



ROTHSCHILD & CO BANK AG | APRIL 2024

Proxy voting

Report 2023

Cover: an aerial view over the Wairau Valley, Wairau River, Marlborough, South Island, New Zealand.



Proxy voting report

The past year was marked with uncertainty surrounding the future; conflicts raging from Ukraine to the Middle East and tensions between the largest global players have made many stakeholders nervous about their assets.

Due to these developments, ambitious sustainability actions at companies and broad support by shareholders for increased action faced resistance. However, this did not stop shareholders, for whom sustainable development continues to be a high priority, from submitting corresponding proposals for voting at companies' annual general meetings. This is also shown by the number of shareholder proposal the Bank has voted on, which increased from 63 in 2022 to 89 in 2023.

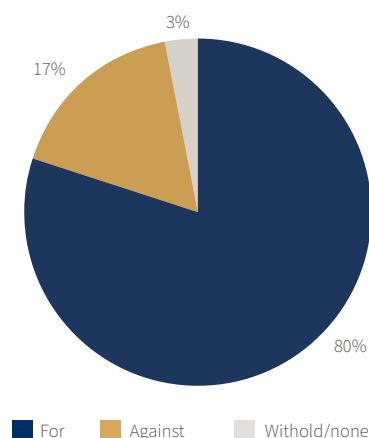
Given these challenging times, one should not forget about the importance of pressing issues regarding sustainable development, such as climate change or human rights and the transformation we investors can bring through Responsible Stewardship as part of our Fiduciary duty towards our clients.

APPROACH

Throughout the year, Rothschild & Co Bank AG (the Bank) adhered to its responsible investing principles and continued to be an active shareholder in its portfolio companies. This was emphasized by its proxy voting activities. In 2023, the Bank voted on most of the companies whose equities were held in the Bank's funds and discretionary mandates. For its sustainability research, the Bank relies on the research provided by MSCI ESG Research LLC (UK)¹ as well as proxy voting recommendations from Institutional Shareholder Service (ISS). ISS's recommendations are based on a socially responsible investing (SRI) policy² that the Bank considers to be most in line with its own sustainability principles and ESG investing approach.

SRI considers not only sustainable returns and good governance of a company, but also the ethical behavior as well as social

FIGURE 1: SHARE OF VOTES CAST



Source: Rothschild & Co, ISS
Note: Percentages may not sum to 100% due to rounding.

and environmental impacts of a company's actions. The Bank's equity analysts assess and analyze ISS's recommendations by also collaborating with the research teams of other asset and wealth management units of the Rothschild & Co Group and submit their final voting recommendations to the Investment Committee of the Bank for validation (please see our [stewardship guidelines](#) for further information).

ACTIVITY

In 2023, Rothschild & Co Bank AG voted at the shareholder meetings of 54 companies (compared to 45 in 2022).

In total, the Bank voted on 1'097 proposals (vs 816 in 2022), of which 977 were submitted by management and 89 by shareholders. 31 proposals were either non-voting items³ or the Bank withheld its vote.

The Bank voted "for" 879 proposals, corresponding to 80% of the total proposals (figure 1). In 17% of the cases, the Bank voted "against".⁴

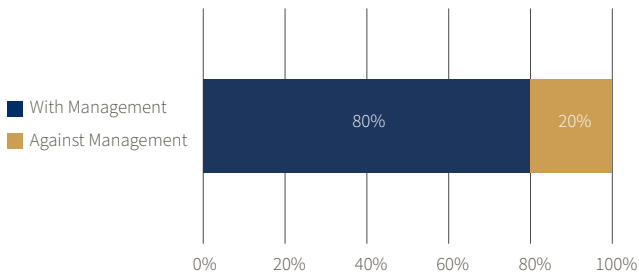
¹ MSCI ESG Research

² ISS SRI Proxy Voting Guidelines 2023

³ Non-voting items: Items on the agenda such as "open meeting", "close meeting" and others.

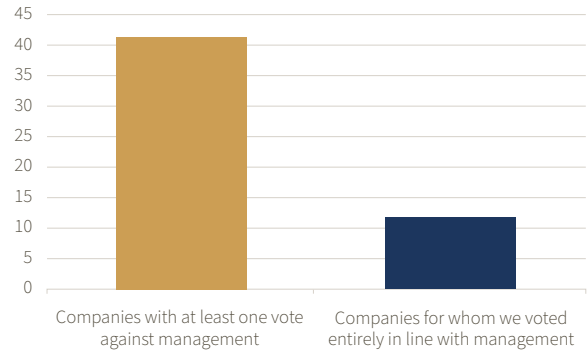
⁴ Please note that votes from Rothschild & Co Vermögensverwaltung GmbH are not included and presented on a separate page.

FIGURE 2: VOTES AGAINST MANAGEMENT (RESOLUTIONS)



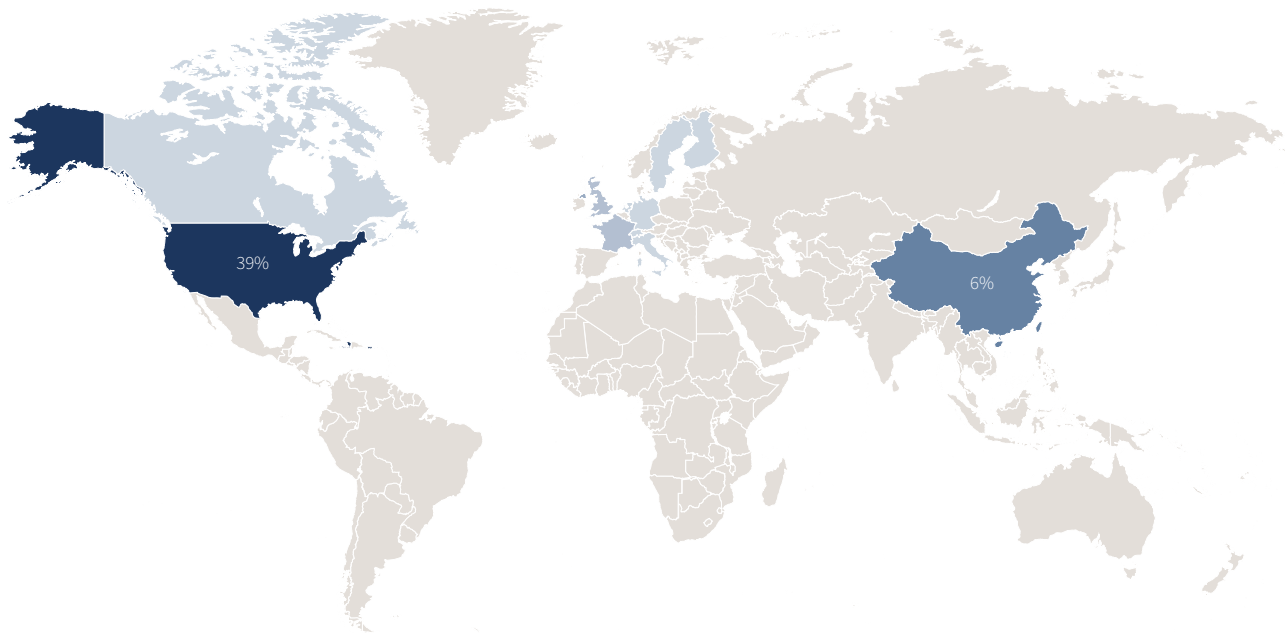
Source: Rothschild & Co, ISS

FIGURE 3: VOTES AGAINST MANAGEMENT (COMPANIES)



Source: Rothschild & Co, ISS

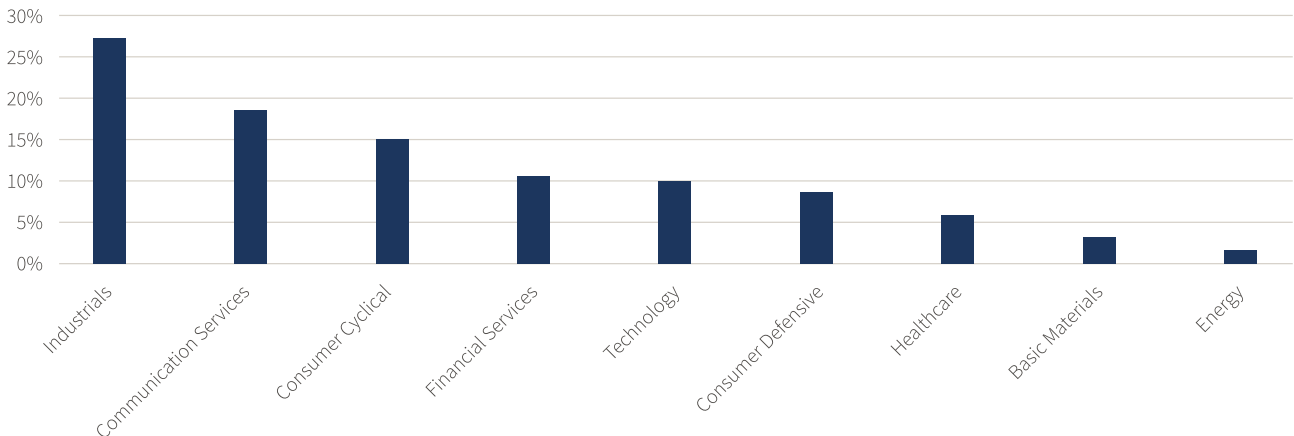
FIGURE 4: SHARE OF VOTES CAST BY REGION



Source: Rothschild & Co, ISS

The sector split of votes cast can be seen in figure 5 below. The top three sectors were industrials, communication services and consumer cyclical. Together, these three sectors represent close to 60% of total votes cast in 2023.

FIGURE 5: SHARE OF VOTES CAST BY SECTOR



Source: Rothschild & Co, ISS

A detailed overview of the companies and the annual general meetings/extraordinary general meetings (“AGMs”/“EGMs”) the Bank voted on is provided in figure 6. Here you can see the number of votes cast, as well as the number of proposals where the Bank voted “for” or “against” a proposal.

FIGURE 6: DETAILED OVERVIEW ON AGMS/EGMS AND VOTES CAST FOR ROTHSCHILD & CO BANK ZURICH

COMPANY	AGM/EGM	VOTES CAST	NUMBER OF PROPOSALS – FOR	NUMBER OF PROPOSALS – AGAINST	VOTES AGAINST BOARD	VOTES AGAINST SHAREHOLDERS	TOPICS
Linde	18.01.23	117'760	1	0	0	0	
Linde	18.01.23	117'760	3	0	0	0	
Costco	19.01.23	106'114	12	3	4	0	Voted against certain directors and for the shareholder proposal on risk reporting regarding reproductive healthcare.
Intuit	19.01.23	69'181	12	0	0	0	
Visa	24.01.23	217'745	10	4	5	0	Voted against certain directors and for the shareholder proposal on the independence of the board chair.
Accenture	01.02.23	146'257	15	0	0	0	
Emerson Electric	07.02.23	298'787	6	0	0	0	
Kone	28.02.23	445'023	24	0	0	0	
Novartis	07.03.23	131'093	22	9	9	0	Voted against certain directors and appointments for the compensation committee.
Apple	10.03.23	316'518	13	4	5	2	Voted against certain directors and supported shareholder proposal on reporting on gender pay gap.
Sika	28.03.23	13'718	22	6	6	0	Voted against certain directors.
Walt Disney	03.04.23	238'808	15	2	0	2	
Zurich Insurance	06.04.23	12'264	30	1	1	0	-
Ferrari	14.04.23	16'621	18	1	1	0	Voted against certain directors.
L'Oréal	21.04.23	84'704	20	1	1	0	Voted against approval of compensation report.
Vinci	13.04.23	151'343	23	2	2	0	Voted against certain directors.
Geberit	19.04.23	3'660	26	1	1	0	Voted against certain directors and re-appointments to nomination and compensation committees.
Nestlé	20.04.23	278'350	26	5	4	0	Voted against certain directors.
ASML	26.04.23	96'575	15	0	0	0	
Moody's	18.04.23	115'351	6	8	8	0	Voted against certain directors.
Adobe	20.04.23	150'512	13	4	5	0	Voted against certain directors. Supported the shareholder proposal on diversity.

COMPANY	AGM/EGM	VOTES CAST	NUMBER OF PROPOSALS - FOR	NUMBER OF PROPOSALS - AGAINST	VOTES AGAINST BOARD	VOTES AGAINST SHAREHOLDERS	TOPICS
LVMH	20.04.23	87'985	23	7	7	0	Voted against certain directors, against remuneration policy and against capital increase action plans.
Relx	20.04.23	1'009'844	22	3	3	0	Voted against certain directors.
Johnson & Johnson	27.04.23	40'303	18	1	0	1	
Canadian National Railway	25.04.23	211'317	13	1	1	0	Voted against certain directors.
London Stock Exchange	27.04.23	324'955	21	5	5	0	Voted against certain directors.
American Express	02.05.23	86'724	15	4	4	0	Voted against certain directors. Voted against executive compensation and supported shareholder proposals.
S&P Global	03.05.23	104'039	12	4	4	0	Voted against certain directors.
Allianz	04.05.23	66'740	32	0	0	0	
T. Rowe Price	09.05.23	4'000	10	5	5	0	Voted against certain directors.
Adyen	11.05.23	905	18	0	0	0	
Danaher	09.05.23	248'130	12	7	9	0	Voted against certain directors and supported shareholder proposals on independent board chair and reporting on diversity/inclusion efforts.
JPMorgan Chase	16.05.23	235'164	22	1	9	0	Voted against ratification of executive compensation and supported shareholder proposals on independent board chair, reporting on climate transition plans, reporting on political expenditures.
Tencent (AGM)	17.05.23	463'860	7	1	1	0	Voted against issuance of additional equity without preemptive rights.
Tencent (EGM)	17.05.23	463'860	0	11	11	0	Voted against all management proposals regarding option schemes, share options, award schemes, and others.
Partners Group	24.05.23	4'224	21	7	7	0	Voted against certain directors and directors elections to nomination and compensation committee.
Otis	18.05.23	223'883	12	1	2	0	Voted against ratification of executive compensation and supported shareholder proposal to require an independent board chair.

COMPANY	AGM/EGM	VOTES CAST	NUMBER OF PROPOSALS – FOR	NUMBER OF PROPOSALS – AGAINST	VOTES AGAINST BOARD	VOTES AGAINST SHAREHOLDERS	TOPICS
Morgan Stanley	19.05.23	215'236	14	5	7	0	Voted against certain directors and supported shareholder proposals on phase-out efforts for underwriting and lending for new fossil fuel development.
Epiroc	23.05.23	1'222'219	40	0	0	0	
Safran	25.05.23	86'143	25	4	4	0	Voted against certain directors.
Thermo Fisher	24.05.23	75'068	11	5	5	0	Voted against certain directors and against ratification of PwC as auditors.
Amazon	24.05.23	258'019	22	11	23	3	Voted against certain directors and supported shareholder proposals regarding reporting on a climate change strategy, tax transparency, climate lobbying, gender pay gap, animal welfare standards, third-party audit on working conditions, efforts on reducing plastic use and others.
TotalEnergies	26.05.23	234'538	16	2	3	0	Voted against certain directors, voted for shareholder proposal to align targets for Scope 3 emissions with Paris Climate Agreement
Alphabet	02.06.23	741'561	20	8	15	3	Voted against certain directors, against ratification of executive compensation. Supported shareholder proposals on reporting on lobbying payments/policy, doing business in countries with significant human rights concerns, publish independent human rights assessment of advertising technology and others.
UnitedHealth	05.06.23	127'431	11	4	4	0	Voted against certain directors, supported shareholder proposals on third-party racial equity audit and others.
Comcast	07.06.23	559'193	13	7	4	4	Voted against certain directors and the proposed stock plan.
Sonova	12.06.23	76'334	20	9	9	0	Voted against certain directors.
Mastercard	27.06.23	112'650	15	6	5	3	Voted against certain directors and supported shareholder proposal on reporting on lobbying payments.

COMPANY	AGM/EGM	VOTES CAST	NUMBER OF PROPOSALS - FOR	NUMBER OF PROPOSALS - AGAINST	VOTES AGAINST BOARD	VOTES AGAINST SHAREHOLDERS	TOPICS
Linde	24.07.23	176'922	12	2	2	0	Voted against certain directors.
Nike	12.09.23	186'362	7	1	4	0	Voted against certain directors and compensation. Supported shareholder proposals on gender pay gap and supply chain management/human rights commitments.
Novartis	15.09.23	91'194	2	1	1	0	-
Alibaba	28.09.23	1'480'002	2	2	2	0	Voted against certain directors.
Diageo	28.09.23	481'648	23	0	0	0	
Procter & Gamble	10.10.23	199'098	14	6	5	2	Voted against certain directors.
Estee Lauder	17.11.23	17'754	2	1	6	0	Withheld from votes on certain directors, voted against ratification of executive compensation.
Microsoft	07.12.23	439'754	20	4	5	4	Voted for all directors. Supported shareholder proposals on tax transparency, risks from operations in countries with significant human rights concerns and risks related to AI generated misinformation and disinformation.
Estee Lauder	17.11.23	17'754	2	1	6	0	Withheld from votes on certain directors, voted against ratification of executive compensation.
Microsoft	07.12.23	439'754	20	4	5	4	Voted for all directors. Supported shareholder proposals on tax transparency, risks from operations in countries with significant human rights concerns and risks related to AI generated misinformation and disinformation.

VOTING RECOMMENDATIONS OF ROTHSCHILD & CO VERMÖGENSVERWALTUNG GMBH IN 2023

Our subsidiary in Germany had its first year of full voting activities in 2023. The general approach follows the Bank's guidelines. Until now, the voting process has only concerned the core investments held across funds/sub-funds of the investment management company, Axxion S.A. 15, rue de Flaxweiler, L-6776 Grevenmacher, for which Rothschild & Co Vermögensverwaltung GmbH is mandated as a portfolio manager.

Rothschild & Co Vermögensverwaltung GmbH is not the owner of the voting rights and therefore does not exercise them. Instead, it provides the investment management company with voting recommendations which are in-line with the Bank's guidelines.

Figure 7 shows the recommendations of Rothschild & Co Vermögensverwaltung GmbH, Börsenstraße 2-4, D-60313 Frankfurt am Main (portfolio manager) on how to exercise the voting rights in the portfolio companies held by the sub-funds in the legal form of a stock corporation or a legal form comparable to a stock corporation. This is in accordance with the national laws of the respective portfolio companies that applied to the investment management company in 2023.

FIGURE 7: RECOMMENDATIONS OF ROTHSCHILD & CO VERMÖGENSVERWALTUNG GMBH

COMPANY	AGM/EGM	VOTES CAST	NUMBER OF PROPOSALS - FOR	NUMBER OF PROPOSALS - AGAINST	VOTES AGAINST BOARD	VOTES AGAINST SHAREHOLDERS	TOPICS
Adobe Inc.	20.04.23	1'400	13	4	5	0	Voted against certain directors. Supported the shareholder proposal on diversity.
Allianz SE	04.05.23	65'500	32	0	0	0	
Alphabet Inc.	02.06.23	154'100	20	8	15	3	Voted against certain directors, against ratification of executive compensation. Supported shareholder proposals on reporting on lobbying payments/policy, doing business in countries with significant human rights concerns, publish independent human rights assessment of advertising technology and others.
Amazon, Inc.	24.05.23	4'500	22	11	23	3	Voted against certain directors and supported shareholder proposals regarding reporting on a climate change strategy, tax transparency, climate lobbying, gender pay gap, animal welfare standards, third-party audit on working conditions, efforts on reducing plastic use and others.
American Water Works Company, Inc.	10.05.23	2'500	9	5	6	0	Voted against certain directors. Voted against executive compensation and supported shareholder proposals.
Apple Inc.	10.03.23	102'500	13	4	5	2	Voted against certain directors and supported shareholder proposal on reporting on gender pay gap.
ASML Holding N.V	26.04.23	23'500	15	0	0	0	
AstraZeneca PLC	27.04.23	4'500	10	4	4	0	Voted against certain directors. This is due to insufficient diversity on the Management Board.

COMPANY	AGM/EGM	VOTES CAST	NUMBER OF PROPOSALS – FOR	NUMBER OF PROPOSALS – AGAINST	VOTES AGAINST BOARD	VOTES AGAINST SHAREHOLDERS	TOPICS
Atmos Energy Corporation	08.02.23	98'000	9	4	4	0	Voted against certain directors. This is due to insufficient diversity on the Management Board.
Banco Bilbao Vizcaya Argentaria SA	16.03.23	50'000	14	0	0	0	
BASF SE	27.04.23	5'000	8	0	0	0	
BlackRock, Inc.	24.05.23	950	15	7	8	1	Voted against certain directors. This is due to insufficient diversity on the Management Board.
Canadia National Railway Company	25.04.23	144'000	13	1	1	0	Voted against certain directors.
Cisco Systems Inc.	06.12.23	273'700	11	3	4	0	Voted against certain directors. This is due to insufficient diversity on the Management Board.
Costco Wholesale Corporation	19.01.23	700	12	3	4	0	Voted against certain directors and for the shareholder proposal on risk reporting regarding reproductive healthcare.
Danaher Corporation	09.05.23	76'150	12	7	9	0	Voted against certain directors and supported shareholder proposals on independent board chair and reporting on diversity/inclusion efforts.
Deere & Company	22.02.23	27'000	10	5	6	6	Voted against certain directors. This is due to insufficient diversity on the Management Board.
Deutsche Post AG	04.05.23	327'000	11	0	0	0	
Deutsche Telekom AG	05.04.23	25'000	9	0	0	0	
Diageo PLC	28.09.23	329'300	22	1	1	0	Voted against to avoid unnecessary complication of internal processes.
Essilorluxottica SA	17.05.23	66'500	18	1	1	0	Voted against certain directors. This is due to insufficient diversity on the Management Board.
Franco-Nevada Corp	02.05.23	5'500	9	2	2	0	Voted against certain directors. This is due to insufficient diversity on the Management Board.
Hermes International SA	20.04.23	250	14	15	0	0	
Iberdrola SA	28.04.23	1'522'000	0	0	0	0	
ING Group N.V.	24.04.23	1'010'000	15	1	1	0	Voted against certain directors. This is due to insufficient diversity on the Management Board.

COMPANY	AGM/EGM	VOTES CAST	NUMBER OF PROPOSALS - FOR	NUMBER OF PROPOSALS - AGAINST	VOTES AGAINST BOARD	VOTES AGAINST SHAREHOLDERS	TOPICS
JPMorgan Chase & Co.	16.05.23	88'700	22	1	9	0	Voted against ratification of executive compensation and supported shareholder proposals on independent board chair, reporting on climate transition plans, reporting on political expenditures.
Kerry Group PLC	27.04.23	121'250	18	4	4	0	Voted against certain directors. This is due to insufficient diversity on the Management Board.
Linde PLC	18.01.23	44'300	1	0	0	0	
LVMH Moët Hennessy Louis Vuitton SE	20.04.23	20'250	24	6	6	0	Voted against certain directors, against remuneration policy and against capital increase action plans.
Mastercard Incorporated	27.06.23	1'500	15	6	5	3	Voted against certain directors and supported shareholder proposal on reporting on lobbying payments.
McDonald's Corporation	25.05.23	52'500	17	6	9	2	Voted against certain directors. This is due to insufficient diversity on the Management Board.
Mercedes-Benz Group AG	03.05.23	8'500	13	0	0	0	
Microsoft Corporation	07.12.23	68'000	20	4	5	4	Voted for all directors. Supported shareholder proposals on tax transparency, risks from operations in countries with significant human rights concerns and risks related to AI generated misinformation and disinformation.
Morgan Stanley	19.05.23	126'000	14	5	7	0	Voted against certain directors and supported shareholder proposals on phase-out efforts for underwriting and lending for new fossil fuel development.
MSCI Inc.	25.04.23	22'300	12	3	3	0	Voted against certain directors. This is due to insufficient diversity on the Management Board.
Nestlé S.A.	20.04.23	140'000	26	5	4	1	Voted against certain directors.
Nike, Inc.	12.09.23	114'200	7	1	4	0	Voted against certain directors and compensation. Supported shareholder proposals on gender pay gap and supply chain management/human rights commitments.
Palo Alto Networks, Inc.	12.12.23	2'300	5	2	0	0	

COMPANY	AGM/EGM	VOTES CAST	NUMBER OF PROPOSALS – FOR	NUMBER OF PROPOSALS – AGAINST	VOTES AGAINST BOARD	VOTES AGAINST SHAREHOLDERS	TOPICS
Pepsico, Inc.	03.05.23	98'500	16	6	8	1	Voted against certain directors. This is due to insufficient diversity on the Management Board. We vote in favor of various shareholder proposals to reduce potential risks and increase transparency.
RWE AG	04.05.23	9'000	0	0	0	0	
S&P Global Inc.	03.05.23	1'650	12	4	4	0	Voted against certain directors.
Sanofi SA	25.05.23	132'500	24	0	0	0	
SAP SE	11.05.23	123'000	13	0	0	0	
Schneider Electric SE	04.05.23	108'000	28	0	0	0	
Siemens AG	09.02.23	110'000	38	0	0	0	
Sony Group Corporation	20.06.23	4'000	11	0	0	0	
Synopsys, Inc.	12.04.23	1'000	11	3	0	0	
Thermo Fisher Scientific Inc.	24.05.23	26'100	11	5	5	0	Voted against certain directors and against ratification of PwC as auditors.
T-Mobile US, Inc.	16.06.23	3'800	4	1	0	0	
TotalEnergies SE	26.05.23	7'500	16	2	3	0	Voted against certain directors, voted for shareholder proposal to align targets for Scope 3 emissions with Paris Climate Agreement
UnitedHealth Group Incorporated	05.06.23	1'000	11	4	4	0	Voted against certain directors, supported shareholder proposals on third-party racial equity audit and others.
Vinci SA	13.04.23	127'500	23	2	2	0	Voted against certain directors.
Visa Inc.	24.01.23	65'600	10	4	5	0	Voted against certain directors and for the shareholder proposal on the independence of the board chair.

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