that meet their needs and empower them. ■ In France, with the Pro'Pulsion project, BSF's Ideas Boxes play an essential role in informal and community spaces where young people can meet and discuss their aspirations and career plans with trained local mediators. Young people can find out about vocational training and employment opportunities in their region, and are offered tailor-made courses to inspire them and broaden their horizons.
Demos	Since 2010, Demos has been working to promote access to classical music through instrumental practice in orchestras for children from neighbourhoods covered by urban policy or from rural areas where there are not enough cultural institutions. Initiated and coordinated by the Cité de la musique - Philharmonie de Paris, Démos is now being rolled out across France through partnerships with local authorities. Its aim is to include young people aged 7 to 12 in an orchestra and provide them with instruments. **In 2023, four employees took part in the "Chœur des Mécènes" organised by Demos, singing accompanied by the Demos orchestra from Angers.**
Enactus France	Enactus France supports and trains students to transform their ideas into action to build a fairer, more inclusive and more sustainable world. Since 2012, Enactus has helped thousands of young people to develop the skills, know-how and interpersonal skills they need to make an impact and become the entrepreneurs of their lives, unlocking the potential of individuals to multiply the impact of organisations. R&Co4Generations supports this programme, which proposes experimenting with social entrepreneurship to develop young people's skills. Thanks to this support, students are guided from the emergence of an idea right through to taking action, or even setting up a social enterprise. **In 2023, seven Enactus employees are committed to the association, whether through coaching sessions to help students build their projects or a selection committee to choose the winner of the Coup de Pouce award from among around twenty projects pre-selected by Enactus on the theme of the environment.**
Entreprendre pour Apprendre	Entreprendre Pour Apprendre connects schools and companies to mutually enrich each other with all their energies and help all their potential to grow together. This experience gives secondary school pupils, their supervisors and mentors a collective entrepreneurial adventure that gives everyone the power to develop their ideas and personalities. Mini-Entreprise® is a concrete, collective project in which a group of young people experiment with entrepreneurship in a fun and professional way. The group will have to develop a business plan leading to the marketing of a product or service. At the end of the school year, the mini-companies will face a panel of judges at the national festival, which brings together schools, partners and sponsors. The mini-companies will be awarded various prizes, highlighting their creativity. **In 2023, five employees took part in the mini-companies programme, enabling them to present their project at the national festival.**

By raising awareness of our sustainable investment themes and all the initiatives mentioned above, supported by committed employees, through the donation of time or the funding of causes close to our hearts, we hope to contribute to the development of **a more responsible, fair and inclusive society.**

Investor information

We have formalised our approach as a responsible investor in a number of documents, which are available on our website.

Policies / General documents

- ESG policy
- Engagement and voting policies
- Controversial weapons exclusion policy
- Exclusion policy relating to fundamental principles
- Investment principles for thermal coal sector
- Exclusion policy relating to the tobacco sector
- Exclusion register
- Adverse impact declaration policy
- Sustainability risk policy for investments
- Definition of sustainable investments
- List of open-ended funds that comply with the ESG Policy, and their SFDR category
- Rothschild & Co Group CSR policy
- Remuneration policy

Specific documents

- Fund Transparency Code 4Change in direct management
- AFG-FIR Transparency Code (Multi-management)
- List of open-ended funds and their SFDR Category
- Fund prospectus, including SFDR pre-contractual appendices for Article 8 and 9 funds

Reports

- This Annual Engagement Report, including the report on the exercise of our voting rights
- Report on Article 29 of the Energy and - Climate Law, TCFD combined
- UN - PRI transparency report, available on the PRI website
- Financial and ESG reporting for our open-end funds
- Fund annual reports, including periodic SFDR appendices for Article 8 and 9 funds

Rothschild & Co Asset Management, a “société en commandite simple” [French limited partnership] with a share capital of EUR 1,818,181.89, registered with the Paris Trade and Companies Register under number B 824 540 173, having its registered office at 29, avenue de Messine in Paris, France (75008). Portfolio Management Company approved by the AMF, under number GP-17000014.

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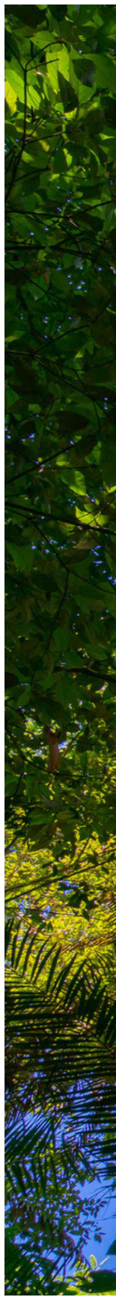

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