



2025

Sustainability and Stewardship Policy

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Image source: © Gettyimages

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Section one – Who we are

Rothschild & Co Wealth Management UK

Rothschild & Co Wealth Management UK (R&Co WM UK), the UK arm of R&Co's Wealth and Asset Management division, is guided by principles of long-term thinking, responsible stewardship, and sustainability focused investment.

We offer tailored services that align with each client's objectives, risk tolerance, and sustainability preferences, with a focus on discretionary investment management.

R&Co WM UK manages £16.6 billion in assets with portfolios ranging from £2 million to £500 million. Our diverse client base includes private individuals, families, charities, endowments, and institutions.¹

A team of over 200 professionals collaborates across investment management, client advisory, and operations to deliver exceptional service, strong performance and operational efficiency.²

OUR CLIENTS COME FIRST

We measure our success by the longevity and depth of our client relationships. Ultimately, the business's success depends on delivering successful investment returns for our clients.

Our vision is to be the best financial partner for successful families. This is not about asset growth but about focusing on the needs of our clients, which means delivering market-leading investment performance and exceptional client service.

Given our distinct approach to managing portfolios, we spend a lot of time at the outset of the relationship getting to know our clients, understanding their priorities and motivations, and ensuring they fully understand our investment philosophy and approach.

A key aspect of our investment offering is our client service. Clients have high expectations of Rothschild & Co Wealth Management, and we seek to exceed those expectations. Over the years, we have been fortunate to be recognised frequently by the industry for our levels of client service.

We have deliberately structured our business to make a clear distinction between the roles of the Portfolio Managers and Client Advisers. We employ highly experienced Client Advisers who are the main point of contact for clients and manage the day-to-day communications. This allows our investment team to focus on managing the portfolios and delivering performance.

Our clients can expect to interact with engaged and experienced individuals who act in a way that is clear and transparent.

¹ Source: Rothschild & Co as of 31 Dec 24

² Source: Rothschild & Co as of 31 Dec 24

Rothschild & Co Group

Rothschild & Co is a family-controlled group of three established and highly complementary market-leading businesses. With 4,660 financial services specialists in over 49 countries across the world,³ we provide independent advice on M&A, strategy and financing, as well as investment and wealth management solutions to large and mid-size institutions, families, individuals and governments, worldwide.

In Global Advisory, we are helping our clients reach their goals through the design and execution of strategic M&A and financing solutions. We provide independent, expert financial advice to sovereign wealth funds and governments, large and mid-sized corporations, financial sponsors, families and entrepreneurs.

Five Arrows is the alternative assets business of Rothschild & Co, deploying the firm's capital alongside that of a select set of leading institutional and private investors.

Our Wealth and Asset Management business provides an independent long-term perspective on investing, structuring, and safeguarding assets, creating innovative investment solutions to preserve and grow our clients' wealth. Sitting within this division, our proposition in WMUK focuses on helping families, entrepreneurs and individuals retain and grow their wealth over the long-term. We focus on discretionary portfolio management with the goal of preserving and growing wealth in real terms through inflation-beating returns.

The contribution of these businesses to the Group's long-term sustainability ambition to use its influence and expertise to help facilitate the sustainability transition of the global economy are guided by the Group's ESG priority framework which provides a joined long-term roadmap for consideration across the Group's business model, including its:

- direct operational impact;
- investment approaches in the Wealth & Asset Management, and Five Arrows businesses;
- transaction advice in the Global Advisory business, including dedicated ESG advisory expertise;
- onboarding decisions and engagement with business partners along the value chain; and
- approach for support of charities and social enterprises.

The Rothschild family ownership creates the stability and long-term perspective not matched by many organisations. We are unconstrained by short-term thinking – our decisions are not driven by quarterly or annual results – and can be patient. This manifests in a culture of responsible business and long-term value creation for our clients, staff and other stakeholders.

Responsible management of our operations, resources and services plays a fundamental role in our approach to business and achieving our long-term strategic objectives. The importance of getting it right cannot be overstated, given the potential impact on our people, the industry, local communities and the planet.

Our culture is rooted in the Rothschild family values and is central to our longevity and success. This commitment to a culture of responsible business is firmly embedded in our business model.

³ Source: Rothschild & Co as of 31 Dec 24

Section two – Our investment approach

Philosophy and beliefs

INVESTING FOR GENERATIONS

As a family-owned business, we have been investing for generations for over 200 years, and we aspire to do so for decades to come. Regardless of client type or portfolio size, our clients look to us to be a safe and secure home for their assets. We manage our clients' assets with the same care and diligence we do our own. Through our investments, we aim to preserve the wealth of future generations, as well as the environment and society they will inherit.

OUR BELIEFS

The following beliefs underpin our investment philosophy and determine the way we invest our clients' capital.

We believe that...

1. Long-term thinking creates greater value.

A long-term investment horizon allows us to ignore short-term noise and focus on what really matters. Instead of chasing short-term returns, we act and think like business owners and build active partnerships with the companies and funds that we invest in.

2. Investors need to protect themselves against inflation in order to preserve and grow wealth in real terms.

Even modest levels of inflation erode the real value of capital over time. Our investment objective is to outpace inflation. We do this by investing in high-quality companies with pricing power and high barriers to entry.



Long-term thinking creates greater value



Investors need to protect themselves against inflation



Sustainability is a fundamental investment issue



Navigating market downturns is a crucial part of the journey

3. Sustainability is a fundamental investment issue.

Sustainability factors (environmental, social and governance – or ‘ESG’ factors) cannot be separated from economic factors; they are an inherent part of the long-term risks and opportunities for any company. Sustainability analysis is explicitly integrated into our investment process. As long-term investors, we want to own high-quality businesses that have resilient business models and sustainable business practices.

4. Navigating market downturns well is a crucial part of the journey.

We seek assets that provide genuine protection during periods of market stress. This allows us to smooth the journey for our clients. Our in-depth research on companies means that we invest with conviction while minimising the risk of permanent capital loss. Taken together, we build sensibly diversified portfolios, combining investments in high-quality companies with assets that provide insurance in times of turbulence.

INVESTMENT PHILOSOPHY

Our investment philosophy is built on preserving and growing our clients’ wealth in real terms for generations. We seek to deliver strong risk-adjusted returns over the long term while avoiding large losses during periods of market weakness.

We build portfolios with two distinct parts: **Return Assets** which we expect to generate inflation-beating returns over time, and **Diversifying Assets** which help us avoid large losses. The appropriate split between Return and Diversifying Assets is determined by clients’ individual return objectives and tolerance for risk.

Our approach is benchmark agnostic, and rather than a market index determining how we construct portfolios, we look globally for the best investments to meet our clients’ investment objectives, regardless of asset class, sector or geography. This is ‘bottom-up’ investing, whereby the asset, sector and geographical mix of our portfolios is an output of our investment decisions, rather than the starting point.

Everything we invest in is selected on its own merits. There are no ‘underweight’ or ‘overweight’ positions; if we don’t believe an investment or asset class is going to help us deliver our clients’ return objectives, we won’t own it.

We do not employ a strategic asset allocation but instead rely on a risk budget to manage risk at the portfolio level. While we agree that portfolios need to be diversified, achieving genuine diversification requires more than just selecting the ratio between equities and bonds, and other asset classes. It’s about understanding the underlying risk characteristics of each asset and how they will behave in different market environments, rather than relying on asset ‘labels’.

Return Assets	Diversifying Assets
Assets we expect to generate real capital growth and drive long-term performance	Assets we expect to provide genuine diversification or protection
Includes all securities and funds we would expect to be correlated to equity (stock) markets, albeit to varying degrees	Assets we expect to provide liquidity and yield
Examples include equities, certain hedge funds, property, corporate bonds, and commodities	Examples include inflation-protected government bonds, diversifying hedge funds, cash, and portfolio protection (put options)

RETURN ASSETS

Return Assets are investments that we believe can generate real capital growth and therefore drive long-term performance. We think we can best achieve our objective of growing our clients’ capital by owning high-quality businesses for the long term, either directly or indirectly via funds. There are two aspects to ‘high quality’. One is *what* the business does, and the other is how it does it.

We believe high-quality businesses have resilient business models: these companies are likely to be able to sustain their market position and grow their profits long into the future. They have durable competitive advantages, such as economies of scale, network effects, and a compelling brand or intellectual property, to name a few.

At the same time, high-quality businesses need to demonstrate sustainable business practices. Environmental and social factors can become financial factors over the long term. Companies need good governance to manage their material ESG risks and opportunities well. Stakeholder interests need to be balanced appropriately – not just those of shareholders and senior management – but also employees, customers, and suppliers as the detrimental treatment of other stakeholders may be profitable in the short-term, but long-term success is dependent on the successful balancing of these interests.

DIVERSIFYING ASSETS

The role of the Diversifying Assets is to protect our clients’ capital in periods of market stress and to limit the impact of equity market falls, thereby smoothing some of the inevitable highs and lows of being invested in equity markets. The Diversifying Assets serve to protect portfolios from systemic risks, such as market dislocations caused by recessions or events that cannot be foreseen, such as the COVID-19 crisis or the war in the Ukraine.

We don’t pretend that we can predict what the next market crisis will look like or when it will happen. To make portfolios robust in any scenario, we look to diversify our Return Assets, but also to ‘diversify our diversifiers’ to have multiple lines of defence. We identify a variety of diversifying strategies that will behave in different ways to make our portfolios robust in different market scenarios. Some assets aim to provide protection against a sharp market crash, others against a slow protracted downturn. We also consider how the portfolio behaves in inflationary or deflationary scenarios.

Overview of our investment strategies

New Court

Our broadest strategy, combining return and diversifying assets with an objective of wealth preservation in real terms and long-term capital growth.

Halton

Our most concentrated strategy investing in listed equities only.

Exbury

This strategy combines return and diversifying strategies with an objective of wealth preservation in real terms and long-term capital growth.

Actively investing in assets that seek to be part of the solution and accelerate decarbonisation.

We call these ‘Enablers’, defined by a meaningful contribution to at least one of the four themes below:

- powering our world
- sustainable transport and infrastructure
- responsible production and consumption
- finance and the transition

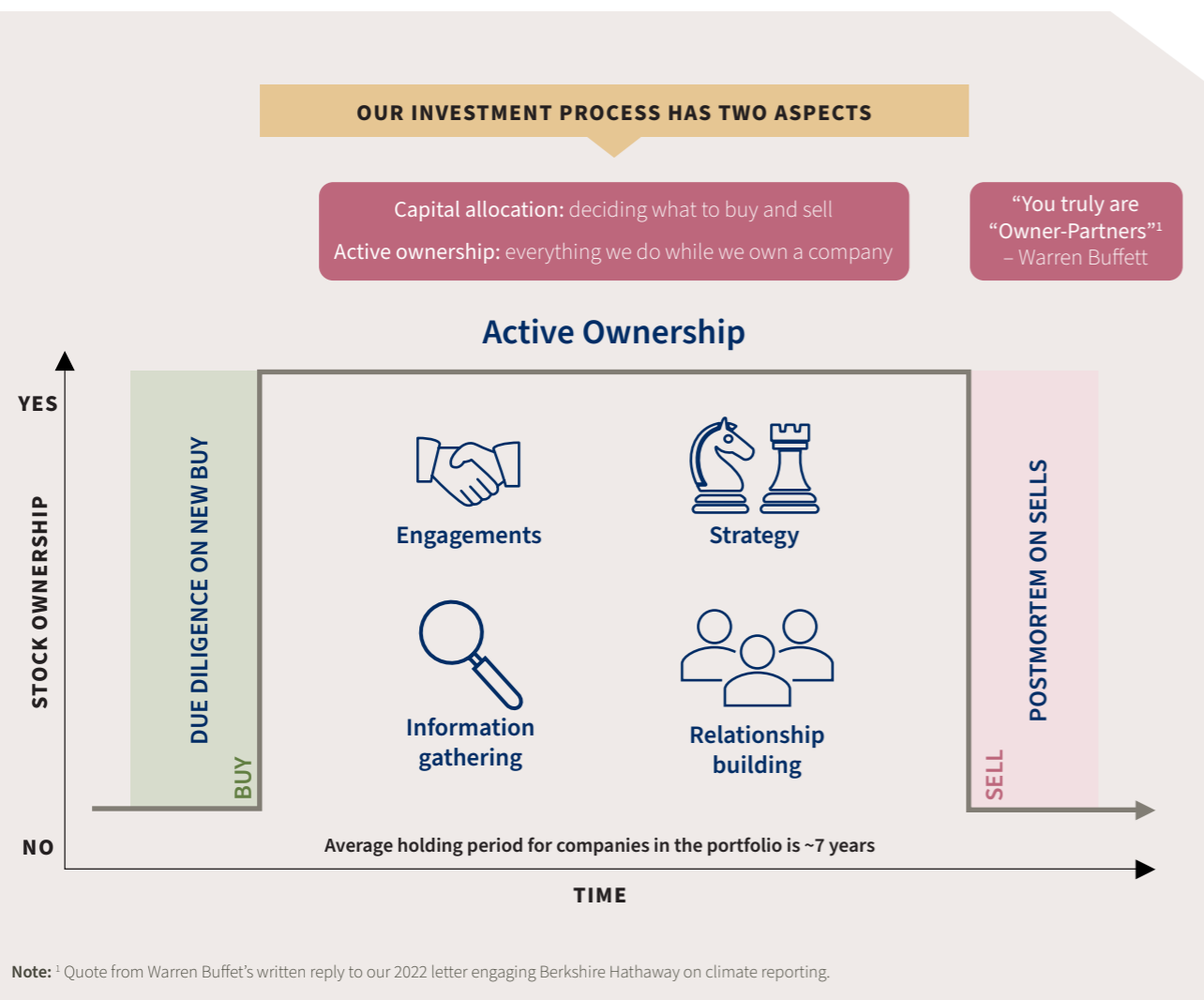
Section three – Stewardship

At WM UK, sustainability is not a trend—it is central to our mission of preserving and growing the real value of our clients’ wealth over time. Any factors that impact the resilience of our holdings’ business models or the sustainability of their practices are important to us and ignoring them would be inconsistent with our fiduciary duty.

Our investment process has two aspects at its core:

- Capital allocation – deciding what to buy and sell.
- Stewardship/Active ownership – everything we do while we own a company.

Both are rigorous and focused on the long-term. A journey that begins with an idea, matures through deep research and engagement, and ideally endures for a decade or more. This long holding period is not incidental—it is essential. It gives us the time and access to build relationships with companies’ leadership, understand their strategic direction, and influence outcomes that matter to long-term value creation.



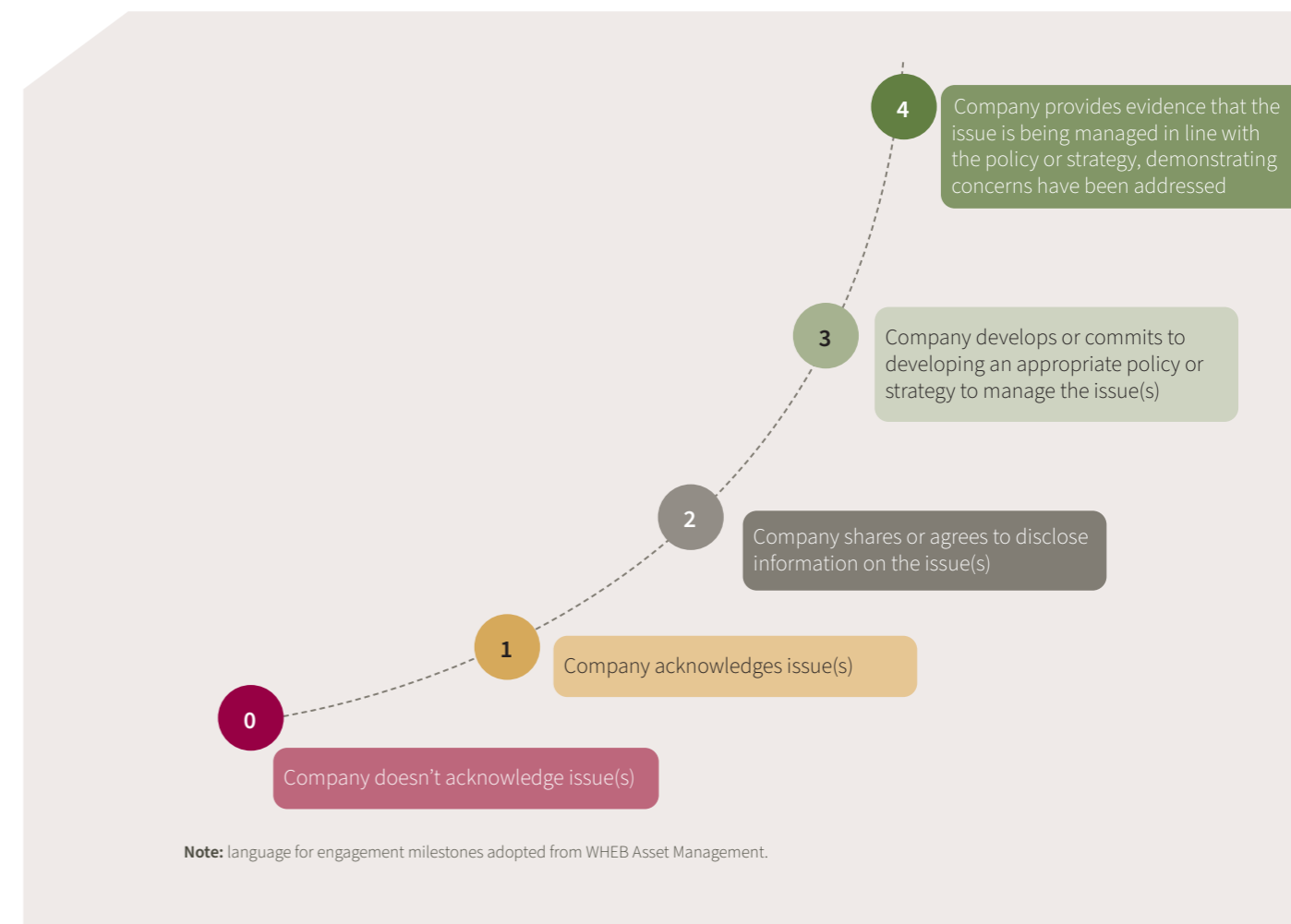
Engagement

HOW DO WE PRIORITISE OUR ENGAGEMENTS?

The prioritisation of our stewardship activities is determined by considering the materiality of the engagement topic and the likelihood of an outcome. Materiality considers the real-world impact of a potential change; for example, the effect of even a 1% reduction in carbon emissions by Berkshire Hathaway is worth more than the total carbon emissions of the bottom half of contributors from the New Court portfolio combined. Likelihood refers to the probability of achieving an outcome – this would increase if we had a larger holding, a strong relationship with the CEO or board, the company had strong internal or external pressure to change, or similar factors. Using this framework allows us to more effectively allocate where our finite resources are spent. We will also consider the urgency of the issue, deadlines and other risks.

HOW DO WE ASSESS AND TRACK OUR ENGAGEMENTS?

As long-term partners with our investee companies, we see the benefits from engagement in the process, not just the outcome. As a result, we want to think of our discussions with companies on a continuum, not a pass or fail. To help keep track and demonstrate progress of our engagement program to our clients within this framework, we will use a label system to rank company engagements from zero to four, with zero meaning that a company has not yet acknowledged the issue, through to four demonstrating that evidence is being produced supporting the policies implemented. This is what we believe is a best-in-class process that we have adopted from one of our funds, WHEB, which believe is the gold standard for reporting on active ownership. Over time and (hopefully) through our involvement, engagements will progress from one through to four.



Voting

An important aspect of our active ownership, and one of the key tools we have to influence companies alongside engagement, is exercising our rights as shareholders through proxy voting at company shareholder meetings. Our approach is:

COMPREHENSIVE

We view voting the shares held in discretionary portfolios as an important part of our active ownership approach and our fiduciary duty to our clients. Therefore, we aim to vote on all holdings where we have the ability to do so. All our actions in this area are motivated by a drive to vote in a manner that ensures that the interests of our clients are best served in the long run. All discretionary holdings of a particular company will be voted in the same way. Clients can direct votes on positions held on an execution-only basis.

As a matter of course, we do not lend client stock. Rothschild & Co Wealth Management UK's custodian has no stock-lending arrangements in place either within the Rothschild & Co Group or with other financial institutions. Our voting ability is therefore unrestricted. For certain reasons, such as better liquidity, we may decide to hold non-voting shares of companies. In these cases, we will usually still review materials circulated for the AGM and the outcomes of the meeting.

CASE BY CASE

The relatively concentrated nature of our holdings means we can assess all resolutions internally, without the services of a proxy adviser.

It also means we do not need to deploy a rigid framework, directing votes in a certain direction based on specific conditions. Instead, we take the time to understand any nuances and idiosyncrasies about the company in question.

Given our pursuit of investments in high quality businesses, most of the resolutions we vote on, and the associated recommendations from the board, are not controversial and do not require lengthy discussions. But others do, and there can be many reasons for this. These include votes on specific topic where there has been poor performance, a controversy or negative publicity, or votes relating to systemic issues such as climate change. Extra attention is also paid to resolutions put forward by fellow shareholders, as in general, their interests could align with ours. In cases where a resolution does require more consideration, the relevant members of the investment team will be involved in the decision process and the reasons for a given conclusion are documented. These decisions will involve the Co-Heads of Portfolio Management, the lead analyst on the stock, and the Sustainability and Stewardship Team.

Given our pursuit of investments in high quality businesses, most of the resolutions we vote on, and the associated recommendations from the board, are not controversial and do not require lengthy discussions.



COMMUNICATED

Since we expect transparency from our companies and their management, we strive to reciprocate. Generally, we aim to discuss and resolve any concerns with management through our engagement, and if we decide to abstain or vote against the company, we aim to communicate this to management beforehand.

Our annual Sustainability Report provides our clients with our voting record on an annual basis and a summary is available quarterly. We disclose the number of resolutions voted on, their nature and whether we voted with or against the recommendations of a board. We provide the rationale for certain voting decisions, including but not limited to those where we voted against the recommendations of a board. We are also happy to share information on an ad hoc basis upon client request.

We expect our third-party managers to exercise their voting rights wherever possible. Ideally, the actions of our third-party managers are supported by a proxy voting policy. We give full discretion to third-party managers on how to vote, but we expect them to report back to us on their proxy voting record on an annual basis. Where managers have voted against company management, or a vote was contentious and they voted in favour, we expect to receive a detailed rationale.



Section four – Sustainability

Embedding sustainability

One of our core investment beliefs is that sustainability is a fundamental investment issue that cannot be separated from economic investment factors.

We therefore embed sustainability factors into the investment process, across asset classes and all client portfolios.

We believe in doing our own fundamental investment research and the depth and breadth of our research is one of our distinguishing features. We have a highly experienced investment team who – given our very low staff turnover – have worked together for many years. Our Portfolio Managers and research analysts all have specific sector and regional market experience with most of their work being driven by our own in-house proprietary research.

Each year our investment team spends thousands of hours digesting company reports, carrying out thorough industry analysis and conducting external fund manager reviews. This effort is complemented by hundreds of meetings and phone calls with industry experts in relevant areas. To understand more about how a company works, we will speak to its management, current and former employees, customers, suppliers, and distributors, alongside spending time on data analysis and modelling cash flows.

The extensive nature of our research provides a solid foundation for investment decisions. We invest our clients’ capital in a select number of investments in which we have a high degree of confidence and have conducted thorough due diligence on. We do not invest in a very large number of assets where we have little conviction, or have conducted limited research, or ‘speculate’ on assets we don’t fully understand.

To support the efforts of our research analysts and Portfolio Managers, we have a dedicated Sustainability and Stewardship Team who inject expertise and data insights into the process. This includes highlighting material sustainability factors, collecting and interpreting key performance indicators of companies and highlighting areas for engagement.

SUSTAINABILITY APPROACH

In 2023, we laid the groundwork for the evolution of our Sustainability approach by layering our analysis into four parts: adaptation and risk, shaping and impact, decarbonisation dashboard, and governance, purpose, and culture. This year, we have focused our efforts on further developing the first two parts: adaptation and risk, and shaping and impact.

In 2024, we enhanced our ‘adaptation and risk’ analysis, which focuses on understanding external sustainability factors on our businesses by identifying the sustainability topics that are financially material for a business. Leveraging the Sustainability Accounting Standards Board (SASB) as the foundation of this process across both equities and fixed income issuers. We continue to believe that materiality matters, and this approach highlights the issues that are most financially material for each industry. However, our analysis goes beyond merely managing sustainability as a set of risks and opportunities. We also consider the outcomes a company has on its stakeholders. The second part of our framework, called ‘shaping and impact’, evaluates the impact a company has on people and the planet. This approach, originally designed for the decarbonisation-focused Exbury strategy, has now been rolled out across our direct companies. It helps us build a holistic understanding of the nature, extent, and future pathway of a company’s impact, as well as any adverse impacts.

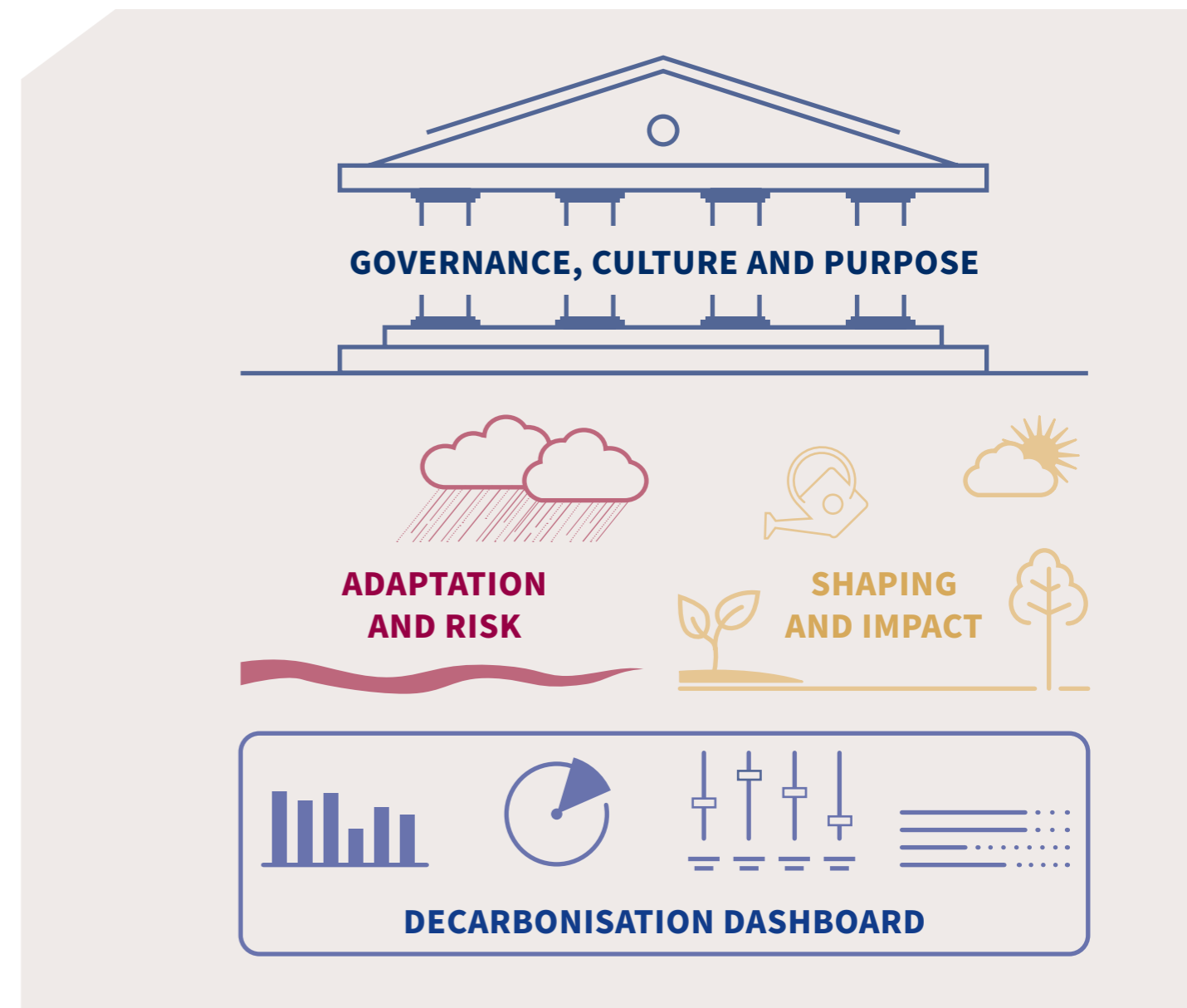
In essence, by integrating these two parts; adaptation and risk, and shaping and impact – we not only manage sustainability risks but also capture impact and outcomes. This comprehensive approach allows us to better understand the impact on our investments and the impact of them.

We have developed a materiality map of our portfolios, identifying the key risks and opportunities for our directly held businesses.



Adaptation and risk

‘Adaptation and risk’ focuses on identifying the sustainability topics that are financially material for a business, and obtaining data to quantify the magnitude of the risks they present. Utilising the work of the SASB, we have developed a materiality map of our portfolios, identifying the key risks and opportunities for our directly held businesses.



	CHEMICALS	CONSUMER FINANCE	INDUSTRIAL MACHINERY & GOODS	INSURANCE	INTERNET MEDIA & SERVICES	PROFESSIONAL & COMMERCIAL SERVICES	RAIL TRANSPORT	SEMI-CONDUCTORS	SOFTWARE & IT SERVICES	TELECOMM.
DISCLOSURE TOPIC	Linde, Sika	American Express	Ashtead, Deere	Admiral	Booking Holdings	Eurofins, Moody's, S&P Global	CPKC	Texas Instruments	Constellation Software, Mastercard	Cable One
ENVIRONMENT	Air quality	●					●			
	Ecological impacts									
	Energy management	●		●		●		●	●	●
	GHG emissions	●					●	●		
	Waste and hazardous materials management	●						●		
	Water and wastewater management	●						●		
SOCIAL CAPITAL	Access and affordability									
	Customer privacy		●			●			●	●
	Customer welfare									
	Data security		●			●			●	●
	Human rights and community relations	●								
	Product quality and safety									
HUMAN CAPITAL	Selling practices and product labelling		●		●					
	Employee engagement, diversity and inclusion					●		●	●	
	Employee health and safety	●		●			●	●		
Labour practices										
BUSINESS MODEL AND INNOVATION	Business model resilience									
	Materials sourcing and efficiency			●				●		●
	Physical impacts of climate change				●					
	Product design and lifecycle management	●		●	●			●		
Supply chain management										
LEADERSHIP AND GOVERNANCE	Business ethics					●				
	Competitive behaviour					●	●	●	●	●
	Critical incident risk management	●					●			
	Management of the legal and regulatory environment	●								
	Systemic risk management				●				●	●

To create an appropriate measurement and monitoring process, the pragmatic next steps included:

1. Map the material metrics to available disclosed data
2. Form appropriate peer groups for each of the companies
3. Develop the quantitative and qualitative positioning based on the findings

CASE STUDY: CPKC

1. Materiality assessment

Below illustrates the development of the industry specific materiality map and resulting monitoring process for one of the portfolio companies, Canadian Pacific Kansas City, held in both New Court and Exbury portfolios.



CPKC: SASB MATERIALITY TOPIC OVERVIEW

GREENHOUSE GAS EMISSIONS

The Rail Transportation industry emits diesel combustion emissions from locomotive engines. Although emissions are relatively low compared to other transportation sectors, fuel management impacts operating costs and regulatory compliance. Increasing regulations and high fuel costs drive rail entities to invest in fuel efficiency improvements, enhancing operational efficiency, cost structure, and competitive position within the industry and against other transport modes.

AIR QUALITY

Rail operations emit various air pollutants regulated by national and international laws, including HAPs, CAPs, and VOCs. These pollutants have localised environmental and health impacts, such as benzene (a carcinogen) and NO_x (a component of smog and acid rain). Fuel is a significant cost for the industry, and improving fuel efficiency and managing emissions can affect costs both short-term and long-term.

EMPLOYEE HEALTH & SAFETY

Freight rail presents higher risk of accidents and hazardous material releases, harming employee health and causing financial impacts such as reduced productivity, higher turnover, and increased insurance costs. Poor employee health can also lead to accidents. A healthy workforce, strong safety culture, systematic safety approach, risk management programs, and operational integrity can reduce accident probability and severity.

COMPETITIVE BEHAVIOUR

Industry consolidation and past anti-competitive practices pressure antitrust immunity for railroads. Proposed policies may increase costs or hinder investment. Entities at charge limits or non-compliant with rate regulations face scrutiny, fines, penalties, and raising capital costs which could affect valuation. Competitive pricing and transparency are crucial to maintain returns amidst market power concerns.

ACCIDENT & SAFETY MANAGEMENT

Rail accidents and hazardous material releases impact the environment, communities, and entities financially. Stringent safety regulations and high costs from major accidents incentivise robust safety management systems. Loss of consumer confidence can lower revenues and damage an entity's social license to operate, raising cost of capital.

2. Data and insights

The next stage involves mapping these topics to relevant measurable data points. In addition to our own research, we use data provided by an external ESG research provider, MSCI ESG Research.

Based on the disclosure topics identified above for rail transportation, the material metrics mapped are outlined in the table below.

DISCLOSURE TOPIC	SASB METRIC CODE	TYPE	MAPPED METRICS	DATA SOURCES
Greenhouse gas emissions	TR-RA-110a.1	Quantitative	Carbon Emissions – Scope 1	CDP
				MSCI
	TR-RA-110a.2	Qualitative	Carbon Emissions – Scope 2	CDP
			Carbon Emissions – Scope 3 reported Carbon Emissions intensity (EVIC) SBTi Target	MSCI
Air quality	TR-RA-120a.1	Quantitative	NOx intensity	MSCI
			Toxic releases performance relative to peers	Company disclosure
Employee health and safety	TR-RA-320a.1	Quantitative	Total Recordable Injury Rate (TRIR)	MSCI
			Injury frequency rate	Federal Rail Administration
			Fatality rate	
Competitive behaviour	TR-RA-520a.1	Qualitative	Anti Competitive Behaviour Controversies	MSCI
Accident and safety management	TR-RA-540a.1	Quantitative	Accidents per million train miles	Federal Rail Administration Company disclosure

Important information: This document does not constitute a personal recommendation or an offer or invitation to buy or sell securities or any other banking or investment product.

3. Qualitative and quantitative positioning

Some disclosure topics are more qualitative than quantitative, so it is important to combine the obtained data with appropriate context and outline the positioning of the business. It is also pragmatic to compare these alongside similar peers, to establish how effective the business is at managing these risks and potentially identify areas of engagement. An example of how this data is summarised and highlighted is shown for CPKC below.

GREENHOUSE GAS EMISSIONS

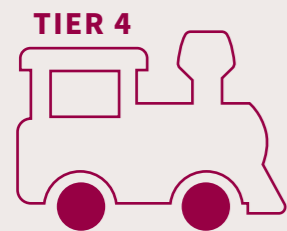
With the merger and increased capacity, CPKC's emissions have remained broadly in line with peers. In their latest Carbon Mileposts report, the business has outlined initiatives in four categories with the aim of improving fuel efficiency and reducing emissions:

- Fuel efficiency
- Fleet renewable
- Renewable fuels
- Alternative fuels

CPKC has further expanded its hydrogen locomotive test fleet alongside exploring additional hydrogen pathways such as Hydrogen injection and hydrogen battery-hybrid. Since the merger of CP and KCS, CPKC has introduced a combined emissions reduction target validated by the Science Based Targets initiative (SBTi) and committed to setting a net-zero target, which only one other company in the peer group has completed so far.

AIR QUALITY

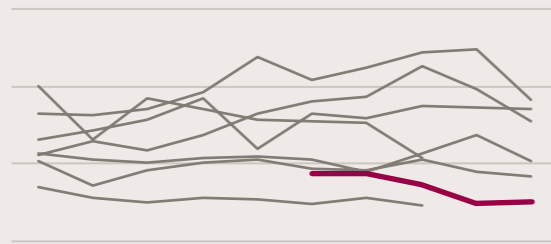
As part of efforts in modernising the fleet, CPKC have been investing in Tier 4 locomotives which both have improved fuel efficiency and 4x less NO_x particulates during combustion compared to tier 3.



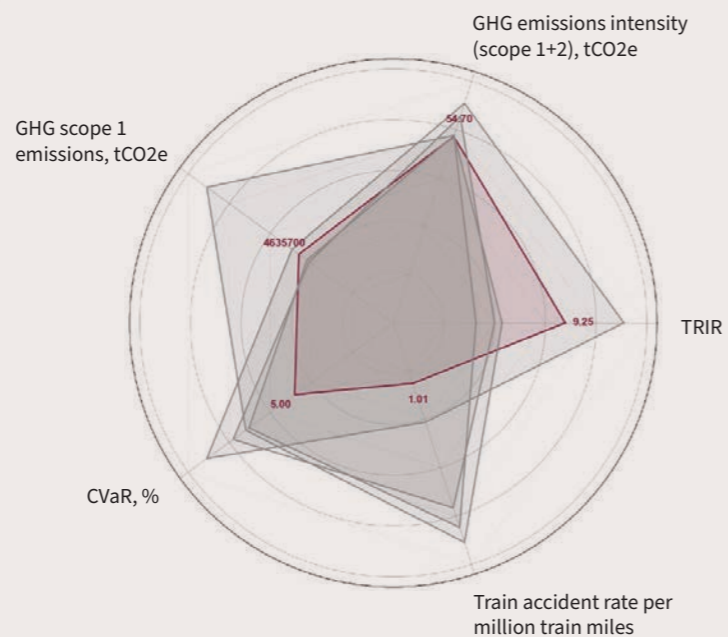
ACCIDENT & SAFETY MANAGEMENT

CPKC continues to operate with one of the best track records in the industry. Year on year personal injuries and frequencies have declined, and train accidents per million train miles has trended down, remaining the lowest in the peer group.

CPKC and peers train accidents per million train miles 2015-2024



MATERIAL METRICS FOR CPKC VS. PEER GROUP (CLOSER TO THE CENTRE IS BETTER)



Source: Rothschild & Co, CPKC, MSCI ESG Manager, CDP, FRA (Federal Railroad Administration).

Shaping and impact

If Adaptation and risk focuses on the key risks to a company from external forces, Shaping and impact considers the effect that a company has on the planet and its stakeholders. There are two aspects to this: the operational impact of a company, and the impact of the products and services that the company provides.

Operational impact includes anything produced or extracted during the production of the products and services that the company sells – an example being the scope 1 & 2 carbon emissions that are produced by a company in its day-to-day business. Product and services impact can be defined as the consequences of using the products and services after they have been sold. These could be additional negative effects, like some of the scope 3 emissions (say, from burning gasoline in a car), or benefits, like the reduced cement (and therefore carbon emissions) needed to make concrete when using a product like Sika's admixtures. Once we have an idea of the operational impact (nearly always extractive) and the positive and negative impacts from the products and services, we can add those together to get an understanding of the net impact of a company. Assets that have a meaningfully larger positive environmental impact than negative impact on a net basis are classified as 'Enablers'. Whilst these assets can be held in any of our strategies, the Exbury strategy places an additional focus on allocating towards an increasing proportion of Enablers.

We understand that this a blunt tool to assess a company's effect on the world. Estimates of carbon emissions for scope 1, 2, and 3 emissions remain only that, estimates. For scope 3 emissions in particular, estimates make heroic assumptions, such as the standard use of a product or what becomes of it during its end-of-life. We also know that everything that matters cannot always be measured, especially when considering a business' contribution to a community or employees. However, considering these caveats, we believe that the act of making these estimates and going through this process forces us to better understand a company's holistic impact and better establish the direction of the net impact of a company, even if the actual number is not exactly right.



The flow chart below summarises how we think about impact and the steps completed to assess our directly held equities.

We seek to allocate to businesses that have dramatically larger positive impact than the negative impact on a net basis



Understand **how** a company's actions impact the goal and **how much** of the company is exposed to impacting this goal

- Quantifying the positive impact and relating it to a revenue



Calculate the adverse **product and operational** impact of the business

- How is the business progressing operationally?

POSITIVE PRODUCT IMPACT
- NEGATIVE PRODUCT IMPACT
- OPERATION IMPACT

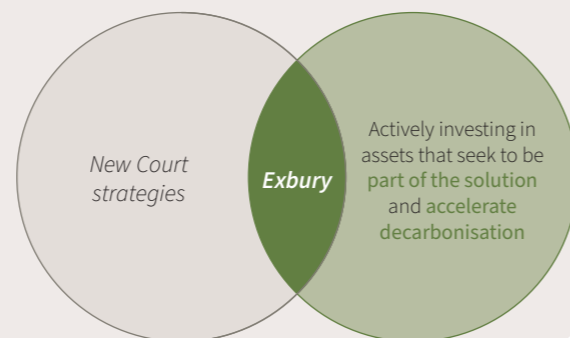
NET IMPACT

Define the **relationship** of this impact with the company's business case

- What is the contribution to the profitability of the business?

Calculate the **net benefit** from the company

- Considering the counterfactual and net benefit to stakeholders



Decarbonisation Dashboard

Climate change remains a key topic for us regardless of industry. As discussed in last year's report, Climate Value-at-Risk (CVaR) estimates the impact of the transition to a 'net zero' global economy on a business. It can otherwise be thought of as a climate stress test. Both physical and transitional risks are important to consider, and given the nature that these risks are shared across a specific industry, it makes sense to include as part of the adaptation and risk analysis. In the example of rail transportation, the biggest concentration of risk is transition risk, with the industry still heavily reliant on diesel fuel locomotives. For CPKC, its overall CVaR is the lowest among its peers – a testament to the company's strategy of decarbonising its fleet.

With climate change a key focus for us, it is important to communicate the key datapoints we monitor for our directly held businesses, especially as these assets are where we have a higher concentration. This is captured in our Decarbonisation Dashboard, illustrated below, featuring our company's disclosure and targets data.

COMPANY	DISCLOSURE					TARGETS				
	Total emissions (Scope 1+2 location-based) (MtCO ₂ e)	Disclose carbon emissions?	Disclose to CDP? ¹	Report in line with TCFD ²	Has net zero reduction target?	Net zero target?	Reduction interim target?	Interim target year	Target reduction %	SBTi commitment or approval ³
Admiral	3,392	Yes	Yes	✓	✓	2040	✓	2030	50	✓
American Express	122,639	Yes	Yes	✓	✓	2035		-	-	✓
Ashtead	411,777	Yes	Yes	✓	✓	2050	✓	2034	50	✗
Booking Holdings	3,947	Yes	Yes	✓	✓	2040	✓	2030	95	✓
Cable One	64,701	No	No	✗	✗	-	✗	-	-	✗
Charter Communications	1,500,947	Yes	No	✓	✓	2035	✗	-	-	✗
Comcast	1,965,000	Yes	Yes	✓	✓	2035	✓	2030	50	✓
Constellation Software	55,085	No	No	✗	✗	-	✗	-	-	✗
CPKC	4,699,548	Yes	Yes	✓	✓	2050	✓	2030	37	✓
Deere ⁴	1,052,400	Yes	Yes	✓	✓	-	✓	2030	50	✓
Eurofins ⁵	204,645	Yes	Yes	✓	✓	2050	✗	-	-	✓
Linde	37,282,000	Yes	Yes	✓	✓	2050	✓	2035	35	✓
Mastercard	52,054	Yes	Yes	✓	✓	2040	✓	2025	38	✓
Moody's	7,558	Yes	Yes	✓	✓	2050	✓	2030	50	✓
S&P Global	21,710	Yes	Yes	✓	✓	2050	✓	2025	25	✓
Sika	334,185	Yes	Yes	✓	✓	2050	✓	2032	42	✓
Texas Instruments	2,509,319	Yes	Yes	✓	✗	-	✓	2025	25	✓

Source: Rothschild & Co, MSCI ESG Manager, company data

¹ CDP: the Carbon Disclosure Project, a central body that systematically looks at a company's carbon disclosures thus indicating a certain level of reliability of said emissions disclosure.

² TCFD: The Task Force on Climate-Related Financial Disclosures, created in 2015 by the Financial Stability Board to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.

³ SBTi: The Science Based Targets Initiative defines and promotes best practice in defining emissions reductions and net zero targets in line with climate science. An SBTi approved target indicates a level of scrutiny of a company's targets.

⁴ We are classifying Deere as having a net zero target, which we believe is implicit through its commitment to the SBTi. We will monitor the company's progress on target setting.

⁵ Eurofins partially discloses to the CDP and has internal look-through on the majority of the emissions profile of the business. This internal look-through has informed the setting of the company's carbon neutrality target. Eurofins partially reports in line with TCFD in their annual ESG report.

Important information: This document does not constitute a personal recommendation or an offer or invitation to buy or sell securities or any other banking or investment product.

Governance, culture & purpose

The ultimate goal of our work on governance and culture is to find an actionable signal or framework that allows better analysis of a company's culture from an investment perspective. Ideally, better means a more consistent understanding across the team of what culture is, the strengths and weaknesses of portfolio companies' organisational culture, and how resilient/adaptable these cultures are when facing existential future threats.

A key assumption made is that it is valuable to understand a company's culture. Companies are made up of multiple humans interacting with each other, and where humans interact, there is culture. Increasingly, the competitive differentiation of companies is being built on human capital, as opposed to physical assets (the rise of intangible assets vs tangible assets on balance sheets). Understanding a company's culture is therefore key to understanding how a company operates.

Leadership is inextricably linked with culture, as it sets, and changes, the original assumptions of the group. We already spend a large amount of time understanding the human aspect of our investment opportunities; *management* is one third of the investment team's core *business, management, price tenets*.

However, it will be important to test whether what we can actually discern from public records and conversations with management has predictive value on business returns of a company over the long term. It is a difficult topic to pin down and interrogate.

However, culture seems to be incredibly powerful as a predictive tool. Academics have found it fertile ground for factors contributing to company behaviour and consequent success.^{3,4,5}

Systematically deepening our understanding of organisational culture stands to be a worthwhile, though difficult, task.

³ "Toxic Culture is Driving the Great Resignation", Sull, Sull & Zweig, 2022

⁴ Corporate Culture: A Review and directions for future research, Grennan & Li, 2022

⁵ Organisational Culture and Leadership, 3rd edition, Schein, 2004

Exclusions

Rothschild & Co has agreed on a common investment exclusion framework for its Wealth & Asset Management and Five Arrows activities, focusing on three key areas:

1. Exclusion of companies that design and produce cluster munitions and/or land mines in accordance with the Oslo Convention (2008) and the Ottawa Treaty (1997).
2. Exclusion of companies which, to the Group's knowledge, may breach fundamental principles due to gross corporate misconduct. This includes severe infringements of human rights, substantial environmental damage or companies linked with corruption and bribery activities.
3. Exclusion of companies involved directly in thermal coal production, as well as exploration, mining and processing, and power generation using thermal coal.

These exclusion policies are part of a comprehensive responsible investment framework for Wealth and Asset Management and Five Arrows activities. They are compliant with the applicable regulations, aligned with our approach to ESG criteria integration among our investment strategies, and part of the businesses' response to manage ESG-inherent risks for our investors. These policies are available on our website.

In addition to the common exclusion framework, Rothschild & Co Wealth Management UK also avoids investing in companies that have meaningful involvement in certain industries or activities. These are our 'red lines' where there is clear evidence they contribute to social and environmental harm.

- **Controversial weapons:** the defence sector encompasses a broad range of activities and not all are directly linked to causing harm. In situations where a product is designed to cause harm, the potential impacts of their use, and how this aligns with one's values as an investor, is dependent on who takes possession of them. We recognise that views on the matter can range from a belief that it is never acceptable to gain from products designed to cause harm, through to a belief that those who live in peaceful and stable regions should be able to invest in companies that help defend them. We take the view that it is the role of democratically elected governments to set the parameters of which actors and actions are permissible, and our role as investors to adhere to these. As such, we do not have an outright exclusion on companies involved in the defence sector. However, we do exclude controversial weaponry, such as biological or chemical weapons, in addition to any activity in breach of the Oslo Convention and Ottawa Treaty, as such activity is inconsistent with global norms.
- **Gambling:** there are numerous poor social outcomes linked to gambling addiction, including drug and alcohol abuse.
- **Pornography:** there is strong evidence linking pornography to social exploitation, particularly of vulnerable women.
- **Tobacco:** smoking is one of the main causes of cardiovascular disease and cancer. A very high proportion of tobacco-related deaths occur in low and middle-income countries.

For these purposes we define meaningful involvement as more than 10% of revenues. For third-party funds Return Assets we also review the exposure to these sectors. Recognising the flawed nature of revenue thresholds, in practice we consider the extent, nature and direction of travel of these exposures, and may therefore exclude companies whose current exposure is under this threshold.

Outside of these red lines, there are sectors and businesses that are facing challenges from a long-term sustainability perspective but serve important purposes today. Mining and fossil fuels fall into this category. We recognise that in many instances these issues are not black and white and sometimes there are trade-offs. While we don't exclude these activities outright, they would need a higher level of scrutiny before we invest, including plans to transition business models.

If you have any questions on our approach, please contact your Client Adviser.

Other Assets

FIXED INCOME

There are key differences between the characteristics of the fixed income holdings and the equity holdings in our portfolios, which affect our approach to integrating sustainability analysis and the potential for engagement with issuers.

Our fixed income universe currently consists of developed market governments, approximately 40 supranational agencies and over 100 investment-grade corporates. An approved list of issuers is maintained by our fixed income team. Approved issuers are monitored on an ongoing basis and tend to be there for long periods of time, even if we don't own any bonds or only invest in short-dated maturities. As such, we take a long-term view on the sustainability aspects of an issuer regardless of the duration of the paper we own.

Our fixed income investments serve as a defensive component in portfolios. Due to the nature of fixed income securities, the upside is limited – we receive regular coupons and our principal back at maturity – and the downside is potentially large in case of a default or restructuring.

As a result, we believe it makes sense to diversify exposure in portfolios across many issuers, which in turn requires a more systematic approach to ESG integration, utilising data points and ratings provided by MSCI.

The number of data points tracked for fixed income issuers expanded in 2022. New additions included several of the Principle Adverse Indicators (PAIs) under EU Sustainable Finance Disclosure Regulation (SFDR), others currently lack data coverage, as well as whether corporate issuers:

- a) have carbon emissions reduction targets aligned with the Paris Agreement; or
- b) generate at least 20% of their revenues from products or services contributing to one or more social objectives.

And sovereign issuers:

- a) have a credible carbon emission reduction trajectory; or
- b) the country has ratified key environmental conventions and demonstrates good performances regarding corruption, rule of law, taxes, fundamental human rights, freedom, and inequality reduction situations where we would consider engaging with an issuer and how this would be done.

THIRD-PARTY FUNDS

We partner with a very select group of third-party managers across our business and typically look for the same characteristics and investment philosophy that we apply for our own direct company holdings. The starting point for a relationship is to get a sense of partnership and build trust in the people and the process. This will allow us to invest with a fund manager over the long term.

The managers we invest in must – at a minimum – satisfy the following three criteria:

- **Alignment:** beliefs and values are substantially the same as ours, and the management fees are fair.
- **Integrity:** actions speak louder than words, which is how we build trust in a manager.
- **Transparency and access:** full insight into the portfolio and investment decisions.

We utilise third-party fund managers both on the Return Asset side of the portfolio as well as the Diversifying side. On the Return Asset side, we are predominantly looking at managers that invest in equity securities. Those managers are facing similar sustainability questions as we are.

Compared to direct equity investments, there are additional challenges involved when selecting external funds because we are giving discretion to another team of investors. That said, we can influence our managers to drive their sustainability efforts.

We evaluate managers on two levels from a sustainability perspective, at a firm and at a fund level.

Firm-Level Considerations

Here we look to gain insight on how the manager is addressing sustainability factors and stewardship by considering:

- firm-level commitments
- whether the firm has allocated dedicated resourcing and oversight to sustainability efforts
- how policies are being used to advance the firm's sustainability agenda and how these intersect with Rothschild & Co Wealth Management UK policies
- the quality of reporting on firm-wide sustainability efforts; and
- how the manager uses active ownership via engagement and/or voting to influence investee companies in accordance with a sustainable future

We evaluate managers on two levels from a sustainability perspective, at a firm and at a fund level.

With respect to active ownership, we expect our managers to vote on our behalf in shareholder meetings where they have the right to do so. As with investment decisions, our managers have complete discretion on how to vote, but we expect them to report back to us on important voting decisions.

We track progression of each firm's sustainability profile and will engage with managers to encourage and share best practice. We use this qualitative approach to address the nuances that may be faced by each manager by virtue of regional or size-related restrictions. We also consider this sustainability evaluation process as an integral part to both our investment and operational due diligence process of external third-party fund managers.

Fund-Level Considerations

At the fund-level, we:

- look for sustainability related objectives
- continuously monitor for any controversial exposures in breach of our red lines
- track manager reported ESG metrics as well as an internal set of key performance indicators
- evaluate fund specific active ownership efforts.

This analysis is conducted annually, led by the Sustainability and Stewardship Team in partnership with the funds research team to ensure cohesion of perspectives across the firm.

We consider this an integral part to both our investment and operational due diligence process of external third-party fund managers.

Section five – Our partners

Service providers

netpurpose.

Net Purpose is a leading platform for impact measurement, helping investors assess the social and environmental outcomes of their portfolios. Since onboarding with Net Purpose, we have been able to strengthen our ability to quantify real-world impact, particularly in areas such as carbon emissions avoided, social benefits, and alignment with sustainability goals. The platform complements our internal data and other third-party sources, enabling a more holistic view of impact.

MSCI

MSCI is a leading provider of ESG data and analytics. Since onboarding with MSCI in 2020, we have been able to make our sustainability integration processes more data driven, robust and repeatable, with MSCI's database complementing data we obtain directly from investments.

CDP DRIVING SUSTAINABLE ECONOMIES

The Climate Disclosure project (CDP) is a global non-profit that runs an independent environmental disclosure system for companies, capital markets, cities, states and regions to manage their environmental impacts. We utilise CDP's datasets for our direct holdings, extracting emissions data and contextual information, to complement our analysis.

SASB STANDARDS Now part of IFRS Foundation

The Sustainable Accounting Standards Board (SASB) is a set of industry-based disclosure standards that identify the material risk and opportunity for businesses. Licencing their standards, we have integrated the standards as part of our adaptation and risk process



Thunder Said Energy is a specialist research firm, focused on economic opportunities in the energy transition. We utilise these insights as one input for our investment research process.

Industry initiatives



The PRI is the world's leading proponent of responsible investment. All investment business lines at Rothschild & Co are UN PRI signatories. Rothschild & Co Wealth Management UK has been a signatory since 2018.



THE INVESTOR FORUM

A not-for-profit, practitioner-led membership organisation, set up by institutional investors in UK companies. The forum's purpose is to position stewardship at the heart of investment decision-making by facilitating dialogue, creating long-term solutions and enhancing value.

[The Investor Forum | Who we are](#)

We have been members since 2017.



The Personal Investment Management & Financial Advice Association (PIMFA) is the trade association for firms that provide wealth management, investment services and advice to everyone from individuals and families to charities, pension funds, trusts and companies.

[PIMFA | Who we are](#)



Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

[Climate Action 100](#)

We have been members since 2021.



The FAIRR Initiative is a collaborative investor network that raises awareness of the material risks and opportunities in the global food sector. Their focus is on high quality research and facilitating collaborative engagements for members

[FAIRR Initiative | A Global Network of Investors Addressing ESG Issues in Protein Supply Chains](#)



Part of the Grantham Research Institute on Climate Change and the Environment at the London School of Economics and Political Science (LSE), the Transition Pathway initiative (TPI) is an independent and authoritative source of research and data in the progress being made by corporate and sovereign entities in the transition to a low-carbon economy.

Home - Transition Pathway Initiative

UK WEALTH MANAGERS ON CLIMATE

The UK Wealth Managers on Climate Group was formed in September 2023, with a collective objective of bringing together the UK wealth management industry to encourage asset managers to step up their climate change ambitions. Rothschild & Co Wealth Management UK joined this group in early 2025.

Important information: This document does not constitute a solicitation, recommendation or promotion of the above mentioned external companies or institutions.

Section six – Communications

Keeping clients informed

While our client base covers a large and diverse group of clients, we have certain clients for whom our sustainability and stewardship-related activities are key considerations. These clients' expectations are very developed and well articulated.

We aim to report our activities and information about portfolios to our clients in a fair, balanced and approachable way. This is in line with our general approach to client reporting, which we design to be 'user friendly', free of jargon and relevant. We are transparent about parts of the portfolio that are performing well and those which are performing less well, and the reasons why. The same applies to our reporting on sustainability and stewardship. During our regular review meetings, we also seek feedback from clients on the improvements they would like to see in our reporting.

We provide quarterly engagement highlights, including company milestones and voting activity, in our quarterly reviews. We also include sustainability metrics for the Return Assets held in our New Court and Exbury strategies, as well as an overview of the carbon emissions and related disclosures and targets of the individual companies held. In 2025 we introduced a dedicated active ownership slide with quarterly highlights for clients with periodic insights on the progress of engagements across our portfolios.

We aim to report our activities and information about portfolios to our clients in a fair, balanced and approachable way. This is in line with our general approach to client reporting, which we design to be 'user friendly', free of jargon and relevant.



Section seven – Governance and oversight

Governance at Rothschild & Co Wealth Management UK

Within Rothschild & Co Wealth Management, responsibility for stewardship rests with the Co-Heads of Portfolio Management, who set the investment strategy and direct the investment team's activities.

Investment decisions are made by the four Co-Heads of Portfolio Management and implemented by the specialist portfolio management team across all discretionary portfolio models. While there is an official Investment Committee meeting every week, decisions can be taken at any point in time.

The Co-Heads of Portfolio Management have a wealth of investment experience and have worked together for the more than a decade. They report directly to Helen Watson, the CEO of Rothschild & Co Wealth Management UK.

As part of their oversight, the Co-Heads of Portfolio Management ensure that sustainability factors are fully embedded in the research, from the idea generation stage through to the ongoing monitoring of existing investments. They also drive the evolution of ESG processes, set the agenda for engagements and start new initiatives. The wider investment team is made up of over 20 experienced individuals. Each member of the investment team plays an important role in considering stewardship in their research and analysis and integrating this into the investment process.

Our approach to climate risk continues to evolve, and we are exploring and utilising new tools to evaluate it. As more data becomes available, we will be incorporating this into our analysis. We see continuous development at MSCI ESG Research, who have been developing their Climate Value-at-Risk and Implied Temperature Rise tools.

Climate-related risks and opportunities remain key considerations for Rothschild & Co Wealth Management UK, as well as the wider Rothschild & Co Group. Across the Group, we are considering policies aimed at the assessment and management of climate-related risks and opportunities across investment activities.

We report in line with the Task Force on Climate-related Financial Disclosures (TCFD) report ([linked here](#)).

Group governance of sustainability matters

Rothschild & Co's purpose is to provide a distinct perspective that makes a meaningful difference to our clients' business and wealth, our planet, and the communities we are part of.

As a family-controlled business with more than 200 years of heritage, we know that long-term value creation depends on the balanced consideration of the interests of all our stakeholders. Enabling a future where everyone can thrive is a fundamental requirement for sustaining a successful business over the long term, managing risks for the Group's stakeholders, and unlocking opportunities for growth. As such, sustainability is fundamental to delivering the Group's strategy across its business model.

With a team of 4,660 talented financial services specialists on the ground in over 49 countries across the world, we deliver a unique global perspective across four market-leading business divisions: Global Advisory, Wealth Management, Asset Management, and Five Arrows.

In 2024 the Group revised its strategic sustainability priority framework which is aimed at providing focus and a long-term roadmap for the nuanced consideration of most relevant sustainability risks, impacts and opportunities across the most relevant activities.

A common set of strategic priorities provides the Group with a clear focus, ensuring that sustainability is an imperative across the Group's business model, including its:

- direct operational impact
- investment approaches in the Wealth and Asset Management and Five Arrows businesses
- transaction advice in the Global Advisory business, including dedicated ESG advisory expertise
- client and mandate onboarding
- engagement of other operational supply chain partners
- approach for support of charities and social enterprises.

The Rothschild family control creates the stability and long-term perspective not matched by many organisations. We are unconstrained by short-term thinking – our decisions are not driven by quarterly or annual results – and can be patient. This manifests in a culture of responsible business and long-term value creation for our clients, staff and other stakeholders.

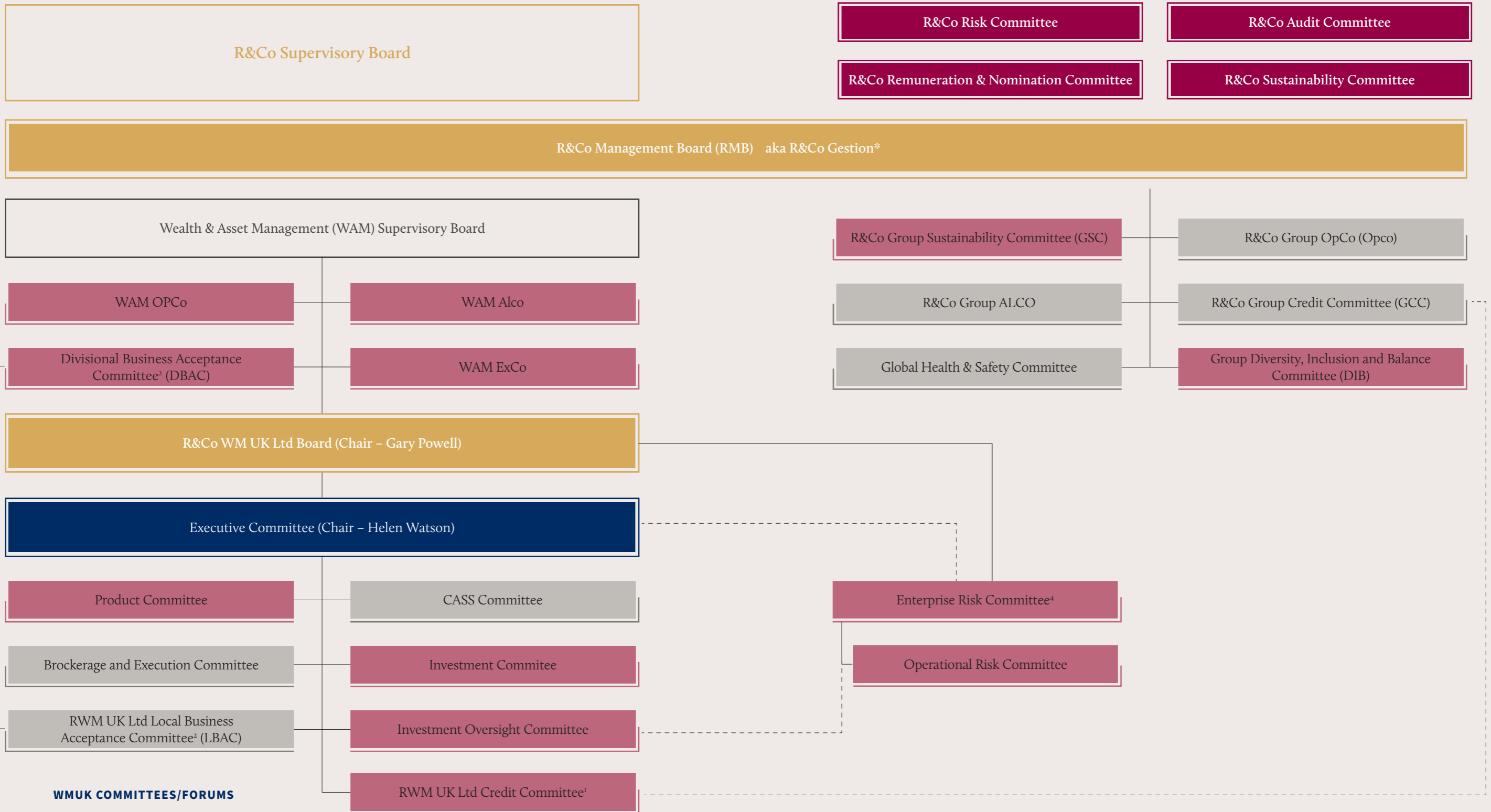
Responsible management of our operations, resources and services plays a fundamental role in our approach to business and achieving our long-term strategic objectives. The importance of getting it right cannot be overstated, given the potential impact on our people, the industry, local communities and the planet.

Our culture is rooted in the Rothschild family values and is central to our longevity and success. This commitment to a culture of responsible business is firmly embedded in our business model.

Rothschild & Co's purpose is to provide a distinct perspective that makes a meaningful difference to our clients' business and wealth, our planet, and the communities we are part of.



The Rothschild & Co Wealth Management UK Executive Committee



Appendix

Conflicts of interest

As a client-centric business, we seek to always act in our clients' best interests, treat all clients fairly and communicate with them in an honest and transparent way.

We believe the likelihood of conflicts of interest arising in our investment or stewardship activities is limited, given the focus of our investment activities, the concentrated nature of our investment portfolios, and the fact that no individual has sole responsibility for any investment, stewardship or voting decision.

However, we recognise that potential conflicts of interest may arise from time to time, and our policies and procedures are designed to enable us to identify them at an early stage, including with counterparties, third parties, and in relation to stewardship.

Rothschild & Co Wealth Management UK's Conflicts of Interest Policy sets out our minimum requirements and standards. It also describes how we identify, manage and escalate conflicts of interest to prevent clients being adversely affected:

- Any conflicts of interest identified either through compliance monitoring activities, internal audit or business detection are escalated to Compliance and recorded in the Conflicts of Interest register.
- An assessment will be undertaken on the conflict of interest, the risk it represents and the organisational response in relation to this conflict of interest: decline to act or accept with risk mitigation measures in place and disclosure.
- Any material conflicts of interest and the corresponding response will be recorded and escalated to the board for their awareness.

The policy provides clear guidance on management of conflicts that might arise in relation to:

- access to inside information
- confidential client information
- the order and execution of trades
- management of client accounts
- voting and engagement
- personal account dealing
- gifts and entertainment
- outside interests.

We recognise that potential conflicts of interest may arise from time to time, and our policies and procedures are designed to enable us to identify them at an early stage.



Rothschild & Co Wealth Management UK's Conflicts of Interest policy is publicly available on our website. The policy and its related procedures are reviewed at least annually by the Rothschild & Co Board, together with our Risk and Compliance team, and updated as appropriate.

Conflicts of Interest training is part of the induction programme for all new employees, and existing employees are required to complete annual refresher training.

How we mitigate and manage potential conflicts

Potential conflict	Mitigation/or management
Inside information	When engaging with investee companies, it is our strong preference not to be made an 'insider'. Given the concentrated nature of our portfolios, it's also something that we expect will only happen rarely. Occasionally, client teams will be given inside information by clients who are directly involved with listed companies. In the event we receive any type of non-public price sensitive information, it must be reported immediately to Compliance. In order to ensure adherence to our legal and regulatory obligations, Compliance will determine whether trading activity in the security in question needs to be restricted. Restrictions may be hardcoded in our systems and trading prohibited until it is deemed that the information is in the public domain. This includes personal dealing, which will also be monitored by Compliance. Being part of the wider Rothschild & Co Group, there are strict information barriers in place designed to restrict the flow of information between Group entities performing conflicting functions. This includes the segregation of data and computer systems, as well as physical separation of certain businesses and staff (prohibiting access to the same part of the office).
Preferential treatment of one client over another	Our order management system is designed to deliver fair allocation of aggregated orders across multiple clients. This is subject to regular review by Compliance.
Accepting gifts and entertainment	The firm has a strict policy on the acceptance of gifts and hospitality, which may give rise to a conflict of duties owed to clients or the firm. Gifts and/or hospitality can only be accepted if modest and/or infrequent. All gifts and entertainment are recorded and reviewed by Compliance.
Connected persons	Rothschild & Co Wealth Management UK employees may not act for a client where they have close links (such as a familial relationship) with the client concerned, as this may influence the employee to put that client's interests ahead of those of others.
Outside interests	Rothschild & Co Wealth Management UK employees cannot hold any outside activity or position outside their professional capacity that may conflict with their duties to the firm and its clients. Prior clearance must be granted in advance of engaging in any outside activity and, in certain circumstances, clearance may be withheld.

Important information

Notes

At Rothschild & Co Wealth Management we offer an objective long-term perspective on investing, structuring and safeguarding assets, to preserve and grow our clients' wealth.

We provide a comprehensive range of services to some of the world's wealthiest and most successful families, entrepreneurs, foundations and charities.

In an environment where short-term thinking often dominates, our long-term perspective sets us apart. We believe preservation first is the right approach to managing wealth.

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The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. Past performance should not be taken as a guide to future performance. Investing for return involves the acceptance of risk: performance aspirations are not and cannot be guaranteed. Should you change your outlook concerning your investment objectives and/or your risk and return tolerance(s), please contact your client adviser. Where an investment involves exposure to a foreign currency, changes in rates of exchange may cause the value of the investment, and the income from it, to go up or down. Income may be produced at the expense of capital returns. Portfolio returns will be considered on a "total return" basis meaning returns are derived from both capital appreciation or depreciation as reflected in the prices of your portfolio's investments and from income received from them by way of dividends and coupons. Holdings in example or real discretionary portfolios shown herein are detailed for illustrative purposes only and are subject to change without notice. As with the rest of this document, they must not be considered as a solicitation or recommendation for separate investment.

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