



# Engagement and Voting Report

## 2024

# Financing the transition

Growth and investment must be sustainable. Irrespective of business sector, geographical area or competitive environment, sustainability issues can have major implications for companies (future growth prospects, financing capacity, short, medium and long-term valuations, reputation, etc.) and their various stakeholders.

Having management convictions means going beyond a regulatory vision or an "extra-financial process": a rigorous analysis is necessary to form a more global opinion on the solidity and relevance of a business model, the credibility of a strategy, or the ability to transform.

Our commitment is based on supporting economic players, regardless of the sector in which they operate, as well as on various sustainability issues (climate change, preserving biodiversity, just transition, inclusion, etc.). By creating the conditions for regular and transparent dialogue, by exercising our voting rights at general meetings, and also by working more widely with other industry professionals, we are helping to adopt and disseminate best practice.

This report aims to provide a detailed and concrete account with regard to the engagement initiatives we undertook in 2024.

**Pierre Baudard**  
Managing Partner & CEO





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1

# Our vision of engagement

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# 1.1 An approach to sustainability that supports 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. We believe that a sustainable economic model encourages more inclusive practices. Our approach therefore intends to articulate the environmental and social dimensions consistently.

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 strategy.

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.

These 3 principles are applied across the full range of our management expertise in line with the degree of sustainability of our investment strategies.

## 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.

### Limiting negative impacts

1. Regulatory and discretionary exclusions

- Exclusion of controversial weapons, international sanctions and non-cooperative countries for tax purposes
- Fundamental principles (United Nations Global Compact)
- Rothschild & Co's investment principles for the thermal coal sector
- Exclusion of the tobacco sector
- Other specific filters relating to the investment strategy

### Strengthening conviction management

2. Integration of sustainability issues into our analysis

- Stock picking process based on an analysis of ESG criteria in addition to the financial analysis
- On all our products(1) an average ESG score 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

### Facilitating positive contributions

3. Engagement and voting policies

- Dialogue with issuers and asset management firms
- A voting policy that abides by sustainable investment principles
- Signing up to and participation in local initiatives
- Sharing units and philanthropy activities

- **At the level of the sustainable finance ecosystem**  
Through diligent participation in industry initiatives (AFG, FIR, UNPRI, Investors for a Just Transition, Climate Action 100+, Nature Action 100, Net Zero Asset Managers initiative, etc.), exchanges with our external stakeholders (clients, data providers, public authorities, NGOs, the education sector, etc.)

- **At the level of our organisation**, by setting up an ESG team at the heart of our asset 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, Management 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
- Tatiana Velandia Ardila
- Gabriel Hors
- Ugo Kiraz
- Natacha Rousset
- Eva Olejniczak

### Thematic

#### Thierry Rigaudière

Head of Thematic Management

- Nathalie Bourdoncle
- Paul Reuge
- Valérie Oelhoffen
- Alban Seydoux

### Bonds

#### Emmanuel Petit

Managing Partner & Head of Bond Management

- Kristell Agaësse
- Henry Ndong
- Philippe Lomné
- Jérôme Loire
- Julien Boy
- Solweig Pierronnet
- Michael Longeard
- Mirthula Pirapakaran
- Nicolas Racaud
- Natally Loaiza Santamaria
- Yann Roux
- Antoine Da Silva
- Samuel Gruen

### Sustainable investment



**Ludivine de Quincerot**  
Head of Sustainable Investment & Diversified Management Europe



**Andrea Sekularac**  
ESG Specialist



**Alice Lagny**  
ESG Specialist



**Edward Luu**  
ESG Analyst & Head of Engagement



**Thomas Vincent**  
Financial Engineer & ESG Data Scientist

### International equities and diversified asset management

#### Yoann Ignatiew

Managing Partner & Head of the Valor range

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

### Open Architecture

#### Marc Terras

Head of Open Architecture fund management

- Thomas Ayache
- Linh Mansion
- Stéphane de Kermaal
- Jade Weil
- Mathieu Six
- Pierre Hauvette
- Laurent Cheng
- Morgane Wespieser
- Ambre Laurensen

### Investment solutions

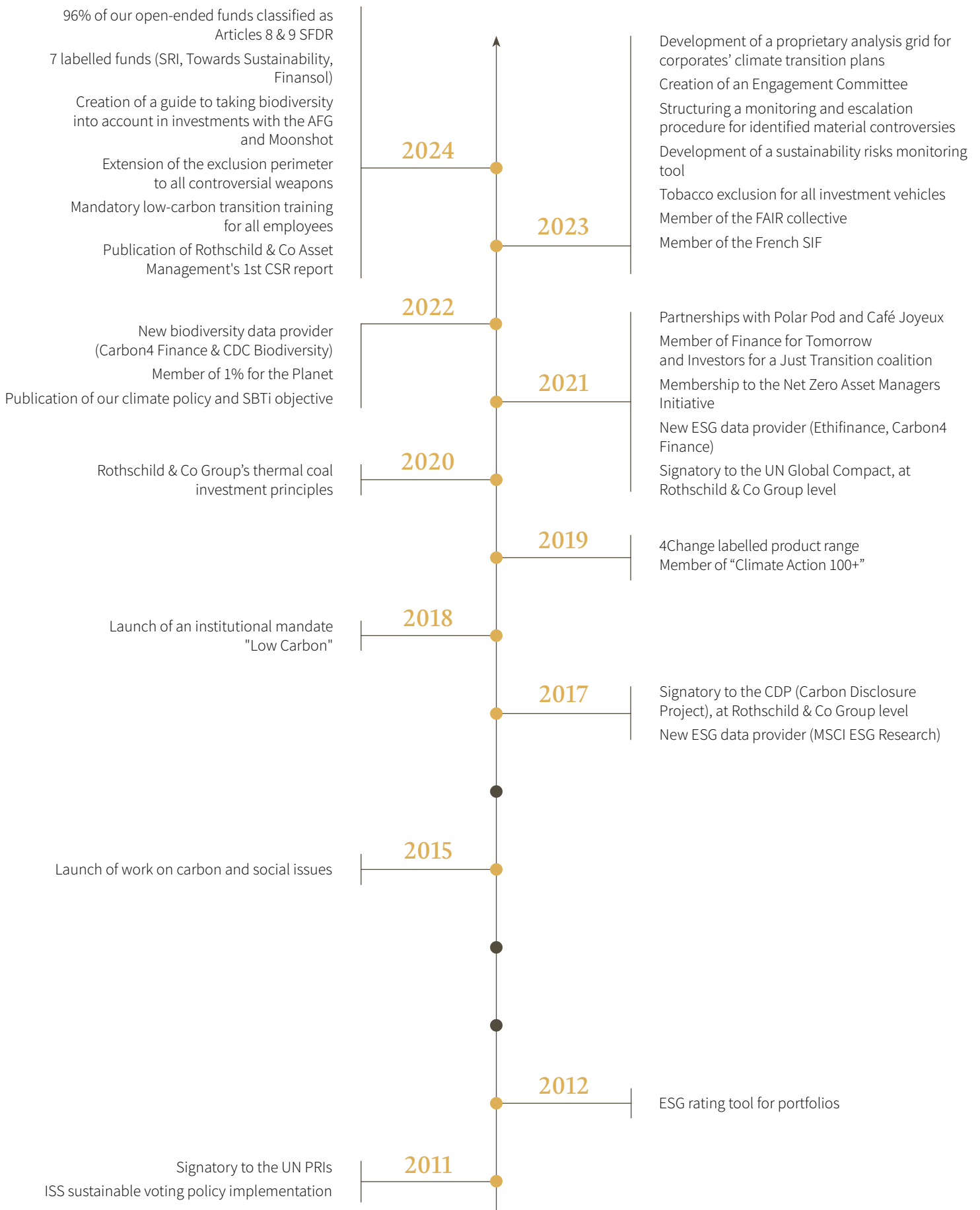
#### Étienne Rouzeau

Head of Investment Solutions

- Vincent Gouzon
- Valérie Chevalier

(1) Except R-co OPAL Emergent

## Over 10 years of integrating sustainability issues



# Highlights of 2024

Our sustainability approach is more than 10 years old. With this experience under our belt, we are able to stand back and keep a critical eye on a changing environment, while pursuing our initiatives and ensuring that we keep our approach clear and simple. Once again, 2024 was a year in which we deepened our commitment, marked by important milestones.

## ■ Continued analysis of portfolio company transition plans

As part of our direct management of a limited number of funds, 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 regulators, clients, 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 (French Association for Financial Management, Institute for Sustainable Finance) aimed at defining best practice for analysing companies' transition plans. During 2024, we continued to roll out our grid for analysing transition plans, in particular in preparation for SRI V3 certification audits. In addition, an automated version, based on data supplied by our service providers, has been developed to increase the level of coverage.

## ■ Appointment to the AFG Sustainable Investment Committee

In 2024, Rothschild & Co Asset Management became a member of the "Sustainable Investment" committee of the French Association for Financial Management (AFG), whose mission is to contribute to the development of positions and the prioritisation of key topics in sustainable finance, particularly in response to consultations and regulatory changes.

## ■ External recognition of our ESG expertise

In 2024, Rothschild & Co Asset Management's ESG team received two external awards. In France, we came third in the Trophées de la Finance Responsable. In Italy, we came second in the ESG Identity Asset Management Assessment (ESG. IAMA). These external awards recognise the robustness of our approach to sustainability.

## ■ Publication of the first CSR report by Rothschild & Co Asset Management

Rothschild & Co Asset Management published its first CSR report in 2024, the result of a collaborative effort spearheaded by Pierre Baudard, Managing Partner & Chief Executive Officer. The report supplements the Rothschild & Co Group's CSR report and aims to highlight the initiatives undertaken by our division. Following on from this publication, a CSR Committee, chaired by Ludivine de Quincerot and made up of employees from different functions, has been set up to implement our future actions.

96%

of open funds are Article 8 or 9 SFDR

7

labelled funds in our 4Change range

5

Funds categorised under Article 9 SFDR

2

Net Zero investment strategies

Close to

300

climate transition plans assessed

(2) The scope of the funds concerned is available on request

## Being part of the Rothschild & Co Group

Rothschild & Co is a family group made up of three established and highly complementary business lines, united by a shared approach.

With 4,660 employees worldwide, Rothschild & Co provides independent advice on mergers and acquisitions, strategy and financing, as well as investment and wealth management solutions. Its services are aimed at large and medium-sized institutions, families, individuals and governments worldwide.

- Global Advisory provides independent, specialist financial advice to large and medium-sized companies, private equity, families, entrepreneurs, sovereign wealth funds and governments to help them achieve their objectives by designing and implementing strategic M&A and financing solutions.
- Private Banking and Asset Management: Private Banking offers an independent, long-term perspective on investment structuring and asset protection to preserve and grow its clients' wealth. Asset Management offers innovative investment solutions in a variety of asset classes, designed to meet the needs of each of our clients. Assets under management at 31/12/2024 totalled around €124 billion.
- Five Arrows is Rothschild & Co's alternative assets business, which deploys the company's capital alongside a select group of leading institutional and private investors. The platform offers a comprehensive range of investment strategies focused on Europe and the United States. [Assets under management totalled around €28 billion at 31/12/2024.](#)

Rothschild & Co's long-term ambition is to use **its influence and expertise to contribute to the ecological and sustainable transition of the global economy**. This ambition, clearly articulated as a key pillar of the Group's strategy, is seen as a fundamental component in implementing the Group's business model and creating long-term value.

The rapid evolution of sustainable development issues represents both a challenge and an opportunity for many of our clients, who need to find a balance between all the short-term risks and opportunities, and the longer-term outcomes and goals. As a family-owned group offering diversified financial services for over 200 years, we have a role to play in helping our clients make the transition and manage change.

In 2024, the Group revised its **framework of strategic sustainability priorities**, providing a long-term direction and roadmap for addressing the most relevant risks, impacts, opportunities and their various nuances across all of its activities:

|           | Low-carbon transition  | Unique culture of talent   | Business conduct  |
|-----------|--|--|---|
| Goals     | Helping to maintain and create value for our clients in connection with the low-carbon transition, our investors and our business model.   | Attract, develop and retain high-potential talent demonstrating team spirit, autonomy and motivation to offer the best expertise to our business lines, clients and investors.   | Conduct business in a manner that is fair and integrated, while maintaining the confidence of our clients and investors and protecting our Group over the long term.  |
| Priorités | <ul style="list-style-type: none"> <li>■ Advise our clients to help them <b>identify, retain and create value in the transition to a low-carbon economy</b></li> <li>■ Identify <b>transition-related investment opportunities</b> for our clients and investors</li> <li>■ <b>Use our influence to promote transition technologies</b></li> <li>■ <b>Manage the inherent impacts and risks of climate-related investments</b></li> <li>■ <b>Decarbonise our operations</b></li> </ul> | <ul style="list-style-type: none"> <li>■ <b>Attract, retain and develop a diverse talent pool and foster a culture that values and celebrates their different perspectives and skills</b></li> <li>■ Provide <b>opportunities for professional development</b> and conditions that enable our employees to enhance their skills, <b>maximise their potential</b> and progress in their careers</li> <li>■ Encourage <b>respect for employees' work-life balance</b></li> <li>■ Encourage <b>responsible</b> human resources management <b>practices</b> through dialogue with companies</li> </ul> | <ul style="list-style-type: none"> <li>■ Encourage a <b>culture of responsibility and a prudent approach to risk</b> in order to protect our clients, investors and our Group over the long term</li> <li>■ <b>Preserve the confidentiality of information provided to us by our clients, investors and employees</b></li> <li>■ Encourage <b>responsible business conduct</b> through dialogue with companies</li> </ul> |

## Our involvement in the Group's governance bodies

The achievement of the Group's strategic priorities is based on clear governance, in which Rothschild & Co Asset Management is fully involved..

### Le **Conseil de Surveillance**

exerce un contrôle permanent de la gestion de la Société par le Gérant, avec un Comité dédié au Développement Durable.

#### **Management Board**

defines the Group's ambitions and strategic priorities in terms of integrating sustainable development

#### **Sustainable Development Committee**

assists the Management Board with strategy and cross-functional sustainable development issues for the Group as a whole, and helps to oversee the implementation of strategy

#### **Divisional Management Committees**

take account of the Group's ESG priorities in defining and implementing their strategies

The Group's **specialist teams and committees** support the implementation of the Group's strategy in collaboration with the Group's Sustainable Development Committee

Within this organisation, Pierre Baudard, Managing Partner and CEO of Rothschild & Co Asset Management, is a member of the Sustainable Development Committee.

In addition, Ludivine de Quincerot, employee representative on the Group's Supervisory Board, and Andrea Sekularac, ESG specialist, represent the Asset Management business on the Wealth & Asset Management Sustainability Committee. He reports directly to the Wealth & Asset Management Vision Executive Committee, and works on the common roadmap and key initiatives for responsible investment across the Wealth & Asset Management businesses.

# FOCUS

## Initiatives supported by the Rothschild & Co group and its subsidiaries

| Initiatives                  | Description   | Area           | Participation                  |
|------------------------------|---|----------------|--------------------------------|
| 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 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                    |
| OCBF                         | The Committee for Sustainable Private Banking brings together the various players in the industry to develop the best practices in sustainable finance and enable all its members to raise the level of expertise of their establishments in this area.   | France         | Rothschild Martin Maurel       |
| 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 |
| 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          | Group                          |

## 1.2 Contributing through dialogue with all of our stakeholders

At Rothschild & Co Asset Management, we are convinced that engagement is a lever for transforming the real economy. Our strategy, formalised in 2021, is characterised by concrete actions on various links of our value chain:

- **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 for transformation, to protect 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, biodiversity, specific exclusions, sustainable performance indicators, ESG score, main negative impacts, etc.). We focus on formulating areas for improvement that we can monitor. Unsuccessful or inconclusive interactions can have an impact on the management of our positions in the portfolios.
- **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 bodies, market initiatives, public authorities, NGOs, etc.).** We play an active role in the discussions taking place in the marketplace, taking part in public consultations, working groups and round tables.
- **Alongside our charitable 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  
at every link in the chain

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## 2.1 Dialogue with issuers

Rothschild & Co Asset Management encourages and supports 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 strengthen our analyses and to inform our allocation and sales decisions.

We believe that effective 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;
- 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 enables us to strengthen our analyses and assess the capacity of issuers and asset management companies to change.**

### Targeted approach

Given our desire to support players in all sectors and to avoid systematic divestment, we must be extremely rigorous in our engagement with issuers.

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;
  - Due to the publication of unambitious sustainable goals;
  - Due to insufficient sustainable performance, generally reflected in downgraded ESG ratings;
  - Etc.
- **Focus on priority themes**
  - Related to the application of our ethical exclusion frameworks (controversial weapons, international sanctions, etc.) and sector-based exclusions (thermal coal);
  - In line with the sustainable strategies of our "4Change" products, which are associated with additional requirements (climate transition plans and "Net Zero" trajectories, taxonomic alignments, social inclusion, biodiversity, specific exclusions, sustainable performance indicators, ESG ratings, main negative impacts, etc.);
  - In connection with sectors of activity with a high climate impact and their material challenges;
- **Be conducted through various communication channels** (electronic forms or emails, physical or remote meetings, questions asked at general meetings, or at events - dedicated to ESG issues or not).

The main aim of all these initiatives is to deepen our analyses and formulate areas for improvement for issuers. Individual dialogue is regular, constructive and monitored over time. It may be carried out jointly by the Sustainable Investment team, the analysts from 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 our approach to managing our ESG dialogue with issuers, which has intensified in recent years, we have an **'Engagement Committee'**, coordinated by the Sustainable Investment 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 challenge;
  - 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 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;
- To monitor and supervise engagement actions that are part of our escalation procedure;
- 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.

## An alternative to systematic divestment

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 said, we believe that an escalation procedure, and in particular a disengagement, must be pragmatic and 'case by case', in order to take account of the diverse realities of companies while managing risk-return in the interests 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.

However, escalation mechanisms enable us to manage an identified controversy or a engagement, depending on its sensitivity, which could lead to disinvestment. In particular:

- Securities identified in the mandatory engagement cases for labelled funds are subject to increased vigilance. Each of these cases has an improvement area explicitly formulated to the sender, a clear objective and a predefined timeframe. These engagement actions are monitored by the Engagement Committee, which meets every two months.

For current engagements, the following escalations can be triggered:

- Enhanced engagement;
- Vigilance over general meetings, with a view to potential sanctions through voting.

For these requirements, which come into force in 2025, we have set up an 'SRI V3 Escalation Committee', which will meet annually and be attended by the Sustainable Investment, Risk Management and Compliance teams and the Managing Partners. Fund management teams and analysts are involved on a case-by-case basis. The committee has two objectives:

- Review escalation procedures in progress / undertaken during the year;
- Decide on a management action in the most severe cases: freeze on purchases or divestment.

We reserve the right to withdraw from engagement actions in the following cases:

- The goal of the engagement has become obsolete or is no longer achievable;
- The company refuses to proceed with our request and provides a convincing rationale;
- The company is no longer one of our portfolio holdings.

- To deal with controversies identified by Compliance or analysts, we have set up two controversy committees, involving the Risk Management, Compliance, Sustainable Investment and Managing Partners teams. 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 Sustainable Investment 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.

## Statistical data on dialogue with issuers

Our ambition remains unchanged: to prioritise quality over quantity of engagement initiatives. Our exchanges with issuers over the past year have once again been rewarding.

Our teams continued their dialogue with issuers, focusing in particular on those who

- Belong to sectors with a high climate impact;
- 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, non-consensual 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

### Methodological note on the scope of reporting statistics on dialogue with issuers

For purposes of comparison with our previous reports, the statistical data presented below voluntarily exclude certain methods of communication used with issuers:

- Standardised questionnaires on various ESG issues sent out during the 2021 financial year;
- Standardised questionnaires on the subject of disability in the workplace since the 2021 financial year; and
- Letters to management sent out as part of the Climate Action 100+ initiative and the Forum for Responsible Investment's campaign of written questions to CAC 40 shareholders' meetings (in which Rothschild & Co Asset Management took part for the first time in 2024 on the subject of CSR competencies and training for directors).

The choice of these exclusions from our reporting scope was also motivated by the less targeted and, therefore, less prescriptive nature of the questions asked through these means of communication.

However, in order to ensure complete transparency for our investors, should they expressly request it, and also to promote all our actions:

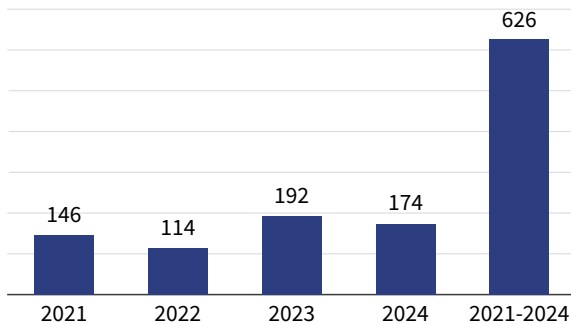
- ESG interactions based on the aforementioned methods of communication were consolidated in our internal tool for monitoring engagement during 2024; and
- several sections of this report were devoted to ESG interactions based on these methods of communication.

## Key performance indicators for ESG interactions and issuers encountered

During 2024, our teams interacted **174 times** with a total of **142 single issuers**. Slightly down on 2023, the number of ESG interactions presented here does not take into account the sending of standardised questionnaires on the subject of disability in the workplace, or letters to management as part of our first participation in the Responsible Investment Forum's campaign of written questions to CAC 40 shareholders' meetings on the subject of CSR competencies and training for directors<sup>(3)</sup>.

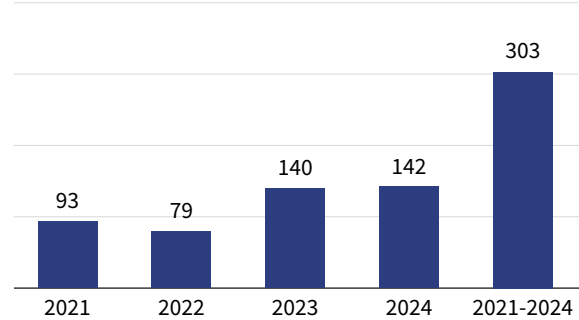
For the period 2021 - 2024, the overall picture is satisfactory, with **626 ESG interactions** with a total of **303 single issuers**<sup>(4)</sup>. With a frequency of **more than 2 ESG interactions per single issuer**, we believe we are in a position to provide effective support to the issuers in our portfolios.

Number of ESG interactions since FY 2021



Source: Rothschild & Co Asset Management, 31/12/2024

Number of single issuers engaged since FY 2021



Source: Rothschild & Co Asset Management, 31/12/2024

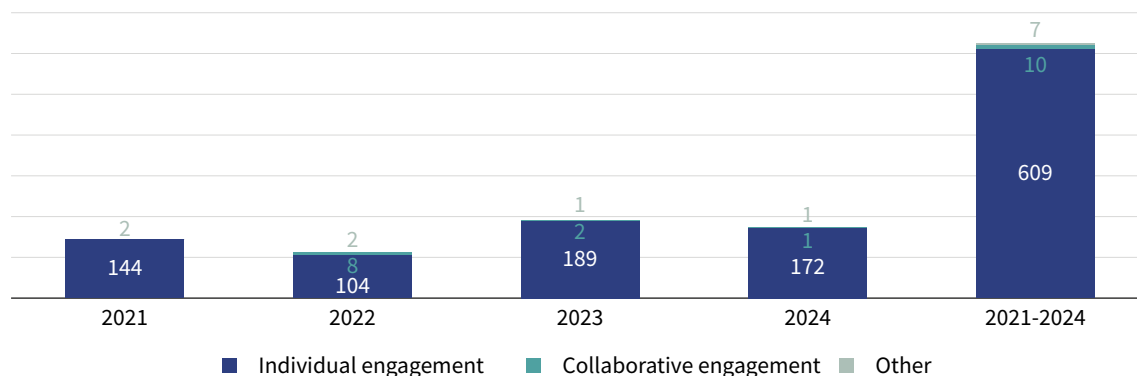
As in 2021, 2022 and 2023, **individual dialogue was the preferred format for our teams in 2024**<sup>(5)</sup>.

**However, we have not neglected collaborative dialogue**, which accounted for 17% of our ESG interactions in 2024, taking all forms of communication into account. We sent letters to management as part of our first participation in the Responsible Investment Forum's campaign of written questions to CAC 40 shareholders' meetings on the subject of CSR competencies and training for directors<sup>(6)</sup>.

By 2025, we want to be increasingly involved in collaborative engagement initiatives with issuers:

- Renewal of our participation in the Responsible Investment Forum's campaign of written questions to the general meetings of CAC 40 companies on the broader theme of sustainability governance;
- Continued dialogue with issuers on the theme of just transition;
- Continued involvement in the Climate Action 100+ initiative; and
- Signing up to the Nature Action 100 initiative.

Breakdown of ESG interactions by format since FY 2021



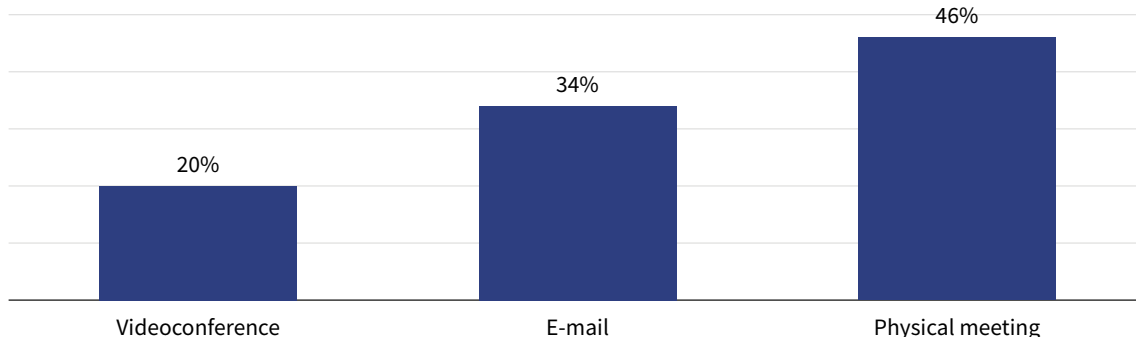
Source: Rothschild & Co Asset Management, 31/12/24

(5) Participation in a single ESG interaction within a collaborative framework, through the "Investors for a Just Transition" coalition of the Sustainable Finance Institute, whose three-year engagement campaign has come to an end

(6) 38 usable responses out of 40

In addition, our monitoring of communication methods, introduced in 2024, shows that almost one ESG interaction in two took place at face-to-face meetings in France and abroad<sup>(8)</sup>.

Breakdown of ESG interactions by means of communication for FY 2024

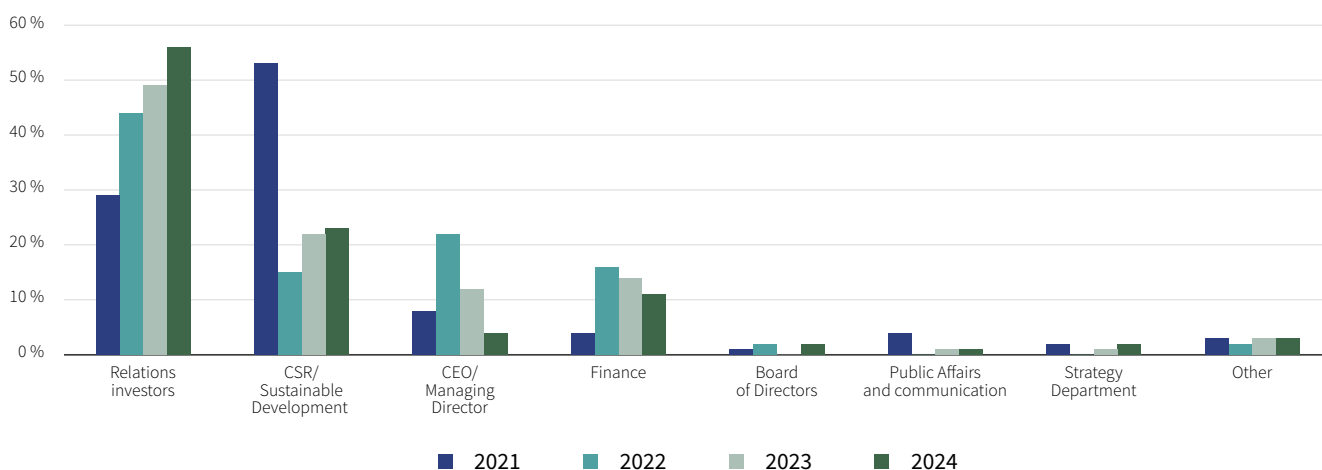


Source: Rothschild & Co Asset Management, 31/12/24

In any event, our teams are not experiencing any particular difficulties in terms of corporate access. In 2024, we continued to interact with issuers in **different parts of the world** and with **people in a wide variety of roles**.

The investor relations departments, which we favoured in more than half the cases in 2024, are gradually acquiring professionals capable of responding to both financial and sustainable issues. This development, which can also be seen in the finance departments, of which we met with in more than one in ten cases over the last four years, is part of a more general trend towards integrating sustainability issues into issuers' strategies. Significantly, **more than a quarter of our ESG interactions have involved CSR or sustainable development departments**, while we have continued to call on **senior management and boards of directors** to give greater weight to our action.

Breakdown of contacts by job title since FY 2021

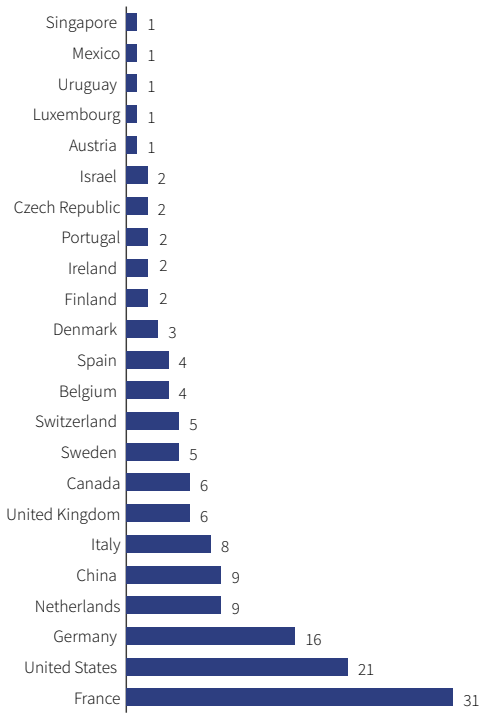


Source: Rothschild & Co Asset Management, 31/12/24

(7) Around a third of ESG interactions, all modes of communication combined

(8) Mainly in the United States, Canada and China

### Breakdown of interviewees by function



Source: Rothschild & Co Asset Management, 31/12/2024

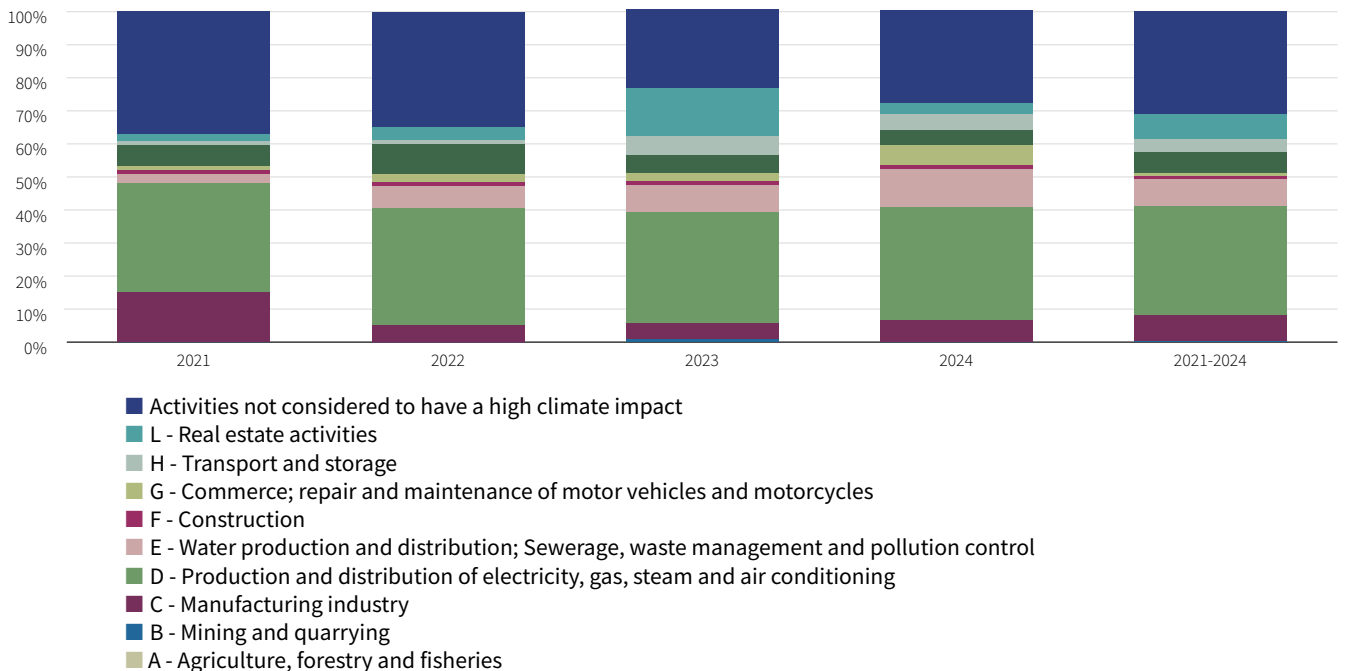
### Geographical breakdown of issuers interviewed since FY 2021



Source: Rothschild & Co Asset Management, 31/12/2024

Finally, it should be emphasised that we have continued to **give priority to dialogue with issuers belonging to sectors with a high climate impact** as defined by European regulations (NACE codes A, B, C, D, E, F, G, H and L). The latter accounted for **nearly seven out of every ten issuers** met between 2021 and 2024.

### Breakdown of issuers interviewed since FY 2021 by level 1 NACE code



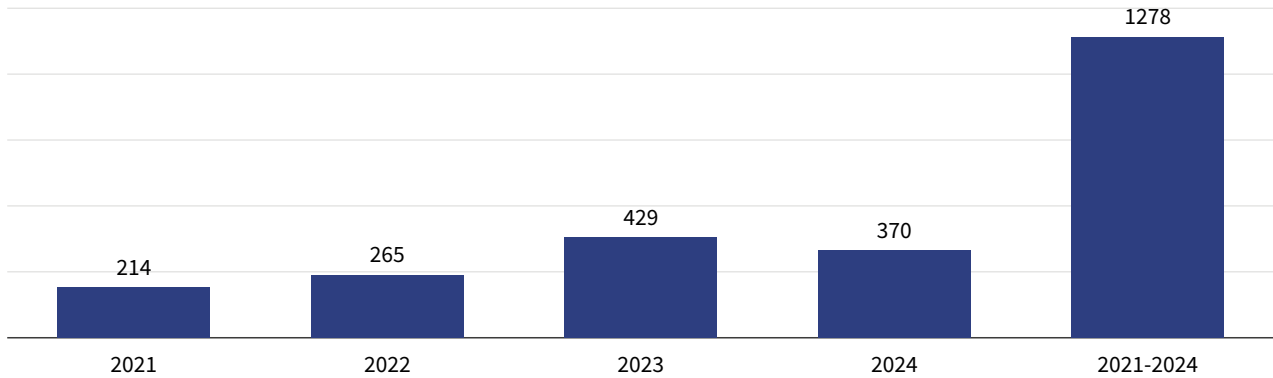
Source: Rothschild & Co Asset Management, 31/12/24

### Key performance indicators for the questions asked

In 2024, the number of questions asked was lower than in 2023: our teams wanted to focus first and foremost on the areas for improvement identified in the past and whose implementation was still awaited. Over the last four years, no fewer than **1,278 questions** have been asked, **39% of which have led to the formulation of areas for improvement** that need to be monitored over time.

Over the period, **an average of 4 questions were asked by a single issuer<sup>(9)</sup>**.

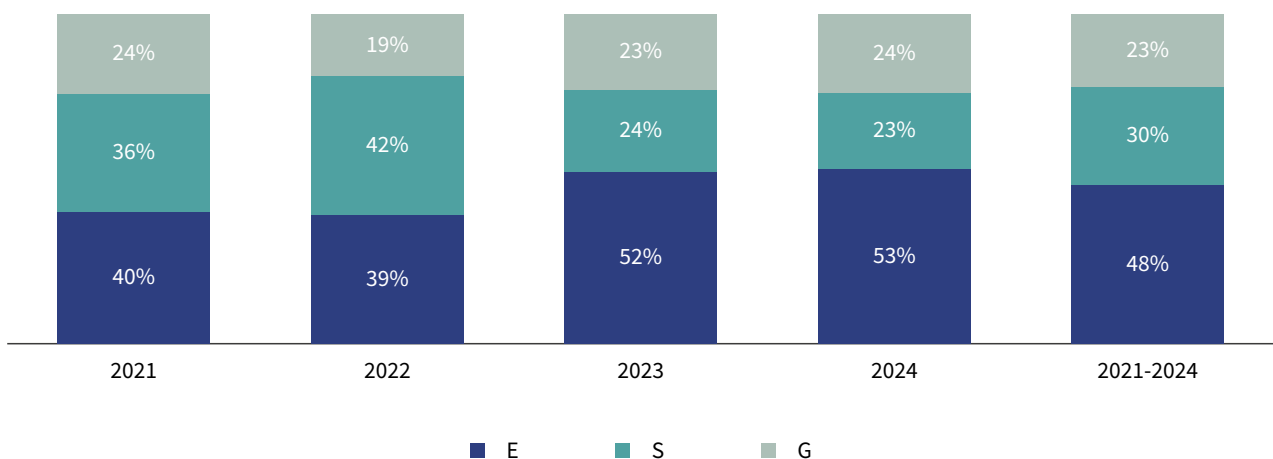
Number of questions asked since FY 2021



Source: Rothschild & Co Asset Management, 31/12/24

**Once again, the majority of questions asked concerned environmental issues in 2024.** The gradual roll-out, since 2023, of our proprietary grid for analysing company transition plans has not only helped to increase the number of questions relating to Pillar "E", but also to improve their relevance. In addition, particular attention has been paid to issues relating to biodiversity and natural capital, as illustrated by the many examples given in this report.

Breakdown of questions asked by E, S and G issues since FY 2021



Source: Rothschild & Co Asset Management, 31/12/24

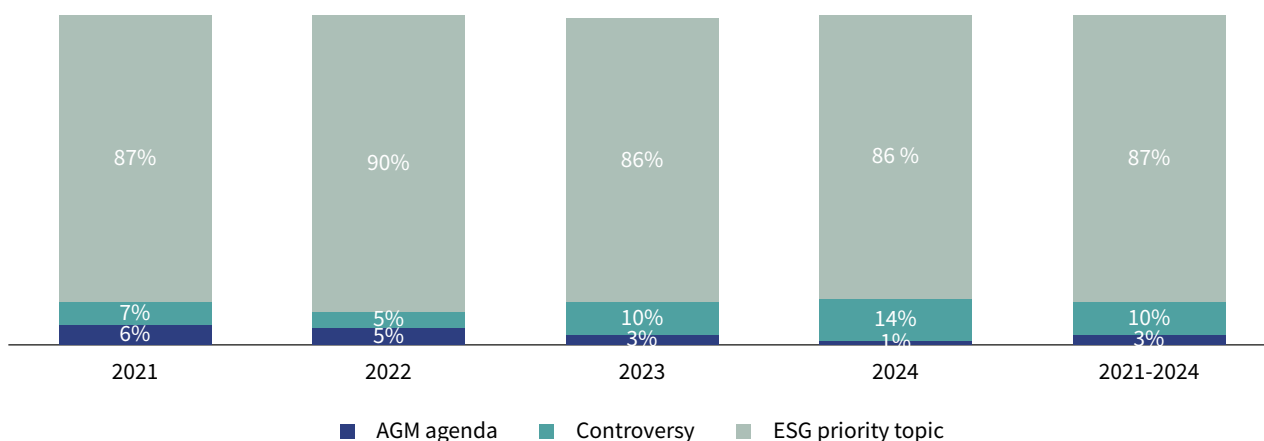
Since 2023, we have become more responsive to the emergence of ESG controversies, particularly when these are of a serious nature. This attention paid to controversies is linked to:

- the establishment, in 2023, of a second 'qualification' committee, based on their inventories at 31 December 2024, in addition to the 'major cases' controversy committee; and
- the recruitment, in 2023, of an ESG analyst dedicated to bond management, which has helped to strengthen this vigilance.

(9) 15, all modes of communication combined

Lastly, the number of questions asked in connection with general meeting resolutions has once again fallen: the SRI voting policy of our service provider ISS has been progressively strengthened, particularly with regard to environmental and social resolutions, while the data relating to our first participation in the written question campaign organised by the Forum for Responsible Investment are not included here. However, in 2025, we will make sure that we take greater advantage of the periods leading up to general meetings to engage in dialogue with issuers. In the vast majority of cases, there were no specific reasons for our engagement questions. Our primary objective remains to support issuers over the long term in adopting best practice on our priority ESG topics (climate transition plans, 'Net Zero' trajectories, taxonomic alignments, biodiversity, social inclusion, etc.) and to ensure that their ESG roadmaps are properly implemented.

### Breakdown of questions asked by triggering reason since FY 2021



Source: Rothschild & Co Asset Management, 31/12/24

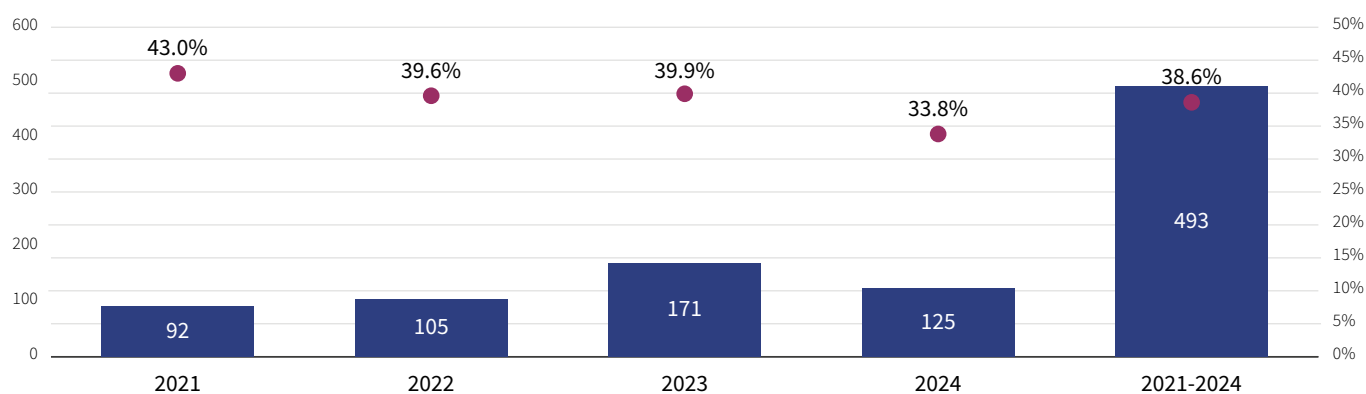
### Key performance indicators for the questions asked that led to the formulation of areas for improvement

At Rothschild & Co Asset Management, we believe that support for issuers should be a long-term process: obtaining tangible results from constructive discussions with issuers is never a foregone conclusion.

**For the period 2021 - 2024, 39% of the questions asked led to the formulation of an area for improvement.** This ratio, which provides information on the prescriptive nature of our dialogue with issuers, fell by six percentage points compared with 2023, due to an increase in questions relating to new issues that are still insufficiently understood (biodiversity, eternal pollutants, just transition, CSR competencies/training for directors, for example).

Moreover, 2024 was not only the year in which the Corporate Sustainability Reporting Directive (CSRD) was implemented for many European companies, but also the year in which the third version of the French SRI label was introduced. Although these discussions did not lead to the formulation of areas for improvement, they were nevertheless enlightening and valuable for our teams and our contacts.

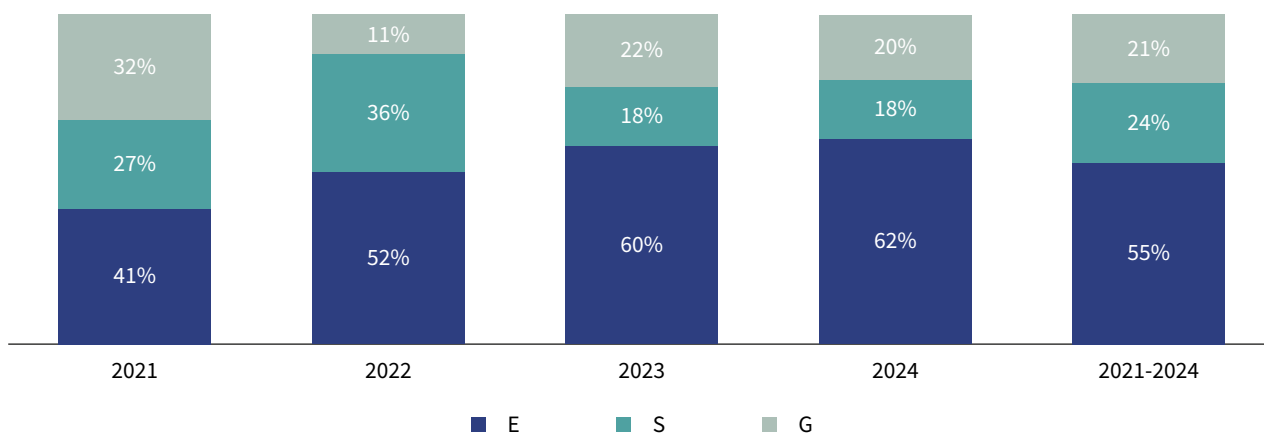
### Number of questions asked leading to the formulation of an area for improvement since FY 2021



Source: Rothschild & Co Asset Management, 31/12/24

In 2024, 62% of the questions asked that led to the formulation of an area for improvement concerned the "E" pillar, reflecting the increased use of our transition grids as an engagement tool.

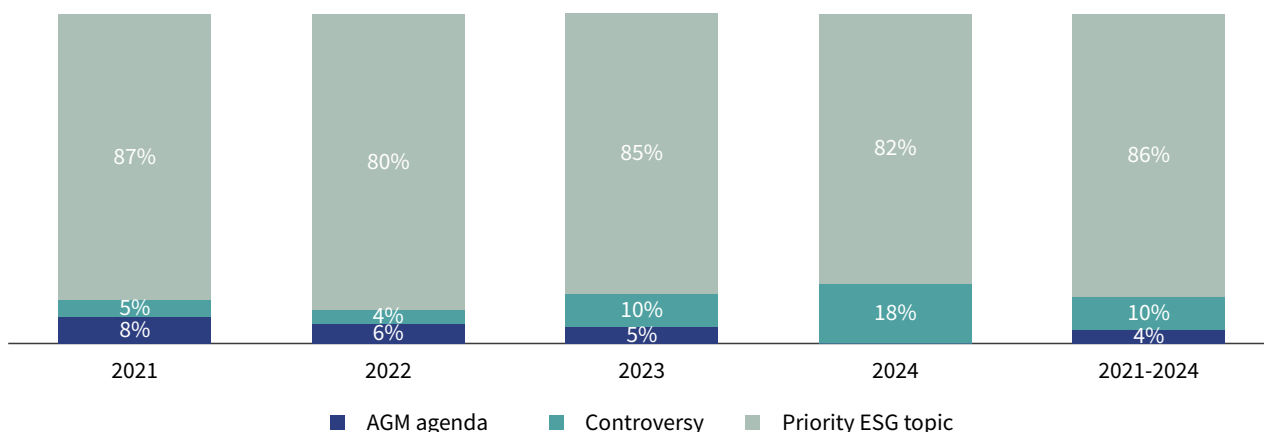
#### Breakdown of questions asked leading to the formulation of an area for improvement since FY 2021



Source: Rothschild & Co Asset Management, 31/12/24

Finally, particular attention was paid to ESG controversies and how issuers resolved them.

#### Breakdown of questions raised that led to the formulation of an area for improvement by triggering reason since FY 2021



Source: Rothschild & Co Asset Management, 31/12/24

### Indicators for monitoring the areas for improvement identified

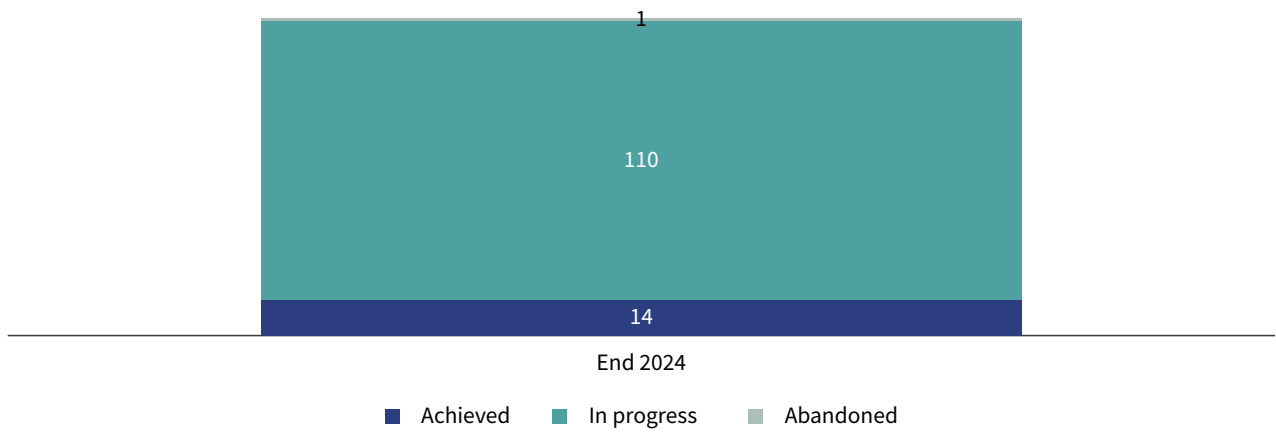
Implementation of the areas for improvement formulated is monitored over time to measure the effectiveness of our actions. In 2024, **out of 125 questions asked, one area for improvement was identified<sup>(10)</sup>**:

- 14 were implemented during the same period;
- 110 are currently being implemented; and
- 1 has "abandoned" status<sup>(11)</sup> and will not be followed up.

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

(11) 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 area for improvement formulated.

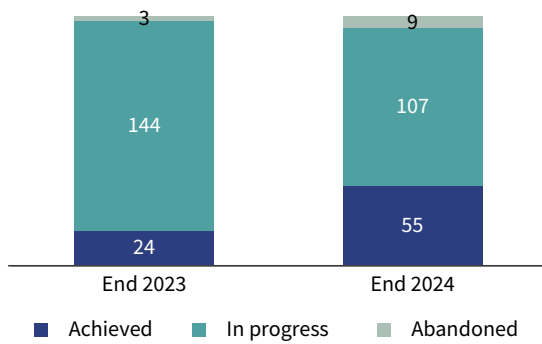
### Monitoring the implementation of the areas for improvement formulated during FY 2021



Source: Rothschild & Co Asset Management, 31/12/24

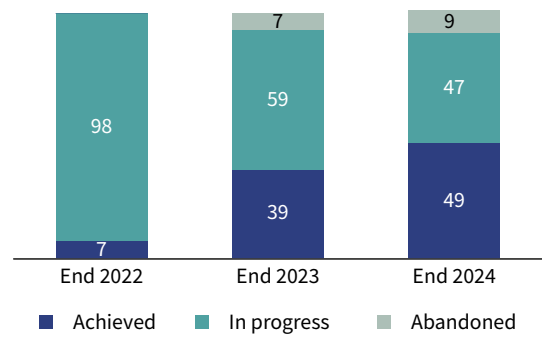
The same exercise was carried out for the areas for improvement formulated for 2021, 2022 and 2023.

### Monitoring the implementation of the areas for improvement formulated during FY 2023



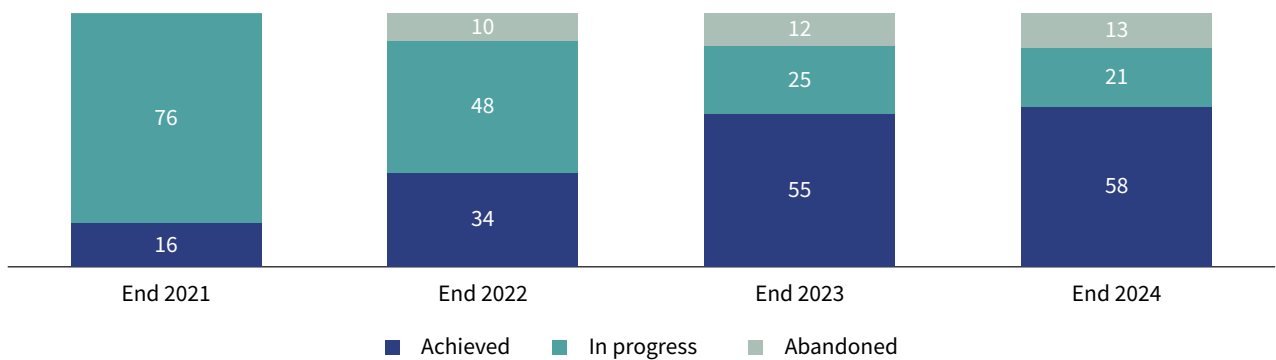
Source: Rothschild & Co Asset Management, 31/12/24

### Monitoring the implementation of the areas for improvement formulated during FY 2022



Source: Rothschild & Co Asset Management, 31/12/24

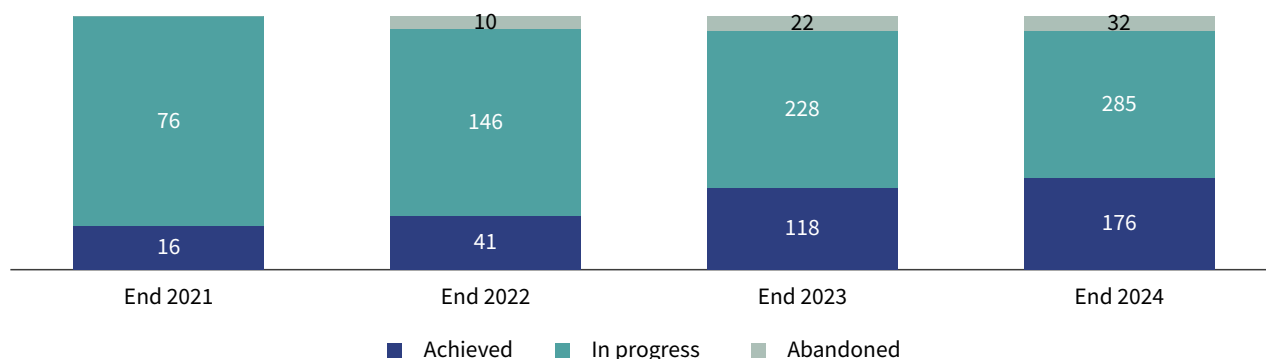
### Monitoring the implementation of the areas for improvement formulated during FY 2021



Source: Rothschild & Co Asset Management, 31/12/24

Our follow-up shows that our "success rate" is 63% after four years, 47% after three years, 32% after two years and 11% after one year. Taking all periods together, our "success rate" will be around 36% by the end of 2024:

### Monitoring the implementation of the areas for improvement formulated since FY 2021



Source: Rothschild & Co Asset Management, 31/12/24

### Dialogue coverage rate on our main open-ended funds

In the interests of transparency for our investors and labellers, we present below the changes in the respective hedge ratios of our main open-ended funds (products in the 4Change range and/or with assets in excess of €500 million) based on their inventories at 31 December 2024.

| Fund                                     | Label                          | Number of issuers in portfolio on 31/12/2024 | 2021                    |                               | 2022                    |                               | 2023                    |                               | 2024                    |                               | Cumulative 2021 - 2024  |                               |
|--|--------------------------------|--|-------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|
|  |                                |  | Coverage rate in number | Coverage rate as% net assets* | Coverage rate in number | Coverage rate as% net assets* | Coverage rate in number | Coverage rate as% net assets* | Coverage rate in number | Coverage rate as% net assets* | Coverage rate in number | Coverage rate as% net assets* |
| R-co 4Change Net Zero Equity Euro        | SRI                            | 50   | 20,0% (10)              | 21,1%                         | 32,0% (16)              | 37,8%                         | 52,0% (26)              | 54,4%                         | 52,0% (26)              | 58,6%                         | 80,0% (40)              | 86,9%                         |
| R-co 4Change Net Zero Credit Euro        | SRI                            | 110  | 9,1% (10)               | 8,5%                          | 13,6% (15)              | 12,4%                         | 24,5% (27)              | 22,7%                         | 18,2% (20)              | 19,8%                         | 36,4% (40)              | 35,8%                         |
| R-co 4Change Inclusion & Handicap Equity | SRI                            | 46   | 13,0% (6)               | 16,2%                         | 21,7% (10)              | 24,7%                         | 23,9% (11)              | 26,4%                         | 23,9% (11)              | 24,5%                         | 47,8% (22)              | 49,8%                         |
| R-co Valor 4Change Global Equity         | SRI and Towards Sustainability | 42   | 45,2% (19)              | 46,8%                         | 42,9% (18)              | 44,9%                         | 47,6% (20)              | 47,8%                         | 59,5% (25)              | 57,7%                         | 85,7% (36)              | 84,4%                         |
| R-co 4Change Moderate Allocation         | Towards Sustainability         | 76   | 17,1% (13)              | 14,0%                         | 23,7% (18)              | 18,2%                         | 35,5% (27)              | 31,3%                         | 35,5% (27)              | 29,9%                         | 55,3% (42)              | 45,7%                         |
| R-co 4Change Green Bonds                 | Towards Sustainability         | 177  | 9,0% (16)               | 13,8%                         | 10,2% (18)              | 16,0%                         | 15,2% (27)              | 21,0%                         | 15,8% (28)              | 22,2%                         | 25,4% (45)              | 32,6%                         |
| R-co Conviction Equity Value Euro        |                                | 41   | 26,8% (11)              | 26,5%                         | 39,0% (16)              | 41,9%                         | 61,0% (25)              | 64,1%                         | 63,4% (26)              | 71,7%                         | 85,4% (35)              | 89,8%                         |
| R-co Conviction Credit Euro              |                                | 182  | 3,3% (6)                | 2,0%                          | 2,7% (5)                | 2,1%                          | 12,1% (22)              | 16,6%                         | 14,8% (27)              | 13,4%                         | 22,0% (40)              | 24,8%                         |
| R-co Target 2028 IG                      |                                | 130  | 5,4% (7)                | 5,2%                          | 5,4% (7)                | 5,2%                          | 18,5% (24)              | 17,8%                         | 15,4% (20)              | 15,7%                         | 26,2% (34)              | 25,4%                         |
| R-co Target 2029 IG                      |                                | 152  | 2,0% (3)                | 1,4%                          | 3,9% (6)                | 1,9%                          | 18,4% (28)              | 16,0%                         | 16,4% (25)              | 15,6%                         | 27,6% (42)              | 24,6%                         |
| R-co Valor                               |                                | 46   | 52,2% (24)              | 53,4%                         | 50,0% (23)              | 52,7%                         | 47,8% (22)              | 43,9%                         | 60,9% (28)              | 63,0%                         | 84,8% (39)              | 84,4%                         |
| R-co Valor Balanced                      |                                | 174  | 18,4% (32)              | 28,4%                         | 18,4% (32)              | 28,3%                         | 23,0% (40)              | 30,0%                         | 29,9% (52)              | 40,4%                         | 41,4% (72)              | 53,5%                         |

\*excluding sovereign issuers, cash and mutual funds

Source: Rothschild & Co Asset Management, 31/12/24

# Representative sample of engagement cases on the climate transition

The gradual roll-out, since 2023, of our proprietary grid for analysing transition plans has not only helped to increase the number of questions on climate transition, but also to improve their relevance.

## On the theme of climate change, we submitted:

- **148 questions to 62 issuers** in 2024 (41% with an area for improvement)
- **506 questions to 152 issuers** since the 2021 financial year (48% with an identified area for improvement)

| Issuer  | Background   | Initial assessment and discussion   | Monitoring   | Status   |
|---|--|---|--|----------|
| <b>Akzo Nobel</b> <ul style="list-style-type: none"> <li>ICB sector: Chemicals</li> <li>High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>Country: Netherlands</li> </ul> | <ul style="list-style-type: none"> <li>ESG interaction with the Sustainable Development Department and the Investor Relations Department in March 2024</li> <li>Formulated area for improvement: update of executive remuneration policy and inclusion of a criterion relating to the reduction of greenhouse gas emissions</li> </ul>   | <ul style="list-style-type: none"> <li>Numerous ESG criteria associated with variable executive pay in 2024 <ul style="list-style-type: none"> <li>Annual bonus: employee engagement rate, Net Promoter Score (NPS), senior management training, sustainable product launches, etc.</li> <li>Performance share allocation plan (2023 - 2025): energy consumption, renewable electricity consumption, recordable accident frequency rate over 3 years and share of "circular" waste in total waste produced (weight of 5% each, i.e. 20%)</li> </ul> </li> <li>No explicit criteria for reducing greenhouse gas emissions in the 2024 remuneration policy</li> <li>In the company's view, it would be inappropriate to include a criterion relating to a year-on-year reduction in greenhouse gas emissions in the annual bonus</li> </ul>   | <ul style="list-style-type: none"> <li>Performance share plan (2024 - 2026) approved at the Annual General Meeting, including 4 ESG criteria (weighting of 9% each, i.e. 36%) <ul style="list-style-type: none"> <li>Reduction in greenhouse gas emissions (scopes 1, 2 and 3, cradle-to-grave): target of -9% compared with 2018</li> <li>Percentage of female managers: target of 30%</li> <li>Energy consumption: maximum 251 kWh per tonne of production</li> <li>Serious and fatal accidents: maximum 3 per 100 million hours worked</li> </ul> </li> <li>Finally, a criterion on the reduction of greenhouse gas emissions, covering scope 3, and an overall share of ESG criteria raised from 20% to 36% in long-term remuneration</li> </ul> | Achieved |
| <b>BASF</b> <ul style="list-style-type: none"> <li>ICB sector: Chemicals</li> <li>High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>Country: Germany</li> </ul>           | <ul style="list-style-type: none"> <li>ESG interactions with the Investor Relations Department in March and June 2023 and with the Sustainable Development Department in March 2024</li> <li>Areas for improvement formulated: setting a greenhouse gas emission reduction target covering certain scope 3 categories</li> <li>Votes against the director in charge of climate risk supervision at AGM/EGMs in 2024</li> </ul> | <ul style="list-style-type: none"> <li>Complexities inherent in defining robust and realistic greenhouse gas reduction targets for scope 3 <ul style="list-style-type: none"> <li>Upstream collection of reliable data from suppliers, particularly small suppliers</li> <li>Downstream, lack of commonly accepted methodologies</li> </ul> </li> <li>Numerous exchanges with investors, in particular through the Climate Action 100+ initiative</li> <li>Significant involvement in the "Together for Sustainability" (TfS) initiative to develop an open-source methodology for measuring the carbon footprint of products (to be launched in September 2023)</li> <li>Now requires suppliers to comply with the TfS standard as part of its Supplier CO2 Management Program, launched in 2021, aimed at digitising life-cycle analyses: internal objective of covering 80% of greenhouse gas emissions (around 20,000 suppliers)</li> </ul> | <ul style="list-style-type: none"> <li>Announcement, at the end of April 2024, of a new target to reduce greenhouse gas emissions associated with the purchase of goods and services by 15% by 2030, compared with 2018</li> <li>Continuing to improve the reliability of data collected from suppliers in order to address scope 3 greenhouse gas emissions down the value chain (8,000 products validated)</li> </ul>  | Achieved |

| Issuer   | Background   | Initial assessment and discussion  | Monitoring   | Status   |
|--|--|--|--|----------|
| <b>Deutsche Telekom</b> <ul style="list-style-type: none"> <li>ICB sector: Telecommunications</li> <li>High climate impact sector: No</li> <li>("J - Information and communication")</li> <li>Country: Germany</li> </ul>  | <ul style="list-style-type: none"> <li>ESG interactions with the Investor Relations Department and the Sustainable Development Department in December 2023</li> <li>Formulated area for improvement: validation, by the Science-Based Targets initiative, of the alignment of greenhouse gas emission reduction targets with a "Net Zero" trajectory</li> </ul>  | <ul style="list-style-type: none"> <li>Validation, by the Science-Based Targets initiative, of the alignment of greenhouse gas emission reduction targets with a "Net Zero" trajectory, in progress</li> <li>Very long-term initiative</li> <li>Near-term targets also revised upwards, in line with a 1.5°C trajectory</li> </ul>   | <ul style="list-style-type: none"> <li>Targets validated by the Science-Based Targets initiative in February 2024</li> <li>Near-term target revised upwards: A 94% reduction in greenhouse gas emissions from scopes 1 and 2 by 2030 compared with 2017, and a 47% reduction in emissions from scope 3 over the same period</li> <li>New "Net Zero" target by 2040: 90% reduction in Scope 1 and 2 greenhouse gas emissions by 2040 compared with 2020 levels, and a 90% reduction in Scope 3 emissions over the same period</li> </ul>  | Achieved |
| <b>Ørsted</b> <ul style="list-style-type: none"> <li>ICB sector: Services to local authorities</li> <li>High climate impact sector: Yes ("D - Production and distribution of electricity, gas, steam and air conditioning")</li> <li>Country: Denmark</li> </ul> | <ul style="list-style-type: none"> <li>ESG interactions with the Investor Relations Department in June 2024 and with the Finance Department in August 2024</li> <li>Formulated area for improvement: definitive closure of all coal-fired power stations</li> </ul>  | <ul style="list-style-type: none"> <li>Among the companies most exposed to thermal coal 20 years ago</li> <li>Since 2006, a strategy to move away from thermal coal and fossil fuels: reduction in the number of thermal power stations, conversion to certified sustainable biomass, etc.</li> <li>At the request of the Danish government, and in order to ensure the country's energy security, two coal-fired power stations will reopen in October 2022: Esbjerg (unit 3) and Studstrup (unit 4)</li> <li>At the time of our contact with the company, only the Esbjerg coal-fired power station (unit 3) was in operation: 500,000 tonnes of coal, 1.2 million tonnes of CO2 per year, equivalent to the annual emissions of 600,000 internal combustion vehicles in the European Union</li> </ul> | <ul style="list-style-type: none"> <li>Press release announcing the definitive closure of the Esbjerg (unit 3) and Studstrup (unit 4) coal-fired power stations at the end of August 2024</li> <li>No more coal-fired electricity generation</li> <li>Major contribution to society's various objectives, validated by the Science-Based Targets initiative, and its ambition to achieve "Net Zero" by 2040</li> <li>2025 target of 99% renewable energy generation will be achieved</li> <li>No compulsory redundancies: reassignments, retirements and voluntary departures</li> </ul>   | Achieved |
| <b>Schlumberger</b> <ul style="list-style-type: none"> <li>ICB sector: Energy</li> <li>High climate impact sector: Yes ("B - Mining and quarrying")</li> <li>Country: United States</li> </ul>   | <ul style="list-style-type: none"> <li>ESG interaction (physical meeting) with Investor Relations in May 2024</li> <li>Formulated improvement plan: divestment of interests in the Palliser block in Alberta (Canada), which includes oil and gas wells, surface facilities, a pipeline network and certain oil and gas development rights</li> <li>Request for information on potential new exploration projects for direct production and the level of exposure to unconventional fuels</li> </ul> | <ul style="list-style-type: none"> <li>At the time of our discussion, the planned sale of the Palliser block was still on the agenda, and the offers received were not sufficiently attractive</li> <li>Exposure to non-conventional fuels of 5% at the end of 2023, in constant decline for several years</li> <li>No new exploration projects and no intention to grow this activity</li> <li>Full transfer of Morocco in 2021 to gas and oil junior Sound Energy (Anoual and Grand Tindrara exploration licences, in the east of the country)</li> </ul>  | <ul style="list-style-type: none"> <li>Announcement of the sale of shares in the Palliser block in October 2024</li> <li>No commitment or validation by the Science-Based Targets initiative, although it is the first industry player to have formulated an ambition to achieve "Net Zero" by 2050 across the entire value chain</li> <li>Interim targets for reducing greenhouse gas emissions: <ul style="list-style-type: none"> <li>30% reduction by 2025 on scopes 1 and 2, compared with 2019</li> <li>50% reduction by 2030 on scopes 1 and 2, compared with 2019</li> <li>30% reduction in scope 3 by 2030, compared with 2019</li> </ul> </li> </ul> | Achieved |

| Issuer  | Background   | Initial assessment and discussion   | Monitoring   | Status   |
|---|--|---|--|----------|
| <b>Vipshop</b> <ul style="list-style-type: none"> <li>ICB sector: Distribution</li> <li>High climate impact sector: Yes ("G – Commerce, repair and maintenance of motor vehicles and motorcycles")</li> <li>Country: China</li> </ul> | <ul style="list-style-type: none"> <li>ESG interaction with Investor Relations department in February 2023</li> <li>Formulated area for improvement: setting a target for reducing greenhouse gas emissions</li> </ul>               | <ul style="list-style-type: none"> <li>First sustainability report published in August 2022 <ul style="list-style-type: none"> <li>Implementation of ESG governance during FY 2021;</li> <li>Some flagship initiatives on energy management (in situ production of green electricity from photovoltaic panels, centralised heating and air-conditioning systems) and waste management (reduction of plastic packaging, reuse of packaging, use of recycled/recyclable packaging), but also on social issues (employee training and development, employee health and safety, sustainable purchasing) and societal issues (philanthropic actions);</li> <li>Numerous indicators published "for the first time", including greenhouse gas emissions from scopes 1, 2 and 3 (7 categories of the GHG Protocol), but no greenhouse gas emission reduction targets</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>New ambitions and targets for greenhouse gas emissions, announced in the ESG 2022 and 2023 reports (published in 2023 and 2024) <ul style="list-style-type: none"> <li>Achieve carbon neutrality by 2030 on clean operations (scopes 1 and 2)</li> <li>Reduce the intensity of Scope 3 greenhouse gas emissions by 50% by 2030</li> <li>Submission of targets for validation to the Science-Based Targets initiative</li> </ul> </li> <li>There is still room for improvement in the transition plan, but major steps have been taken in a short space of time</li> </ul>   | Achieved |
| <b>Wienerberger</b> <ul style="list-style-type: none"> <li>ICB sector: Building materials</li> <li>High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>Country: Austria</li> </ul>                                | <ul style="list-style-type: none"> <li>ESG interaction with Investor Relations department in October 2022</li> <li>Formulated area for improvement: publication of certain categories of Scope 3 greenhouse gas emissions</li> </ul> | <ul style="list-style-type: none"> <li>External consultants commissioned to quantify scope 3 greenhouse gas emissions, and more specifically, data collection and calculation methodologies</li> <li>Goal: first publication of certain categories of scope 3 greenhouse gas emissions in 2023</li> <li>Numerous measures have already been taken to limit these emissions (presented in the 2021 Sustainability Report), including: <ul style="list-style-type: none"> <li>Optimised supply management through effective planning and control of transport routes</li> <li>Use of secondary raw materials, particularly in the production of plastic pipes</li> <li>Use of sustainably produced cement</li> <li>Appropriate selection of packaging materials</li> </ul> </li> </ul>  | <ul style="list-style-type: none"> <li>Publication, in the 2023 Sustainability Report, of categories 1 ("purchases of goods and services"), 3 ("energy and fuel-related activities"), upstream, and category 9 ("transport and distribution"), downstream</li> <li>Next steps <ul style="list-style-type: none"> <li>Interaction in September 2024, for publication in the near future, as part of the implementation of the "ESRS E1" standard of the Corporate Sustainability Reporting Directive "CSRD", of the other significant emissions items (category 15, "treatment of end-of-life products", in particular)</li> <li>No commitment from the company for methodological reasons (chemical sector)</li> <li>Submission of greenhouse gas emission reduction targets to the Science-Based Targets initiative for validation</li> </ul> </li> </ul> | Achieved |

# Representative sample of engagement cases on biodiversity and natural capital

In recent years, Article 29 of France's Energy-Climate Act, the European regulation on the fight against deforestation, the European "ESRS E4" standard of the Corporate Sustainability Reporting Directive (CSRD), the emergence of management and reporting standards such as the Taskforce on Nature-related Financial Disclosures (TNFD), and the Kunming-Montreal Accord have all established the preservation of biodiversity and natural capital as **a challenge that companies and investors alike must seize**.

Starting in 2021, our teams have undertaken to question the issuers in our portfolio about the integration of nature-related risks and opportunities into their business model. By sending out standardised ESG questionnaires, initially in 2021, and through more direct interaction from 2022 onwards, we have gradually taken up this challenge alongside them.

## On the theme of biodiversity and natural capital, we submitted:

- **50 questions to 32 issuers** in 2024 (36% with an area for improvement)
- **106 questions to 67 issuers** since the 2021 financial year (29% with an identified area for improvement)

| Issuer   | Background  | Initial assessment and discussion  | Monitoring   | Status      |
|--|---|--|--|-------------|
| <b>Ahold Delhaize</b> <ul style="list-style-type: none"> <li>▪ ICB sector: Distribution</li> <li>▪ High climate impact sector: Yes ("G – Commerce, repair and maintenance of motor vehicles and motorcycles")</li> <li>▪ Country: Netherlands</li> </ul> | <ul style="list-style-type: none"> <li>▪ ESG interaction with Investor Relations department in May 2024</li> <li>▪ Overview of actions to promote biodiversity</li> <li>▪ Areas for improvement formulated:</li> <li>▪ formal support for / adoption of a biodiversity reporting framework (Taskforce on Nature-related Financial Disclosures "TNFD", Science-Based Targets for Nature "SBTN")</li> </ul> | <ul style="list-style-type: none"> <li>▪ Ongoing assessment of several biodiversity frameworks (Taskforce on Nature-related Financial Disclosures "TNFD", Science-Based Targets for Nature "SBTN", World Resources Institute "WRI", etc.) and their implications in terms of reporting</li> <li>▪ New "Better for Nature &amp; Farmer" programme, in collaboration with Albert Heijn, involving 1,110 farmers and producers: aiming to improve sustainability, animal welfare and crop yields</li> <li>▪ Ambitions to reduce food waste</li> </ul> | <ul style="list-style-type: none"> <li>▪ Implementation of the area for improvement to be monitored over time, with the ultimate aim of assessing the levels of dependency and impact on the value chain</li> <li>▪ Presentation of the initial results of the "Better for Nature &amp; Farmer" programme to the Executive Committee in November 2024</li> </ul> | In progress |

| Issuer  | Background  | Initial assessment and discussion  | Monitoring  | Status      |
|---|---|--|---|-------------|
| <b>Air Liquide</b> <ul style="list-style-type: none"> <li>ICB sector: Chemicals</li> <li>High climate impact sector: Yes (“C - Manufacturing industry”)</li> <li>Country: France</li> </ul>                           | <ul style="list-style-type: none"> <li>ESG interaction with the Sustainable Development department in June 2022</li> <li>Area for improvement: assess the levels of dependency and impact (direct and indirect, positive and negative) on the value chain</li> </ul>                                | <ul style="list-style-type: none"> <li>Work in progress with a consultancy firm to draw up an inventory of dependencies and pressures on biodiversity; initial mapping of sites close to protected areas (to be completed in 2021)</li> <li>Preliminary conclusions: <ul style="list-style-type: none"> <li>Limited direct impact in terms of land artificialisation (production units occupying minor fractions of industrial sites, 13% of sites located within 50 kilometres of protected areas)</li> <li>Indirect impacts linked to CO2 emissions, water consumption, associated discharges, and certain atmospheric discharges</li> <li>Positive impacts linked to hydrogen on biodiversity, used to de-sulphurise fuels, or biomethane, which contributes to waste treatment and the production of organic fertilisers</li> <li>Relatively limited dependence on ecosystem services, mainly from the Seppic subsidiary, which manufactures speciality ingredients from plant and marine species in particular</li> </ul> </li> <li>Targets announced for 2022: <ul style="list-style-type: none"> <li>Purchase of “Mass balance” certified palm oil by Sepicc (target 100% by 2025)</li> <li>Strengthening biodiversity assessment criteria in the investment process for all new projects by 2024</li> <li>Collaborations between Sepicc and its plant input suppliers, efforts to raise awareness and train employees</li> </ul> </li> <li>Management and reporting frameworks not yet fully mature, inherent difficulties in developing an aggregate indicator (2025 target)</li> </ul> | <ul style="list-style-type: none"> <li>Finalisation of the assessment of the levels of dependency and impact in 2023,</li> <li>confirmation of preliminary conclusions</li> <li>Maintaining and pursuing the objectives announced for 2022</li> <li>New targets for Sepicc: 100% use of biogas at all French sites by 2030, 100% of Sepicc’s new products developed using an eco-design approach from 2024</li> </ul> | Achieved    |
| <b>DHL Group</b> <ul style="list-style-type: none"> <li>ICB sector: Industrial Goods and Services</li> <li>High climate impact sector: Yes</li> <li>(“H- Transport and storage”)</li> <li>Country: Germany</li> </ul> | <ul style="list-style-type: none"> <li>ESG interaction with Investor Relations department in May 2024</li> <li>No areas for improvement formulated: overall presentation of the analysis of impacts and dependencies carried out by the company and its actions in terms of biodiversity</li> </ul> | <ul style="list-style-type: none"> <li>Location-based approach, 12,000 sites assessed in 2023 <ul style="list-style-type: none"> <li>No direct threat to nature conservation areas or protected animals and plants, as sites are located in urban areas or industrial and commercial zones</li> <li>Procedures and action plans at each site, support provided</li> <li>Biodiversity score for each site</li> </ul> </li> <li>Taking biodiversity into account when opening new sites</li> <li>Group terms and conditions prohibit the use of the network to transport protected plant and animal species</li> </ul>   | <ul style="list-style-type: none"> <li>Engagement closed until further notice</li> </ul>  | Closed      |
| <b>Henkel</b> <ul style="list-style-type: none"> <li>ICB sector: Consumer products and services</li> <li>High climate impact sector: Yes (“C - Manufacturing industry”)</li> <li>Country: Germany</li> </ul>          | <ul style="list-style-type: none"> <li>ESG interaction with the Sustainable Development and Investor Relations departments in June 2023 and June 2024</li> <li>Areas for improvement: putting an end to landfill waste</li> </ul>   | <ul style="list-style-type: none"> <li>Present in 55 countries worldwide</li> <li>Over 80% of the company’s sites no longer landfill non-hazardous and hazardous waste; 2030 target: end to landfilling of production waste at all production sites</li> <li>The main challenge for the company is that in some markets, particularly emerging markets, the thermal recovery of non-hazardous and hazardous waste is not yet fully developed</li> </ul>  | <ul style="list-style-type: none"> <li>Implementation to be monitored over time</li> </ul>  | In progress |

| Issuer   | Background  | Initial assessment and discussion   | Monitoring   | Status      |
|--|---|---|--|-------------|
| <b>L'Oréal</b> <ul style="list-style-type: none"> <li>ICB sector: Consumer products and services</li> <li>High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>Country: France</li> </ul> | <ul style="list-style-type: none"> <li>ESG interaction with the Sustainable Development and Investor Relations departments in September 2023</li> <li>Areas for improvement: increase the proportion of plastic packaging of recycled or biosourced origin and improve the transparency of reporting on cardboard packaging</li> </ul>  | <ul style="list-style-type: none"> <li>26% of plastic packaging of recycled or biosourced origin by the end of 2022, with a target of 50% by 2025 and 100% by 2030</li> <li>Change in the percentage of recycled or biosourced plastic packaging included in long-term variable remuneration (allocation of performance shares)</li> <li>Cardboard used in certain products (e.g. Garnier's Ambre Solaire ) as an alternative material to plastic, strategic contracts with specialised and innovative suppliers (e.g. Paboco)</li> </ul>   | <ul style="list-style-type: none"> <li>32% of plastic packaging to be of recycled or biosourced origin by the end of 2023</li> <li>Oral commitment by the company to improve the transparency of reporting on cardboard packaging</li> </ul> | In progress |
| <b>Stora Enso</b> <ul style="list-style-type: none"> <li>ICB sector: Basic resources</li> <li>High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>Country: Finland</li> </ul>            | <ul style="list-style-type: none"> <li>Operating incident at the end of August 2024: the company is suspected of killing thousands of endangered freshwater pearl mussels in Finland</li> <li>ESG interaction (physical meeting) with the Investor Relations department in September 2024</li> <li>Controversies referred to a qualification committee</li> </ul>                             | <ul style="list-style-type: none"> <li>Company accused of failing to comply with regulations on logging (Finnish legislation on water, nature conservation and forests) and its own internal rules</li> <li>Rapid response from the company and its CEO</li> <li>Internal investigation launched</li> <li>Cooperation with local authorities</li> <li>Harvesting suspended in affected areas</li> <li>Reinforcement and revision of procedures (training, IT systems, etc.)</li> <li>Implementation of measures to restore damaged sites</li> </ul>   | <ul style="list-style-type: none"> <li>Controversies qualification committee</li> <li>Upcoming change in status of the engagement to "achieved", provided there are no repeat offences in 2025</li> </ul>                                    | In progress |
| <b>Wienerberger</b> <ul style="list-style-type: none"> <li>ICB sector: Building materials</li> <li>High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>Country: Austria</li> </ul>       | <ul style="list-style-type: none"> <li>ESG interaction with the Sustainable Development and Investor Relations departments in September 2024</li> <li>Areas for improvement: response to the CDP Water questionnaire and formal support for a biodiversity reporting framework (Taskforce on Nature-related Financial Disclosures "TNFD", Science-Based Targets for Nature "SBTN")</li> </ul> | <ul style="list-style-type: none"> <li>According to the company, the water issue is not very significant in terms of pollution and contamination, but is important in terms of quantities drawn</li> <li>According to the company, the issues relating to biodiversity are clearly material</li> <li>There are no particular obstacles to implementing the areas for improvement formulated by Rothschild &amp; Co Asset Management in the near future, although priority is given to implementing the Corporate Sustainability Reporting Directive (CSRD) in 2024, by 2025</li> <li>Progressive convergence and interoperability between the "ESRS E4" standard of the Corporate Sustainability Reporting Directive (CSRD) and the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).</li> </ul> | <ul style="list-style-type: none"> <li>Implementation of areas for improvement to be monitored over time</li> <li>Follow up in 2025: conclusions of the company's dual materiality analysis and treatment of the ESRS E4 standard</li> </ul> | In progress |

# Representative sample of engagement cases on the just transition

We have consistently pursued our engagement to social issues, such as respect for human rights and fundamental freedoms, working conditions, diversity and inclusion, and access to essential products and services.

In addition, as a founding member of the first international coalition on just transition, initiated by the Sustainable Finance Institute in 2021, we have also continued to raise awareness of this new issue among issuers. Restructuring, job losses, and retraining increased inequalities... the climate transition is not socially neutral for workers, sectors, territories, and countries.

**Therefore, the convergence of climate objectives and socio-economic imperatives appears today as a necessary condition for the success of this transition.**

We are convinced of the need to minimise the negative social impacts of a transition to sustainable models whilst maximising the positive aspects of such a transition (e.g. on green job creation). Given the need for a just climate transition, we believe that both investors and companies have an important role to play. This explains why we are committed to a process of mutual acculturation and raising awareness among our issuers.

In addition, since 2021, we have focused primarily on the agri-food, energy, transport and construction sectors, where we believe it is imperative to **make the transition to a climate that is both socially acceptable and accepted.**

## On the theme of just transition, we have submitted:

- **7 questions to 7 issuers** in 2024 (14% with an area for improvement)
- **51 questions to 29 issuers** since the 2021 financial year (4% with an identified area for improvement)

| Issuer   | Background  | Initial assessment and discussion   | Monitoring   | Status   |
|--|---|---|--|----------|
| <b>ASML</b> <ul style="list-style-type: none"> <li>▪ ICB sector: Technology</li> <li>▪ High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>▪ Country: Netherlands</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Involvement of the company in our annual question and answer campaign on disability at work in 2022, 2023 and 2024</li> <li>▪ A number of areas for improvement were identified in the questionnaire (see follow-up)</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Analysis of the responses provided in 2022, 2023 and 2024 and their evolution</li> <li>▪ Negative responses since 2022 and, finally, positive responses in 2024</li> <li>▪ A company that has been applied itself diligently since 2022 and is generally very open to dialogue</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Based on the responses provided by the company, significant acceleration of initiatives to promote the inclusion of people with disabilities in the workplace during 2024: <ul style="list-style-type: none"> <li>▫ Appointment of disability champions/ambassadors</li> <li>▫ Hiring and career management policies covering people with disabilities</li> <li>▫ Employee awareness campaigns</li> <li>▫ Manager training</li> </ul> </li> </ul> | Achieved |
| <b>EDP</b> <ul style="list-style-type: none"> <li>▪ ICB sector: Services to local authorities</li> <li>▪ High climate impact sector: Yes</li> <li>▪ ("D- Production and distribution of electricity, gas, steam and air conditioning")</li> <li>▪ Country: Portugal</li> </ul> | <ul style="list-style-type: none"> <li>▪ Numerous ESG interactions with the company on the theme of just transition: via the "Investors for a Just Transition" coalition in 2022 and individually in 2021 and 2024</li> <li>▪ No areas for improvement formulated: presentation of actions implemented and/or anticipated in order to limit the negative social impacts associated with the climate strategy, and more specifically, with the closure of coal-fired power stations</li> </ul> | <ul style="list-style-type: none"> <li>▪ The company's commitment to preparing its employees as well as possible for the challenges of the future (transition to a low-carbon economy and digital transition, in particular): ongoing training (provided, in particular, by the corporate university), internal mobility, anticipation of emerging and critical skills, etc.</li> <li>▪ Social impacts up to 2030 will mainly concern jobs in power stations <ul style="list-style-type: none"> <li>▫ Need to increase the versatility of engineers and technicians through upskilling or reskilling actions</li> <li>▫ Main differences between fossil fuel-based and renewable electricity technologies: size of infrastructure, complexity of supply chains and distribution networks, digital applications</li> </ul> </li> <li>▪ Approximately 300 direct jobs at coal-fired power stations: goal of offering early retirement or relocation/retraining options at other sites to all affected employees by 2025; creation of approximately 450 direct jobs by 2030</li> </ul> | <ul style="list-style-type: none"> <li>▪ Engagement closed until further notice</li> </ul>   | Closed   |

| Issuer   | Background   | Initial assessment and discussion   | Monitoring   | Status      |
|--|--|---|--|-------------|
| <b>Ivanhoe Mines</b> <ul style="list-style-type: none"> <li>ICB sector: Basic resources</li> <li>High climate impact sector: Yes ("B - Mining and quarrying")</li> <li>Country: Canada</li> </ul>            | <ul style="list-style-type: none"> <li>Trigger for dialogue: numerous accidents, including two fatalities in 2020</li> <li>ESG interactions with the Chief Executive Officer, the Strategy Department and the Investor Relations Department in November 2021, September 2022 and October 2023</li> <li>Suggested areas for improvement: publication of accidentology indicators including contract employees and inclusion of health and safety issues in variable remuneration</li> </ul> | <ul style="list-style-type: none"> <li>Inventory of efforts undertaken by the company (policies, procedures, controls, training, performance monitoring, etc.)</li> <li>Reminder of the importance of not neglecting contract staff working on site, of adopting a local approach (site by site) and of making management (top and middle) accountable</li> </ul>   | <ul style="list-style-type: none"> <li>Accident data to be published quarterly from 2022 onwards</li> <li>Since 2023, annual bonuses for executives have included targets expressed in terms of Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR); Penalty applied due to a fatal accident in September 2023</li> <li>Accident rates now among the lowest in the mining sector</li> </ul> | Achieved    |
| <b>Siemens</b> <ul style="list-style-type: none"> <li>ICB sector: Industrial Goods and Services</li> <li>High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>Country: Germany</li> </ul> | <ul style="list-style-type: none"> <li>ESG interaction with the Sustainable Development department in September 2023</li> <li>Areas for improvement: increasing the proportion of women in management positions and improving the transparency of gender pay gap reporting improving the transparency of gender pay gap reporting</li> </ul>   | <ul style="list-style-type: none"> <li>The company aims to increase the proportion of women in management positions to at least 25% by 2025 and 30% by 2030: 22.7% at end 2023</li> <li>No communication on the gender pay gap given the company's presence in over 90 countries worldwide</li> <li>Willingness of the company to take measures to increase transparency on the gender pay gap</li> </ul> | <ul style="list-style-type: none"> <li>Issues to be monitored over time, in particular the implementation of ESR S1-16 (97a) of the Corporate Sustainability Reporting Directive (CSRD) on the gender pay gap</li> </ul>   | In progress |

Note In 2024, the dialogue with issuers also took the form of a **fourth data collection campaign on the subject of disability in the workplace**, one of the flagship themes of the R-co 4Change Inclusion & Handicap Equity impact fund. As in the previous three 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.

37% of issuers in our portfolio at 31 December 2024<sup>(12)</sup> responded to our questionnaire during the year. We intend to repeat the exercise in 2025 in order to continue our assessment of the extent to which issuers in our portfolio are involved in disability issues.

(12) Compared to 29% of issuers in the portfolio at 29 December 2023 in the previous year

# Representative sample of engagement cases on governance and business ethics

In 2024, Rothschild & Co Asset Management steadfastly pursued its engagement to governance and business ethics. In particular, through both collaborative and individual dialogue, we chose to question several issuers about the **CSR competencies/training of their directors**. This topic is a key part of our proprietary grid for analysing companies' transition plans, and is also covered in a specific section of the Corporate Sustainability Reporting Directive (CSRD).

| Issuer  | Background  | Initial assessment and discussion   | Monitoring   | Status   |
|---|---|---|--|----------|
| <p><b>Arcelor Mittal</b></p> <ul style="list-style-type: none"> <li>ICB sector: Basic resources</li> <li>High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>Country: Luxembourg</li> </ul>         | <ul style="list-style-type: none"> <li>Double ESG interaction with the company on directors' CSR competencies:</li> <li>collaborative engagement via the FIR's written question campaign and individual engagement</li> <li>Areas for improvement: train directors and raise their awareness of sustainability issues, report on actions taken in the 2023 integrated report (to be published in 2024)</li> </ul> | <ul style="list-style-type: none"> <li>Little information in the 2022 integrated report and not very granular answers to written questions put by FIR members: quarterly and ad hoc meetings of the Sustainability Board Committee at which "teach ins" are given by sector experts</li> <li>A reminder of the importance of having a credible transition plan: the "ESRS E1" standard of the Corporate Sustainability Reporting Directive (CSRD) is virtually mandatory, and the SRI v3 label has new obligations in terms of analysis and engagement</li> <li>Reminder of the obligation for companies subject to the Corporate Sustainability Reporting Directive (CSRD) to ensure that the skills of their directors are consistent with the issues (impacts, risks and opportunities - IROs) considered to be material</li> <li>The need for the company to raise the general level of membership of the Board of Directors, despite the presence of some knowledgeable members</li> </ul> | <ul style="list-style-type: none"> <li>More elements published in the integrated report 2023 (publication 2024), and more measures undertaken</li> <li>Induction programme for newly elected non-executive directors including the company's long-term vision, centred on the concept of "Safe Sustainable Steel"</li> <li>Numerous topics covered in information and development sessions provided during 2023 by senior managers and members of the Executive Committee: health and safety, prevention of fatal accidents, climate change, reduction of carbon emissions in the steel industry, human resources, cybersecurity, changes in corporate governance standards</li> <li>Site visits: factories and R&amp;D centres</li> <li>Development sessions on specific relevant topics, such as health and safety, human resources, changes in corporate governance standards</li> <li>Other training sessions on request, which may cover ESG areas</li> </ul> | Achieved |
| <p><b>Deutsche Telekom</b></p> <ul style="list-style-type: none"> <li>ICB sector: Telecommunications</li> <li>High climate impact sector: No ("J - Information and communication")</li> <li>Country: Germany</li> </ul> | <ul style="list-style-type: none"> <li>ESG interaction with the Sustainable Development and Investor Relations departments December 2023</li> <li>Areas for improvement: set up a CSR committee (or equivalent) at supervisory board level and report on CSR training (or equivalent) given to directors in the next sustainability report</li> </ul>   | <ul style="list-style-type: none"> <li>Identification of the director in charge of overseeing sustainability issues, presentation of his/her background and past experience</li> <li>Strong involvement of the Chairman of the Supervisory Board and the Chief Executive in promoting the company's transition strategy</li> <li>Little information in the 2022 annual report on CSR training (or equivalent) given to directors</li> <li>Oral commitment by the company to implement, in the near future, the areas for improvement formulated by Rothschild &amp; Co Asset Management, which are considered relevant and logical</li> </ul>   | <ul style="list-style-type: none"> <li>From 1 January 2024, a new Strategy, ESG and Innovation Committee will replace the Technology and Innovation Committee</li> <li>Annual report 2023 (publication 2024) with more details on the training provided to Supervisory Board members</li> <li>Information sessions led by experts from inside and outside the company</li> <li>Focus, during 2023, on artificial intelligence as well as sustainability reporting standards</li> <li>Customised programmes for new members: company and sector situation</li> <li>Annual meeting for Audit Committee members: update on regulatory developments, accounting standards, risk management methodologies, etc</li> <li>Site visits and presentations of product innovations</li> </ul>   | Achieved |

| Issuer   | Background   | Initial assessment and discussion   | Monitoring  | Status      |
|--|--|---|---|-------------|
| <b>Sanofi</b> <ul style="list-style-type: none"> <li>ICB sector: Health care</li> <li>High climate impact sector: Yes ("C - Manufacturing industry")</li> <li>Country: France</li> </ul> | <ul style="list-style-type: none"> <li>ESG interaction with the company ahead of its AGM on 30 April 2024 on the CSR competencies of directors: collaborative engagement via the FIR's written question campaign and individual engagement</li> <li>Areas for improvement: publish a competencies matrix for directors, including a "CSR" (or related) section</li> </ul>  | <ul style="list-style-type: none"> <li>Publication of a competencies matrix for members of the Board of Directors</li> <li>Company's choice not to include a "CSR" (or related) section which, according to the company, "covers varied, sometimes highly technical knowledge and experience", "is not easy to assign"</li> <li>According to the company, "in practice, all the members of the Board of Directors are committed to CSR issues and have complementary skills and experience in this area."</li> <li>Non-exhaustive list of names provided by the company of directors with CSR competencies</li> </ul>   | <ul style="list-style-type: none"> <li>There is no doubt that the Board of Directors has highly expert profiles in CSR issues</li> <li>Rothschild &amp; Co Asset Management's willingness to pursue this engagement, via individual or collaborative dialogue (Rothschild &amp; Co Asset Management's participation in the 2025 campaign of written questions to CAC 40 companies on the same theme)</li> <li>Acceptable justifications for the absence of the "CSR" section in the directors' competencies matrix: however, if such a matrix is not included, as it would be too generic, opt for more specific CSR competencies (biodiversity, human resources, for example), in line with the impacts, risks and opportunities arising from the dual materiality analysis</li> <li>Generally satisfactory responses to the other questions relating to the CSR competencies of directors (training, procedures for taking them into account in the appointment process, etc.)</li> </ul> | In progress |
| <b>Vonovia</b> <ul style="list-style-type: none"> <li>ICB sector: Real estate</li> <li>High climate impact sector: Yes ("L - Real Estate")</li> <li>Country: Germany</li> </ul>          | <ul style="list-style-type: none"> <li>Search of the company's premises in March 2023 as part of an investigation into certain employees, suspected of having been involved in awarding contracts to subcontractors</li> <li>Two ESG interactions with the Investor Relations and the Sustainable Development departments in October and November 2023</li> <li>Areas for improvement: strengthen anti-corruption measures (frequency of analysis of risks of non-compliance) and publish the conclusions of investigations</li> </ul> | <ul style="list-style-type: none"> <li>Company maintained it had been harmed in the case, measures taken against several XXXXXX</li> <li>Episodic rather than structural problem according to the company</li> <li>Consulting firm specialising in forensic analysis commissioned by the company to carry out a review of its internal control systems</li> <li>Analyses of the risks of non-compliance carried out once every two years, in the form of questions relating, among other things, to compliance with ethical standards</li> <li>Review of the risk universe by the compliance team up to four times a year</li> <li>Regular training of full-time and part-time employees on the Code of Conduct</li> <li>Compulsory training on the code of conduct for new employees</li> <li>Contractors must sign the code of conduct for commercial partners</li> </ul> | <ul style="list-style-type: none"> <li>Publication of the conclusions of the investigations in the first half of 2024: no harm to tenants and loss to the company calculated at less than 1% of order volume (a few million euros)</li> <li>Non-compliance risk analyses now carried out once a year</li> </ul>   | Achieved    |

## The energy sector, a vector for transition and a source of opportunities

At Rothschild & Co Asset Management, we believe that in order to significantly reduce greenhouse gas emissions, we cannot avoid taking an interest in the companies with the highest emissions. Accordingly, we believe it is essential to include stocks in our funds from carbon-intensive sectors that are undergoing a process of in-depth transformation of their business model. We believe through structured engagement, investors can raise companies' awareness and encourage them to adopt investment plans that will accelerate and give credibility to their strategy of alignment with the Paris Agreement.

In 2021, particularly with the arrival of the European taxonomy, **the transition from fossil fuels to renewable energies seemed to be underway, driven by a handful of leaders in the sector.** The energy crisis that Europe experienced in 2022, triggered by the Russian-Ukrainian conflict and falling gas supplies from Russia, highlighted the heavy dependence of some countries on **fossil fuels and the need for greater diversification of the European energy mix.** As a result, more "carbon-intensive" substitutes have been used, leading to an increase in the use of thermal coal and relegating the climate issue to second place behind that of energy security. Against this backdrop, **some players have taken a different route, that of renewables. As a result, the sector experienced a boom that year.**

**The year 2023, marked by high inflation and continuing interest rate rises, was particularly difficult for the renewables sector.** In this complex economic environment, the profitability of major renewable energy deployment contracts has been undermined, particularly in the US offshore wind sector.

Added to this is growing competition from Asia, which automatically puts pressure on prices and increases the scissor effect of rising raw material costs. The bursting of the renewables bubble was all the more violent because the pool of these companies on the stock market is very small, with investors over-concentrating on these stocks.

**The sustainable theme cannot escape financial constraints.** The situation observed on renewables in 2023, given the assumptions of excessive growth anticipated by all players, may echo other similar events experienced by the stock markets, such as the bursting of the Internet bubble. **None of the themes is immune to the economic cycle:** inflation and rising interest rates have had a major impact on a renewable energy sector that is heavily in debt.

**This context has strengthened our conviction, materialised by our transition approach.** Without questioning the urgency of the situation and the political orientations, it is difficult to transform certain sectors, such as energy, instantaneously and in depth.

**The development of this sector requires foresight and investment to match its ambitions.** Diversifying our investments in the energy sector, by selecting companies with robust transition plans, enables us to combine performance with the credibility of the sustainable trajectories of the companies and our portfolios:

| GHG emissions   | Financial aspects   | Sustainable aspects   |
|---|---|---|
| <ul style="list-style-type: none"> <li>■ Historically, 2/3 of European emissions, compared with 50% today and 25% by 2035</li> <li>■ Currently 50% renewable energy in the European mix</li> <li>■ Upstream of all economic activities</li> </ul> | <ul style="list-style-type: none"> <li>■ Shareholder returns</li> <li>■ 15 to 30% of revenues aligned with the European Taxonomy</li> <li>■ Incubating innovation and scaling up new solutions</li> </ul> | <ul style="list-style-type: none"> <li>■ Strong exclusions and controversial perceptions</li> <li>■ A significant lever for transition</li> </ul> |

We are continuing our engagement to this sector in order to support them in this direction and avoid any downward revision of certain engagement.

### We submitted:

- **in the oil and gas sector**
  - **39 questions to 7 issuers** in 2024 (28% with an area for improvement)
  - **152 questions to 19 issuers** since the 2021 financial year (30% with an identified area for improvement)
- **in the utilities sector**
  - **39 questions to 18 issuers** in 2024 (28% with an area for improvement)
  - **92 questions to 27 issuers** since the 2021 financial year (20% with an identified area for improvement)
- **in the thermal coal sector**
  - **16 questions to 11 issuers** in 2024 (56% with an area for improvement)
  - **32 questions to 18 issuers** since the 2021 financial year (72% with an identified area for improvement)

## Financial institutions, transmission belts for the transition

Financial institutions occupy a unique place in the landscape of sustainable finance, in that they can act as catalysts as well as slowing down the decarbonisation of our economies. Although the environmental footprint of their own operations is relatively small (mainly due to staff travel, office space and IT equipment use), **their underwriting, financing and investment activities are not without externalities**. Financial and insurance activities are not considered to have a major impact on climate change by European regulations, but they should be given special attention.

**At Rothschild & Co Asset Management, we believe that the climate challenges are material for financial institutions.** In the short and medium term, the resilience of their balance sheets and their financial stability are at stake, while many assets are at risk of being stranded as a result of increasingly significant climate risks.

**We rigorously assess the credibility of their transition plans by considering their portfolios as integral parts of their value chain.** While this exercise is rewarding and beneficial in many ways, it also presents a number of challenges that are inherent to the financial sector:

- Variable coverage rates and uncertain reliability of greenhouse gas emissions data at portfolio level, depending on the nature of the asset classes, the underlying assets and the type of products;
- It is difficult to aggregate greenhouse gas emissions data for scopes 1, 2 and 3 (operational, financed, facilitated emissions, etc.);
- Difficulty in identifying the scope of policies, measures and targets due to the diversity of activities carried out by certain institutions;
- Multiple and heterogeneous approaches to setting decarbonisation targets;
- Etc.

Although they reflect the real economy of today and tomorrow, there are differences between financial institutions. Our analysis of more than twenty transition plans shows that:

- With a few exceptions, European financial players stand out from their American and Asian counterparts by:
  - Greater involvement of their top management in sustainability issues (e.g. level of expertise of directors, ESG criteria associated with variable executive remuneration, frequency of dialogue with stakeholders).
  - More granular reporting of greenhouse gas emissions, particularly from our own operations.
  - More ambitious policies, decarbonisation targets and measures (in terms of normative and sectoral exclusions, sectoral decarbonisation targets at portfolio level, engagement and voting, for example).
  - More advanced and widely deployed sustainable product offerings.

With a few exceptions, the reporting of greenhouse gas emissions by insurance companies appears, on average, to be more transparent and exhaustive than that of banks or financial services providers.

The target-setting approaches proposed by the Glasgow Financial Alliance for Net Zero (GFANZ) initiatives are gaining strong support among European financial institutions, to the detriment of those developed by the Science-Based Targets initiative (SBTi). However, the cessation and suspension of some of these activities, as a result of major withdrawals across the Atlantic, have not led to any major reversals. Notably, the first financial institutions to have their decarbonisation targets validated by SBTi are mainly Asian.

In a turbulent regulatory environment (pillar 3 of the European Banking Authority, climate stress tests, revisions and simplifications proposed by the Omnibus Directive, etc.) and political environment (ESG 'backlash' in the United States), we maintain a proactive dialogue with financial institutions to avoid downgrading certain engagement.

### We submitted:

- **63 questions to 20 issuers** in 2024 (55% with an area for improvement)
- **125 questions to 31 issuers** since the 2021 financial year (30% with an identified area for improvement)

## Our involvement in the 5th campaign of written questions to AGM/EGMs of CAC 40 companies organised by the FIR

Every year since 2020, FIR has conducted a campaign to engage with CAC 40 companies by submitting written ESG questions to them ahead of their AGM/EGMs. To do this, FIR has acquired a share in each of them: they are then legally obliged to respond, either via their website, around the date of their general meeting, or directly during their general meeting.

For the 5th edition, ten series of questions were submitted in relation to changes in the main concerns of responsible investors:

- Reduction of greenhouse gas emissions;
- Biodiversity;
- Circularity;
- Integration of employee representatives & environment;
- Share buybacks;
- Living wages;
- Employee savings;
- Taxation;
- Activities of interest; and
- Directors' CSR-related competencies..

For our first participation, we chose to focus on the issue of directors' competencies in relation to CSR issues. CSR occupies a pre-eminent position in our proprietary grid for analysing companies' transition plans, and is also the subject of a specific item in the new European sustainability reporting standards.

In collaboration with other FIR members, we formulated the following questions:

- How many Board members have CSR competencies? Who are they and how did they acquire these competencies (education, training, professional experience)? Are these competencies specific to the issues in your sector (biodiversity, energy transition, social and value chain, financial impact of climate, etc.)? Do you have a matrix of the specific competencies of each board member?
- How do you ensure that Board members' knowledge of CSR issues is kept up to date (internal or external training processes, contributions from experts, updates on regulatory developments or key issues, etc.)? How often?
- How do you assess directors' CSR competencies? Based on what criteria? How often? Is this assessment individual or collective?
- Do you include a CSR component in the appointment process for new directors?

The conclusions of our study, both qualitative and quantitative, were presented publicly by Edward Luu, ESG Analyst and Head of Engagement, in January 2025. The main points are set out below:

### **Absence of common definitions of CSR competencies increases the risk of boardwashing.**

- On average, CAC 40 companies state that 59% of their directors have CSR (or equivalent) competencies. However, this statistic should be interpreted with caution.
  - The proportion varies from 8% for some companies to 100% for others.
  - For 16 companies, this figure exceeds 78%.
  - 35 companies produce and publish competencies matrices:
    - Not all of them are nominative, which makes it difficult to identify which directors are actually considered to have CSR (or equivalent) competencies.
    - The majority are based on internal self-assessments.
    - CSR is often perceived as a skill in itself, with no distinction being made between different themes (climate, biodiversity, human rights, etc.).
- Not all professional experience and training is created equal. To cite some examples:
  - Qualifying a director as CSR competent on the grounds that he or she has had experience on another CSR committee, experience as a manager in a company reputed to have environmental or social objectives, attended a short training course or taken part in an awareness-raising workshop is rather questionable.
  - Long training courses leading to certification or even a diploma, professional experience in operational positions (associations, foundations, non-governmental organisations, CSR positions, HSE, sustainable purchasing, sustainable innovation, in companies, etc.), make it easier to qualify a director as CSR competent.
- Modulating the effects of the Omnibus directive, companies subject to the new European directive on sustainability reporting will have to justify the consistency between the competencies of their directors and the issues (impacts, risks and opportunities - IROs) that they consider material. The practices of their auditors could, in time, make it possible to converge towards common definitions of CSR competencies..

### **Training directors in CSR (or similar) issues is becoming increasingly common practice within the CAC 40.**

- 36 companies provide training on CSR issues for their directors.
- The level of detail provided on the nature, format, content, frequency and compulsory nature of these training courses remains relatively low:
  - 32 companies provide in-house training
  - 18 companies use external consultants
  - Only 13 companies specify annual training

### **Some good practices deserve to be highlighted.**

- External skills assessments carried out by third parties (AXA, Bouygues, Carrefour, LVMH and Renault)
- Internal definition and qualification criteria for each skill (Hermès).
- Indicative scale of representation of each skill on the Board (Crédit Agricole)
- Appointment process incorporating the CSR component (Air Liquide, Capgemini, Crédit Agricole, Danone, Dassault Systèmes, Edenred, Legrand, Michelin, Renault, Unibail Rodamco)
- Additional climate-focused biographies (TotalEnergies)
- Competencies matrices highlighting specific CSR competencies (Crédit Agricole, Michelin, Stellantis and Vinci)

## 2.2 Exercising voting rights at AGM/EGMs

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.

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### 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.

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### Voting process

The specialist company Institutional Shareholder Services ([www.issgovernance.com](http://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 on a case-by-case basis, of specific resolutions (and in particular those on the agenda of general meetings of companies belonging to sensitive sectors) sometimes leads us to vote differently from the recommendations of our service provider ISS.

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## Voting policy covering the entire Equity scope

Rothschild & Co Asset Management exercised its voting rights in 2024 in accordance with the voting policy in place <sup>(13)</sup>. The report below details and describes the exercise of voting rights from 1 January 2023 to 31 December 2024.

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 general meetings.

Assets managed on a discretionary basis are not included in the scope of our voting and engagement policy, which does nonetheless include assets whose financial management has been delegated to us.

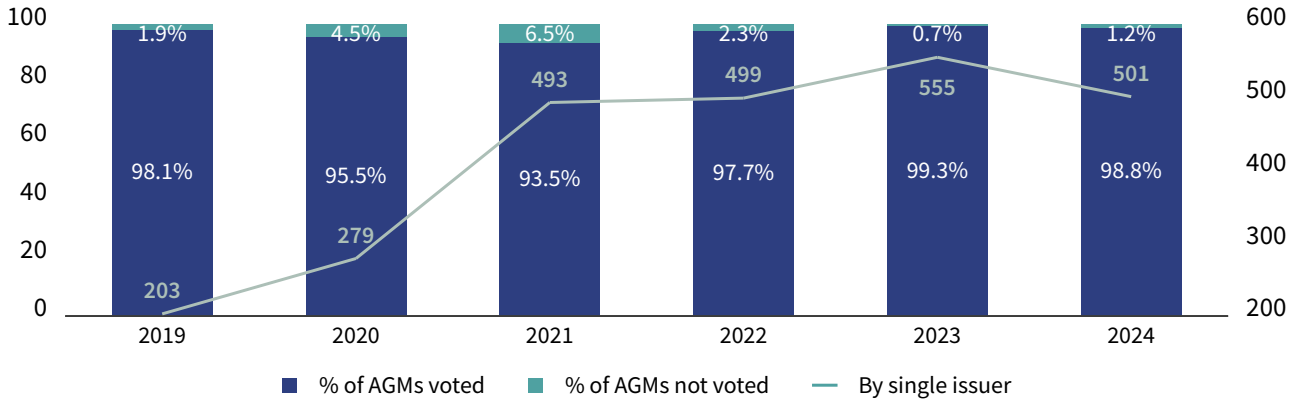
(13) Rothschild & Co Asset Management may apply the specific voting policy of its clients.

## Evolution of general meeting attendance rate

In 2024, Rothschild & Co Asset Management attended **501 out of 507 annual or extraordinary general meetings (AGMs)**, representing an attendance rate of 98.8%.

This high attendance rate reflects our increased efforts to ensure that our voting rights are properly exercised.

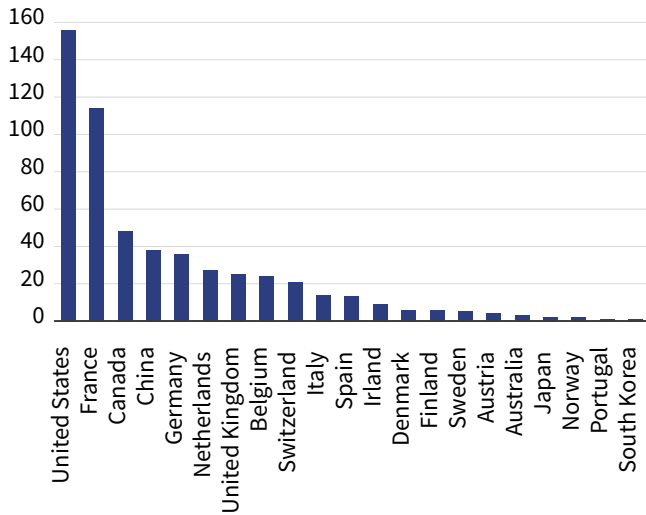
Evolution of general meeting attendance rate



Source: Rothschild & Co Asset Management, 31/12/2024

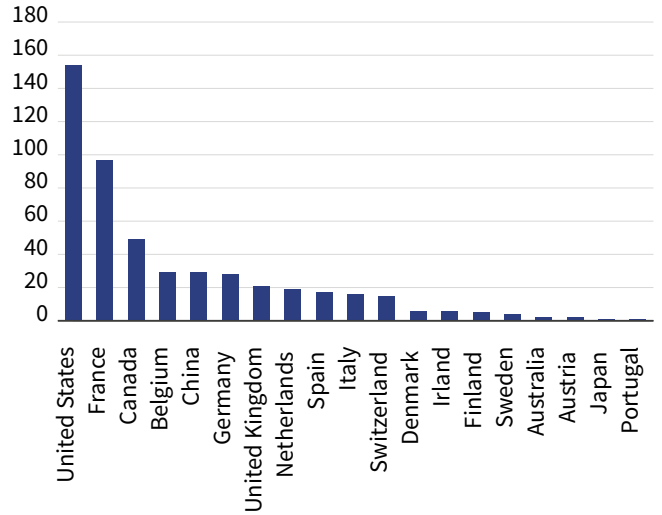
## Geographical breakdown of AGMs/EGMs voted at

Breakdown of general meetings at which we voted in 2023



Source: Rothschild & Co Asset Management, 31/12/2024

Breakdown of general meetings at which we voted in 2024



Source: Rothschild & Co Asset Management, 31/12/2024

## 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 below 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, at 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, Ireland 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:

- For the highest emitting companies, defined as those included in the Focus Group list of the Climate Action 100+ initiative, vote against or abstain from voting for the re-election of the Chairman of the CSR Committee (or equivalent) or any other director in charge of overseeing climate risks when the minimum conditions set out below are not met by the company:
  - Follow-up to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) ("Governance", "Strategy", "Risk management", "Measures and targets")
  - Net Zero" commitment by 2050, followed by targets covering greenhouse gas emissions from Scopes 1 and 2 as well as the relevant Scope 3 categories;
  - Medium-term greenhouse gas emission reduction targets covering Scopes 1 and 2 as well as the relevant Scope 3 categories;
  - Implementation of a decarbonisation strategy accompanied by measures to achieve "Net Zero".
- 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:
  - Follow-up to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) ("Governance", "Strategy", "Risk management", "Measures and targets")
  - Disclosure of greenhouse gas emissions (Scopes 1, 2 and 3);
  - Credibility of short-, medium- and long-term greenhouse gas emission reduction targets;
  - Commitment to obtaining an independent science-based validation of its greenhouse reduction objectives;
  - Net Zero" commitment by 2050;
  - Commitment to report regularly in the coming year) n/a on the proper implementation of its climate transition plan;
  - Consistency of its capital expenditure and lobbying activities with its overall strategy;
  - 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 objective 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=2025.1>

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

During the 2024 financial year, Rothschild & Co Asset Management cast a total of **1,556** votes against out of a total of **7,682** resolutions, i.e. A vote against rate of **20.3%** (18.4% in 2023, 16% in 2022, 11% in 2021).

We voted against at least one resolution in **63.4%** of the AGMs/EGMs we attended (65.0% 2023, 66% 2022, 52% in 2021).

The most contested were:

- External resolutions, with **38.3%** of votes against), which accounted for 4.6% of the total number of resolutions voted; and
- Resolutions relating to the appointment/directors' fees of Board members, with **26.5%** of votes against, representing 45.3% of the total number of resolutions passed.

| Resolution Type   | Votes For   | Votes Against | Abst.     | Total       | % against     |
|---|-------------|---------------|-----------|-------------|---------------|
| Appointment/ Attendance fees for members of the Board of Directors or Supervisory Board | 2549        | 923           | 12        | <b>3484</b> | 26.5%         |
| Anti-takeover bids and financial transactions/mergers                                   | 714         | 180           | 1         | <b>895</b>  | 20.1%         |
| Remuneration of Directors and Employees (excluding employee share ownership)            | 909         | 234           | 0         | <b>1143</b> | 20.5%         |
| Employee shareholding   | 100         | 3             | 0         | <b>103</b>  | 2.9%          |
| Formalities and other reasons   | 1618        | 78            | 1         | <b>1697</b> | 4.6%          |
| External resolutions (proposed by shareholders)   | 221         | 138           | 1         | <b>360</b>  | 38.3%         |
| <b>TOTAL</b>  | <b>6111</b> | <b>1556</b>   | <b>15</b> | <b>7682</b> | <b>20,3 %</b> |

### "Say on Climate" resolutions

In 2024, we also expressed our views on **9** environmental resolutions proposed and supported by company management. we approved **5** of them.

### Non-policy votes

**18** resolutions were the subject of "non-policy" votes during 2024.

### Filing of external resolutions

Rothschild & Co Asset Management reserves the right to take part in submitting external resolutions. In 2024, we did not consider it appropriate to exercise this option.

### Declarations on voting intentions

For **56** resolutions, declarations on voting intentions were made by Rothschild & Co Asset Management in 2024, via the collaborative platform of the United Nations Principles for Responsible Investment (UN PRI).

## 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 2024, 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 Participation in local initiatives

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

| Initiatives  | What's it all about?   |
|--|--|
| <b>2 Degrees Investing Initiative &amp; ADEME</b>  | <p>Alongside ADEME, the French agency for ecological transition, and the NGO 2 Degrees Investing initiative (now the Sustainable Finance Observatory), Rothschild &amp; Co Asset Management took part in a working group in 2024 on optimising the contribution of financial products to the objectives of the Paris Agreement (guide to be published in 2025). This was the logical follow-up to a working group set up in 2022 on environmental impact claims for financial products. Collective discussions led to the development of a best practice guide on environmental communication for financial products, aimed at preventing greenwashing.</p> <ul style="list-style-type: none"> <li>■ Deliverables: <a href="#">Guide to environmental impact claims for financial products (February 2023)</a></li> </ul>  |
| <b>French Association of Financial Management</b>  | <p>The French Association of Financial Management (AFG) represents third-party asset management professionals. It brings together all the players in the asset management business, whether individualised (mandates) or collective. Rothschild &amp; Co Asset Management attends a monthly plenary session dedicated to sustainable investment, has been a member of the Responsible Investment Commission since 2024, and is regularly involved in several working groups: "These include the Fossil Fuels Club (in 2021), the Diversity Club (since 2023), the Operationalisation of Transition Plans (since 2023, guide to be published in 2025), Biodiversity (in 2024, chaired by our ESG specialist), and Just Transition (since 2024, guide to be published in 2025).</p> <ul style="list-style-type: none"> <li>■ Deliverables: <a href="#">Biodiversity and investment: a practical guide for asset management companies (January 2025)</a></li> </ul> |
| <b>Climate Action 100+</b>                         | <p>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. Rothschild &amp; Co Asset Management joined Climate Action 100+ in 2019 and has since taken part in the various initiatives that have been undertaken.</p>  |
| <b>Coalition Investors for a Just Transition</b>   | <p>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 &amp; Co Asset Management joined Investors for a Just Transition in 2021 as a founding member and is involved in an engagement campaign with various companies. We are responsible for and contribute to the "Food and Agriculture" and "Energy" working groups respectively.</p> <ul style="list-style-type: none"> <li>■ Deliverables: <a href="#">Investors and a just transition: an awareness-raising grid for engagement (November 2024)</a></li> </ul>   |
| <b>European Financial Reporting Advisory Group</b> | <p>Association created in 2001 with the support of the European Commission, EFRAG's mission is to serve the European public interest in the areas of financial accounting and sustainability reporting. Since 2024, our ESG analyst and Head of Engagement, Edward Luu, has been an expert member of an advisory committee responsible for proposing on the definition of ESRS standards for the capital markets sector.</p>   |
| <b>Institute for Sustainable Finance</b>           | <p>Launched in 2016 by Paris Europlace, the Finance for Tomorrow initiative, which became the Sustainable Finance Institute in early 2023, aims to make of the French capital, a hub for green and sustainable finance. Rothschild &amp; Co Asset Management joined this initiative in 2021 and since then participated in various working groups on a wide range of subjects: regulatory developments in the field of sustainable finance (Standing "Policy Committee"), preservation and restoration of biodiversity and natural capital, development of impact finance, just transition, etc., We examine...</p> <ul style="list-style-type: none"> <li>■ Deliverables: Fossil fuels: analysis of trajectories compatible with a 1.5°C scenario (June 2024)</li> <li>■ Deliverables: <a href="#">Guide to analysing companies' transition performance (November 2024)</a></li> </ul>  |

**Responsible Investment Forum**

The Responsible Investment Forum (FIR) is a multi-stakeholder association set up in 2001 to promote and develop responsible investment and its best practices. As a member of the "Dialogue and Engagement" committee since 2023, Rothschild & Co Asset Management took part in the 5th round of written questions at the general meetings of CAC 40 companies on the subject of CSR competencies and training for directors in 2024. In 2022 and 2023, we were one of the signatories of two tribunes in favour of the generalisation of a demanding "Say on Climate". Finally, in 2024, we contributed to the drafting (still in progress) of a "Finance and Disability" white paper based on the model of the social impact report published in February 2025 by the GSG France for Impact Finance, whose committee is made up of FIR, France Invest and FAIR.

- Deliverables: [How does the CAC 40 respond to investors? Engagement Report - Season 5 \(January 2025\)](#)
- Deliverables: [Written replies to FIR questions - Season 5 \(January 2025\)](#)
- Deliverables: [Say on Climate: shareholder dialogue can lead to real progress for the climate \(March 2023\)](#)

**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 trajectory, 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.

**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.

## Focus on the AFG's "Biodiversity" working group, chaired by Rothschild & Co Asset Management

Under the chairmanship of ESG specialist Andrea Sekularac, the AFG Biodiversity Working Group published [a practical guide](#) in early 2025 exploring the challenges of biodiversity in the context of asset management.

Presented during a webinar, this guide covers the entire investment process and aims to provide tools to help management companies tackle this issue in a practical, concrete and illustrated way. Structured around 5 questions, it provides an understanding of the reference frameworks, the main issues and the levers for action for successfully integrating nature-related issues into investment strategies:

### 1. Why initiate work on biodiversity?

The interdependence of climate and biodiversity issues, the financial impact of biodiversity loss, regulatory requirements, the targets of the Kunming-Montreal Accord.

### 2. How do we approach biodiversity?

Approaches to biodiversity (definitions by the Taskforce on Nature-related Financial Disclosures (TNFD), the Science-Based Targets for Nature (SBTN), the Corporate Sustainability Reporting Directive (CSRD), the European Taxonomy), dependencies of economic activities on biodiversity (ecosystem services), pressures (or impacts) exerted on biodiversity (definition by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services or IPBES).

### 3. How can I identify the priority issues for my portfolio?

Measurement of the biodiversity footprint of investments (Mean Species Abundance, Potential Disappeared Fraction of species, etc.), analysis of dependencies and impacts using open-source tools (ENCORE, SBTN Materiality Screening Tool), identification of the most material sectors (Nature Target Setting Framework of the Finance for Biodiversity Foundation, Nature Target Setting Framework of the TNFD), etc.

### 4. How can I factor biodiversity issues into my investment choices?

Usable data sources (ESG data providers, PAI of the SFDR regulation, open-access CDP "Climate", "Forest" and "Water" data, etc.), use of exclusions or sectoral policies, identification of sectors with high biodiversity challenges, positive or negative screening, individual or collaborative commitment, mapping and management of biodiversity-related risks, etc.

### 5. How do you develop a biodiversity product?

Product ambition, investment universe, key indicators, data sources, investment process.

## 2.4 Engagement with asset management companies 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.

### Integrated approach

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)

### Engagement efforts continued in 2024

Since January 2024, multi-management has excluded the tobacco sector in accordance with Rothschild & Co Asset Management's exclusion policy. We have continued to support our clients, particularly those benefiting from the following services advisory management, on matters relating to SFDR regulations and specific local applications (ACPR).

**+300**

**meetings**

organised by the multi-management team in 2024

**45**

**questionnaires**

sent in 2024

**76**

funds on the **buy list** with at least one label at the end of 45

**54%**

of funds on the **buy list** categorised as article 8 or 9 SFDR at the end of 2024

**5%**

Minimum sustainable investment threshold for categorised funds Article 8

## 2.5 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 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 2024, we met once again with nearly a dozen players in the ESG data ecosystem.

We also interacted regularly with our main service provider over the course of 2024, 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..

To formalise our approach, and in view of our evolving needs in terms of data management and processing, we set up an **'ESG Service Providers Committee'** during 2023, coordinated by the Sustainable Investment team, with the participation of the Risk Management and Compliance teams. The Committee meets quarterly to:

- Monitor partnerships with various data suppliers, in particular data quality and the proper integration of data into our internal tools; and
- 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.

## 2.6 Dialogue with regulatory and certification bodies

From time to time, we take part in events and 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 application 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.

| Body   | Description  | Year |
|--|--|------|
| <b>European Financial</b>  | <ul style="list-style-type: none"> <li>■ Review of the founding principles of the SFDR regulation ("level 1" text)</li> <li>■ European Securities and Markets Authority Guidelines on Funds' names</li> </ul>  | 2024 |
| <b>Autorité des Marchés Financiers (French regulator)</b>                      | <ul style="list-style-type: none"> <li>■ Relationship between doctrine 2020-03 and the European Securities and Markets Authority's Guidelines on Funds' names</li> </ul>   | 2024 |
| <b>SRI Label Committee</b>   | <ul style="list-style-type: none"> <li>■ Various operational and technical issues and solutions relating to the implementation of the requirements of the "V3" specifications ("Referential")</li> </ul>   | 2024 |
| <b>European Platform on Sustainable Finance (European Commission)</b>          | <ul style="list-style-type: none"> <li>■ Review of the founding principles of the SFDR regulation ("level 1" text) and proposed categorisation of funds <ul style="list-style-type: none"> <li>□ "Sustainable"</li> <li>□ "Transition"</li> <li>□ "ESG Collection"</li> </ul> </li> </ul>  | 2024 |
| <b>European Commission</b>   | <ul style="list-style-type: none"> <li>■ Review of the founding principles of the SFDR regulation ("level 1" text) <ul style="list-style-type: none"> <li>□ Review of requirements (usefulness and understanding by investors, clarity of concepts, implementation costs)</li> <li>□ Relationship with other European legislation, in particular the Corporate Sustainability Reporting CSRD and the Taxonomy</li> <li>□ Potential changes to transparency and information obligations at "entity" and "product" level</li> <li>□ Possible overhaul of the classification system for financial products: clarify the distinction between "article 8" and "article 9" financial products, and introduce minimum guarantees (option 1) or categorise financial products according to their investment strategies (option 2)</li> </ul> </li> </ul> | 2023 |
| <b>European Commission &amp; European Supervisory Authorities Surveillance</b> | <ul style="list-style-type: none"> <li>■ Review of the terms of application of the regulatory technical standards ("RTS") SFDR ( "level 2" text) <ul style="list-style-type: none"> <li>□ Principal Adverse Impacts ("PAIs")</li> <li>□ Decarbonisation targets</li> <li>□ Definition of sustainable investment and "Do No Significant Harm" ("DNSH") principles</li> </ul> </li> </ul>  | 2023 |
| <b>SRI Label Committee</b>   | <ul style="list-style-type: none"> <li>■ Revision of the specifications ("Référentiel"), initiated at the request of the Ministry of the Economy and Finance <ul style="list-style-type: none"> <li>□ Reinforcement of selectivity requirements and maintenance of the generalist nature of the SRI Label</li> <li>□ Introduction of a systematic double materiality requirement</li> <li>□ Incorporation of the climate dimension into the basis of the SRI Label</li> </ul> </li> </ul>  | 2023 |
| <b>Towards Sustainability Label</b>  | <ul style="list-style-type: none"> <li>■ Review of the specifications ("Référentiel"), initiated by the Belgian Federation of the Financial Sector (Febelfin) <ul style="list-style-type: none"> <li>□ Increased level of ambition of the Towards Sustainability Label and tightening up the requirements</li> <li>□ Alignment of requirements with certain concepts introduced by the SFDR regulation</li> </ul> </li> </ul>  | 2023 |

# 2.7 Communicating our sustainable beliefs

In 2024, Rothschild & Co Asset Management stepped up its communication efforts in line with its sustainable investment themes and its news. Seeking to inform and educate, we took part in **round tables**, organised **events** and increased our presence in the **traditional media** and on **social networks**.

## 4 dedicated events



**Les Rencontres ESG**

**Un ADN de transition, un objectif de performance**

Peut-on opter pour une démarche durable et investir dans tous les **secteurs** et toutes les **zones géographiques** ? Un questionnement au cœur de notre **démarche de transition** et notre **processus de création de valeur**.




**Les Rencontres ESG**

**Comment maintenir le cap de la transition ?**

Si au niveau mondial, les ambitions n'ont pas changé, s'**engager en faveur de la transition** n'a jamais semblé si compliqué.

Manque d'**homogénéité**, complexité **réglementaire**, **divergences** de part et d'autre de l'Atlantique... quels repères pour l'investisseur ? Que retenir de ce premier semestre ? Comment déceler les principales **opportunités** ?

## 15 LinkedIn posts

## 3 Articles / Documents

## 2.8 Sharing funds and charitable partnerships

We have chosen to materialise our convictions by financing several associations through sharing shares 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, at the level of the asset management company, 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. For more information, the [2024 impact report](#) is freely available on our website.**

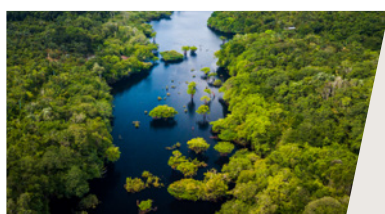


Partnership with Café Joyeux, the first family of solidarity cafés-restaurants committed to the inclusion of people with mental or cognitive disabilities



- 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). For more information, the [2024 impact report](#) is freely available on our website.**



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 a portion 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.**

# 2.9 Employee 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 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 engagement is one of the objectives of fund managers and contributes to performance analysis without quantification. For FY 2023, for all Rothschild & Co Asset Management employees, compliance with ESG policies and engagement, 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 Sustainable Investment team organises **monthly or quarterly** discussion forums 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

Le Management of Rothschild & Co Asset Management, the Sustainable Investment 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" engagement, .)

#### ESG training courses offered and delivered in-house

Over the course of another eventful year, our sales and management teams, as did our clients, benefitted from **almost 50 training sessions** from the Sustainable Investment team.

Since 2022, all Group employees have had the opportunity to take part in a series of training courses offered by the **Rothschild & Co Sustainability Academy**, an online platform developed by AXA Climate, enabling them to 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. **In 2024, a specific module on the low-carbon transition was made mandatory for all employees.**

Finally, all Rothschild & Co Asset Management employees took part in a workshop by the **Fresque du climat**, a French non-profit association founded in 2018 to raise public awareness of climate change. Workshops on **biodiversity** and **diversity** were also offered.

#### ESG training courses 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, benefitted 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 Sustainable Investment team.

## Raising 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, 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 social 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;
- 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,
- pro-bono advice, through which the Group is able to share its professional knowledge and skills to strengthen the resilience and sustainability of promising high-impact organisations; or
- 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

## 31%

of Group employees involved in R&Co4Generations activities

## 82

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

## 52

charities supported by the Group

in

## 25

 Country

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

### Bibliothèques Sans Frontières

Bibliothèques Sans Frontières (BSF) empowers vulnerable populations by facilitating access to education, culture and information. One of their flagship initiatives is the Ideas Box, a mobile media library kit designed in collaboration with designer Philippe Starck. This media library can be deployed in less than twenty minutes to create a 100 m<sup>2</sup> cultural space, offering books, games, computers and tablets. The Ideas Box brings educational and cultural content to places where traditional libraries are not accessible. It is used in over thirty countries to support people affected by poverty and crisis. **In 2024, 2 employees took part in a day-long brainstorming session on the Ideas Box of the future.**

### Enactus France

Since 2012, Enactus France has been dedicated to social entrepreneurship and innovation. Their mission is to help secondary school pupils, students, teachers and professionals develop the skills they need to innovate and take action on social and environmental issues. They offer educational programmes that enable participants to design and carry out positive impact projects, thereby contributing to a fairer, more inclusive and sustainable world<sup>1</sup>. Enactus France is part of the worldwide Enactus network, present in 33 countries.

R&Co4Generations supports the Student programme. Thanks to this support, students are guided from the emergence of an idea right through to taking action, or even setting up a social impact and/or environmental enterprise. **In 2024, 17 employees got involved with the association in various ways: by running coaching sessions to help students develop their projects, by taking part in a selection committee to choose the winner of the Coup de Pouce prize on the theme of the environment, or by taking part in the national festival to choose the French project for the International festival.**

## 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 2024, 6 employees supported the mini-companies programme or took part in the national festival as judges.**

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## The Poles School

The Polar Witness' Poles School inspires young people to marvel at the wonders of the polar regions while raising awareness of climate change. This programme informs and equips them to make an active commitment to the climate. Heidi Sevestre, glaciologist and ambassador for the association, notes that the Arctic is warming four times faster than the global average, underlining the urgent need for action. **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.**

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## Moteur!

Our partner Moteur! aims to promote equal opportunities for young people aged 14 to 22 by putting them in touch with inspirational role models. It encourages their personal development and helps them gain confidence. A key component of the project is the creation of a one-and-a-half minute film, where young people can tell their story or share an inspirational message. This short format allows for creative and powerful expression, quickly capturing the audience's attention. These films are used to raise awareness and inspire other young people by sharing transformative and inclusive experiences. **In 2024, 15 employees took part in the Prix R&Co4Generations to choose the winners from around twenty films submitted by the association.**

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## My Future

For the past three years, R&Co4Generations and My Future have been organising group work experience placements for 3rd year students, mainly from disadvantaged areas in and around Paris. 30 students were able to discover the world of finance, as well as the corporate world and its codes, thanks to the participation of 45 employees and a My Future facilitator. **In 2024, 8 employees came to present their jobs to the schoolchildren with great enthusiasm.**

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## TADA

The mission of our Belgian partner, TADA (ToekomstATELIERdelAvenir), is to promote the emancipation of young people from socially vulnerable backgrounds. One of the ways it achieves this is through its Saturday school, where volunteer professionals run practical workshops for children aged 10 to 14. Every Saturday, more than 800 children discover a variety of careers and develop essential skills in a safe and inspiring environment, helping to boost their motivation at school and boost their self-confidence. **In 2024, 8 employees from Paris travelled to Brussels to take part in a Saturday workshop.**

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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
- Conflict of interest 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
- Article 29 report under the French Energy-Climate Law
- CSR report by Rothschild & Co Asset Management
- CSR report by Rothschild & Co Group
- 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

**This is not a promotional document.** The information/opinions/data contained in this document, considered legitimate and correct on the day of its publication, in accordance with the economic and financial environment in place at that time, may change at any time. Although this document has been prepared with the utmost care from sources believed to be reliable by Rothschild & Co Asset Management, it does not guarantee the accuracy and completeness of the information and assessments contained herein, which are only indicative and are subject to change without notice.

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Sources: Rothschild & Co Asset Management (or other if using external data) as of 31/12/24.

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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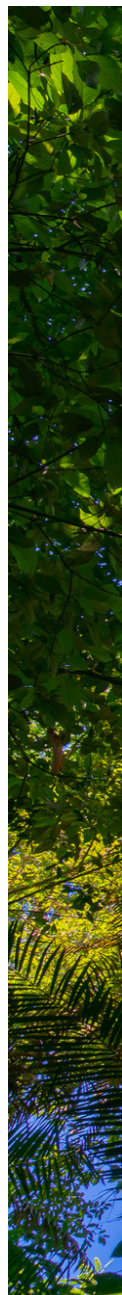
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