<u>Responses from the Managing Partner to the written questions from Les Amis de la Terre France and Reclaim Finance</u>

<u>Question 1</u>:

Rothschild & Co is the fifth largest French investor in oil and gas producers shale gas, with $ 500 million held in stocks and bonds of these late companies March 2020. While the value of these companies plummeted in early 2020, violently struck by the oil counter-shock, Rothschild & Co even chose to invest more and more in it.

The crisis we are going through has however highlighted the already well-known vulnerability of the sector oil and shale gas, which concentrates all the risks.

Shale oil and gas is a highly risky bet because of incapacity chronic to create profits. Companies specializing in oil production and shale gas have not had a single year in ten years of generating free cash flow - free cash flows - positive.

Oil and shale gas are also a major threat to the climate. Limit the global warming at + 1.5 ° C leaves no room for any new exploitation project fossil fuels. On the contrary, 60% of the world's oil and gas expansion by 2030 is planned in the United States and is based almost exclusively on oil and shale gas, 4 times more than the growth forecast in Canada and 7 times more than in Saudi Arabia.

This sector is ultimately the cause of irreversible contamination of the environment and health problems for populations forced to be exposed to it. Oil exploitation and shale gas was therefore banned in France in 2011, it must also be banned from Rothschild & Co. portfolio

Question: Do you agree to take note of the risks represented by the Rothschild & Co to oil and shale gas, for itself, for its shareholders and for the climate, and to disengage from this sector, across its entire value chain?

<u>Response</u>:

As engaged investors we want to play an active role in influencing business practices and drive flows towards sustainable players in each industry.

Our investment exposure to Oil &Gas represents less than 1% of our total AuM.

Our investment approach across our global wealth and asset managing businesses takes into account the diversification strategies of the companies we invest in to better protect our portfolios. Our Oil & Gas exposure is mainly focused on players with a limited exposure to shale oil and gas. The majority of our Oil & Gas exposure is concentrated on Majors who are part of the Oil & Gas Climate Initiative supporting the Paris Agreement and working to accelerate the transition to a low-carbon future.

As part of our engagement approach with companies involved in sensitive activities, we seek a dialogue to challenge them on their business practices as a basis for future investment decisions.

<u>Question 2</u>:

Rothschild & Co recently made divestment commitments from the coal sector. We welcome these first steps, which are essential in the context of a climate emergency. However, we deplore the fact that nothing has been said about advisory mandates. Rothschild was involved in recent years in several controversial coal projects, such as the sale of assets by Adani to raise capital for the giant Carmichael mine in Australia and which she worked for eventually withdrawn, or the sale by Uniper of its coal plants in France to EPH. The year last, you announced at your general meeting that you had withdrawn from the contract in Australia for climatic reasons, and you also announced the publication at the end of the year rules concerning consultancy mandates linked to coal projects. We are still waiting for these rules.

The sale and purchase of coal assets often results in extending the lifespan or operation of infrastructure. Supporting them goes against the sector's exit target.

Question: You agree to no longer participate in any advisory mandate for assets related to the sector coal?

Response:

As outlined at the last AGM, Rothschild & Co takes the risks that climate change presents very seriously. This applies to all of our business lines.

As a leading corporate finance adviser across the mining and energy and power sectors we have focused increasingly on advising our clients in building their renewable energy and low-carbon activities aimed at reducing global carbon emissions. When taking on new clients, we carefully consider the diversification and carbon emission reduction strategies of clients active in thermal coal mining.

As a part of our own contribution to this energy transition, we will not provide financing or financing advisory in relation to new thermal coal mining projects, new thermal coal developments or new coal-fired power generation assets