Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: R-co Valor 4Change Global Equity

Legal entity identifier: 969500JKALDOPJ9MGB36

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective**: **0.00%** ☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☒ It will make a minimum of **sustainable investments with a social objective**: **0.00%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of [N/A] of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What is the sustainable investment objective of this financial product?

The fund has sustainable investment as its objective, assessed with respect to three pillars: (i) contributing to an environmental or social objective, (ii) doing so without doing significant harm and (iii) applying good governance practices.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Our definition is based on data supplied by our service provider MSCI ESG Research. Further details are available in the document "Definition of sustainable investments" which can be found on our website: https://am.fr.rothschildandco.com/en/regulatory-information/

As regards corporate issuers, our approach to sustainable investment takes into account:

- Companies' general positive contribution through contributing revenue, i.e. revenue linked to activities with a positive impact on the environment or society (clean energy, energy efficiency, access to care, etc.) or to issuance of sustainable debt instruments (green, social or sustainable bonds);
- Contribution to environmental objectives, such as targets for reducing emissions in line with the Paris Agreement or reducing water use;
- Contribution to social objectives, through alignment with United Nations Sustainable Development Goal 5 (gender equality), 8 (decent work and economic growth) or 10 (reduced inequalities).

As regards public issuers, our approach to sustainable investment takes into account:

- States' general positive contribution through issuance of sustainable debt instruments (green, social or sustainable bonds);
- Positive environmental contribution: Signatory to the Paris Agreement or the United Nations Convention on Biological Diversity;
- Positive social contribution: Performance with respect to equality (Gini index) and freedom of the press (Freedom House).

In particular, the fund's primary sustainability objective encompasses the following:
- combatting global warming,
- protecting biodiversity,
- information security and protecting personal data,
- transparency and good governance,
- integrating international human rights frameworks by investing in companies from any sector that are committed to limiting their negative impact.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The environmental and/or social sustainability indicators used by the fund are:
- ESG profile (ESG rating, rating trends and sector distribution)
- Carbon intensity (divergence from indices, sector contribution and identification of main contributors)
- Transition profile (reduction targets, green share, categories of activities in transition, etc.)
- Governance: representation of women on the board of directors
- Sustainable Development Goals (SDG): percentage aligned with the SDG

Moreover, the fund uses sustainable performance indicators that are directly aligned with its sustainability objective:
- carbon intensity, calculated using the carbon emissions (tonnes of CO_2; scopes 1 and 2) it takes to generate EUR 1 million in turnover; the fund must outperform its initial investment universe on this indicator, with a coverage rate of 90%;
- Water consumption, calculated using the number of cubic metres it takes to generate EUR 1 million in turnover;
- Controversies linked to information and data security, calculated using the existence of significant controversies regarding the use of personal data;
- Detailed anti-corruption policies;
- Signatories to the United Nations Global Compact; the fund must outperform the initial investment universe, with a coverage rate of 70%.

The fund seeks to make progress on the basis of a best-effort approach across all five indicators.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

In order to be classed as sustainable, an investment must do no significant harm to the various environmental or social objectives to which it intends to contribute.
Rothschild & Co Asset Management has defined a "do no significant harm" ("DNSH") procedure to ensure that the sustainable investments of a financial product do no significant harm to any of its environmental or social objectives. This procedure includes:
- Standard sector exclusions which reduce the product's exposure to social and environmental controversies;
- Consideration of the mandatory principal adverse impacts (PAIs) of these investments on sustainability factors.

We also use ESG ratings as part of our approach, as a minimal safeguard in relation to overall sustainability performance.

To improve its sustainability, the fund applies sector exclusions to the entire portfolio, allowing environmental and social harm to be limited. The following sectors are excluded: thermal coal, conventional and unconventional oil and gas, electricity generation, pornography, gambling, tobacco and weapons.

How have the indicators for adverse impacts on sustainability factors been taken into account?

All mandatory PAIs are taken into consideration in the Management Company's definition of sustainable investments by means of: - Sectoral and normative exclusions, including compliance with minimum guarantees, through exclusionary PAIs: o PAI 10 – Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, for corporate issuers; o PAI 14 – Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons), for corporate issuers; o PAI 16 – Investee countries subject to social violations, for sovereign issuers; – A proprietary quantitative scoring model incorporating the mandatory PAIs. Further details on the scoring model are available in the document "Definition of sustainable investments" which can be found on our website: https://am.fr.rothschildandco.com/en/regulatory-information/

As well as embedding principal adverse impacts within the investment process, we exclude certain sectors that are controversial because of their environmental and/or social impact.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The fund ensures minimum safeguards by applying the following standards-based exclusions to the entire portfolio:
- The United Nations Guiding Principles on Business and Human Rights,
- The OECD Guidelines for Multinational Enterprises,
- The Fundamental Conventions of the International Labour Organization.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, ☐ No

Rothschild & Co Asset Management has identified the principal adverse impacts (PAI) on sustainability factors on which we intend to focus our efforts and resources in order to deploy our responsible investment approach:

Corporate issuers:
o Climate change
- Greenhouse gas intensity and emissions, scopes 1 and 2 (PAI 1 & 3)
- Exposure to companies active in the fossil fuel sector (PAI 4)
- Exposure to issuers that are not committed to adhering to the Paris Agreement (optional climate PAI 4)

o Human rights, business ethics and respect for human dignity

- Violation of fundamental ethical standards (PAI 10)
- Board gender diversity (PAI 13)
- Exposure to controversial weapons (PAI 14)
- Exposure to issuers with fragile anti-corruption processes (optional social/human rights PAI 15)

Sovereign issuers:
o Human rights, business ethics and respect for human dignity
- Exposure to countries implicated in human rights violations and subject to related sanctions (PAI 16)

As part of taking mandatory PAIs into account and defining our optional and priority PAIs, we relied on methodology and data from our external service provider, MSCI ESG Research.
From an operational standpoint, adverse impacts are taken into account in every aspect of our sustainability approach, including the exclusion policy, the analysis and selection process using ESG criteria, the engagement system and ESG reporting. For this product, we produce annual reports on all mandatory PAIs and optional PAIs chosen by the Management Company.

Our Policy for taking into account the principal adverse impacts in sustainability is available on our website: https://am.fr.rothschildandco.com/en/responsible-investing/documentation/

To supplement the above, the financial product considers additional PAIs that are directly aligned with the investment strategy:
- Emissions to water (mandatory Climate PAI 8)
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises (mandatory Social PAI 11)

What investment strategy does this financial product follow?

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund invests: (i) between 80% and 100% of the net assets in equities from all geographical regions, up to 100% in non-OECD countries including emerging markets, and all market capitalisations, up to 20% in small caps (including micro caps); (ii) between 0% and 10% of the net assets in fixed- or variable-rate fixed-income products, including convertible bonds, even on unrated and high-yield securities; (iii) between 0% and 10% of the net assets in funds (including listed funds/ETFs). The fund may use forward financial instruments traded on French and foreign regulated or over-the-counter markets (currency forwards, and futures and options on equities, currencies, or indices) in order to achieve its investment objective. To do this, it hedges its portfolio and/or exposes it to business sectors, geographical regions, currencies, equities and equivalent securities, and indices. The portfolio’s overall equity market exposure, including exposure resulting from the use of forward financial instruments and securities with embedded derivatives, will be between 60% and 100% of net assets. The portfolio’s exposure to foreign exchange risk, including exposure resulting from the use of forward financial instruments, will be between 0% and 100% of net assets.
Please refer to the prospectus for further information.

The fund seeks to invest in companies from any sector that are committed to limiting their negative impact by adopting the most sustainable practices in the following five areas:
- Combatting global warming: carbon intensity (an essential metric in terms of meeting global warming reduction objectives);
- Protecting biodiversity: water consumption, which illustrates growing awareness of the challenge, especially for sectors such as commodities, utilities, industry and consumer goods;
- Information security and protecting personal data: in an era in which data is omnipresent, this indicator does not concern the technology sector alone. The array of controversies that have come to light underscore

the importance of a data management strategy that is beyond reproach for the financial, industrial and consumer discretionary sectors, among others;
- Transparency and good governance: detailed anti-corruption policies. This indicator must be taken into account where companies are exposed to significant risks from either a sectoral or geographical point of view;
- Integrating international human rights frameworks: signatories to the United Nations Global Compact, in which companies commit to promoting and respecting human rights, complying with international labour laws, combatting corruption and protecting the environment.
The analysis is used to assign a transition and/or best performer profile to the issuer in relation to one or more issues.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

Adherence to our common exclusion framework
o Regulatory exclusions: controversial weapons and international sanctions
o Discretionary exclusions: United Nations Global Compact (UNGC) and thermal coal

Integrating material ESG criteria into the analysis process
o An assessment combining financial and ESG criteria: the integration of ESG criteria reflects the analysis process applied by each management team; it may be applied at sector or issuer level, and at management company and/or fund level, depending on the asset class in question.

Adherence to sustainability requirements at portfolio level
o Target ESG score of at least BBB
o Minimum level of Taxonomy-aligned and sustainable investments
o Minimal coverage of ESG ratings (90%)
o Exclusion of the lowest-scoring 20% of issuers with respect to ESG from the investment universe;
o The following standards-based exclusions: the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Fundamental Conventions of the International Labour Organization;
o Exclusion of issuers belonging to the following “controversial” sectors: thermal coal, conventional and unconventional oil and gas, electricity generation, weapons, tobacco, gambling and pornography;
More information on the fund and its investment strategy can be found in the Transparency Code (Direct Management), which is available on the website.

Active engagement
o Dialogue primarily focused around our top-priority themes (climate transition, inclusion and fair transition, etc.) and controversies,
o A responsible voting policy for the entire equity scope,
o Active participation in multiple industry working groups (ADEME, Finance for Tomorrow, AFG, Climate Action 100+, etc.) on the strategies implemented in the portfolios (impact, biodiversity, fossil fuel, fair transition, etc.)

The ESG ratings mainly come from a data provider called MSCI ESG Research, which rates companies from CCC to AAA (AAA being the best rating).
ESG monitoring is ongoing, since ESG data is fully integrated into our operational systems.
Our entire value chain (compliance, risk, investment management and reporting teams) is covered by the same ESG data flow (updated on a quarterly basis), with ESG constraints and requirements encoded into every system. This allows us to monitor ESG data on a daily basis and in real time.

Our common exclusion framework is kept up to date and encoded into the operational systems with pre-trade blocks by compliance. Specific sustainability constraints and objectives at product level are the responsibility of the risk department.
The management teams have access to ESG data and can monitor their sustainability constraints via their Bloomberg portal every day. The impact of portfolio movements on sustainability requirements are continuously assessed by the investment managers as part of the portfolio allocation process.
Furthermore, regular meetings of the investment committee offer an opportunity to assess the sustainability risks and ESG issues associated with specific issuers and/or portfolios.
Lastly, alerts covering rating changes and ESG controversies are implemented by MSCI ESG Research for the investment teams and control departments, and analysts monitor the latest news. Details of the controversy monitoring process are available in the PAI Policy.
ESG reports are produced using the same ESG data flow, then validated by the investment teams.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance

What is the policy to assess good governance practices of the investee companies?

To determine whether and when a company does not adopt, or no longer adopts, good governance practices, we have implemented a process on two levels:

Standards-based screening
In accordance with our common exclusion framework, sovereign and corporate issuers subject to international sanctions or implicated in violations of the United Nations Global Compact are excluded from our initial investment universes for all our investment vehicles.

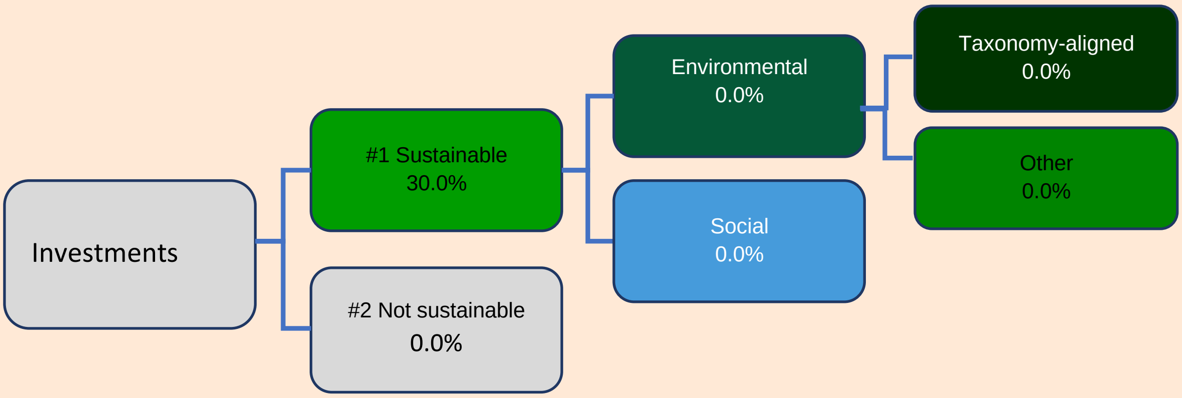
Assessment of good governance practices
The portfolio managers and analysis teams are responsible for assessing and monitoring the governance practices of the companies in which they invest.
To assess good governance practices, the investment teams consider factors including: governance data from MSCI ESG Research, commitment to international codes of conduct (e.g. UNGC signatory), the degree of independence and diversity on the board of directors, controversies and the history of senior management and representatives of the board of directors.
In the context of MSCI ESG Research's ESG ratings, the governance pillar is considered material for all sectors and has a minimum weighting of 33% when calculating the final ESG score for every issuer. This governance pillar is based on two sub-themes: Corporate governance (structure and control, board of directors, remuneration and accounting) and corporate behaviour (business ethics and tax transparency). The topics addressed within each of these categories include sound management structures, remuneration matters, employee relations and tax compliance.
We see assessing good governance practices as an ongoing process, and the investment teams are encouraged to engage directly with companies to obtain additional information, raise concerns and/or resolve issues linked to the governance practices identified or associated controversies.

What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

The asset allocation figures presented above are pre-contractual minimums expressed as a percentage of the net assets; they are not a forecast of a target allocation. For information on the percentages achieved, please refer to the annual report.

As part of this approach, the sub-fund will contribute to the following efforts, among others:
- climate change mitigation,
- adapting to climate change,
- sustainable use and protection of aquatic and marine resources,
- protecting and restoring ecosystem biodiversity,

according to EU criteria for environmentally sustainable economic activities. The minimum alignment commitment of investments, including activities making a substantial contribution and enabling and transitional activities, is 0%.

How does the use of derivatives allow for the attainment of the sustainable investment objective?

Derivatives are not used to attain the sustainable investment objective of the financial product and their use will not alter the sustainability of the portfolio:
- For exposure, the fund may use derivatives whose underlying have been assessed from an ESG perspective, in accordance with the fund’s sustainability approach;
- All counterparties to over-the-counter instruments will also be subject to ESG analysis.

The applicable criteria for **fossil gas** to be considered aligned with the EU Taxonomy include restrictions on emissions and a transition to fully renewable energy sources or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive rules regarding nuclear safety and waste management.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Does the financial product invest in nuclear and/or fossil gas related activities that are aligned with the EU Taxonomy[1]?

☒ Yes

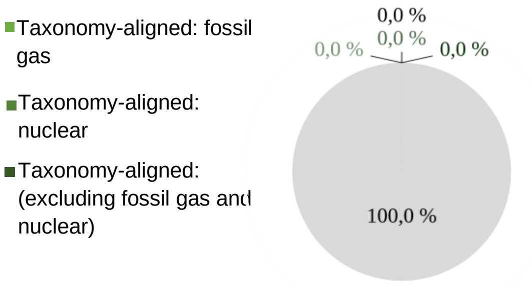
[1] Activities related to nuclear and/or fossil gas related activities will only be considered Taxonomy-aligned if they contribute to climate change mitigation and do no significant harm to any of the objectives of the EU Taxonomy – see the explanatory note in the left-hand margin. All criteria applicable to economic activities in the nuclear and/or fossil gas related activities that are aligned with the EU Taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.

☒ In fossil gas ☒ In nuclear energy

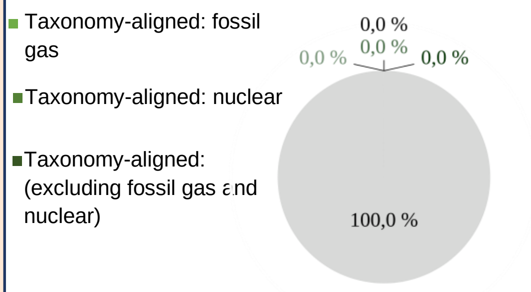
☐ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This chart represents N/A% of total investments.

* For the purpose of these graphs, “sovereign bonds” consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

The minimum share in enabling and transitional activities is 0%.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Within the minimum invested in sustainable investments, the share of investments with an environmental objective that are not aligned with the Taxonomy is 0%.

What is the minimum share of sustainable investments with a social objective?

Within the minimum invested in sustainable investments, the share of investments with a social objective is 0%.

What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product may invest up to 10% of its net assets in cash on an ancillary basis. Cash may be invested in money market funds managed by our management company, in accordance with our ESG policy and where we have complete transparency.

Is a specific index designated as a reference benchmark to determine whether the sustainable investment objective has been attained?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

N/A

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

N/A

How does the designated index differ from a relevant broad market index?

N/A

Where can the methodology used for the calculation of the designated index be found?

N/A

Where can I find more product specific information online?

Further details on the financial product are available in the prospectus, the ESG policy, the Transparency Code (Direct Management) and the policies for taking into account PAI and sustainability risks, which are available on our website: https://am.fr.rothschildandco.com/en/responsible-investing/documentation/