



Rothschild & Co

Corporate Responsibility Report 2020





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As one of the world's leading independent financial groups, we have earned a reputation for serving clients to support ideas that have enabled growth and economic progress for more than 200 years.

These past times have seen the business and generations before me faced with adversity and have proven that we can learn important lessons and emerge stronger from any crises. This pandemic and the resulting economic challenges are no different.

This last year has taught us a great deal about the **adaptability, commitment and resilience of our people**, challenged assumptions about how we best work together to continue to advise our clients in difficult circumstances and a complex market environment and revealed our capacity for innovation. It has reminded us of the values of **solidarity and support for each other**, as well as the importance of looking after each other's wellbeing.

It was a year, in which assumptions about risks for businesses operating in a global marketplace were challenged, highlighting the responsibility of business leaders to help address these issues for generations to come. Today, we see all our business stakeholders aligned on the urgency to address the risks resulting from climate change and biodiversity loss. Our progress in pursuing our **environmental management strategy**, including our ambition for operational carbon-neutrality, will benefit from new ways of working, and incorporate new ideas to enable us to conduct our daily business in an environmentally sustainable manner.

The events of the last year have forced us all to critically reflect on how we can accelerate progress in creating an even more **inclusive working environment**. The entire leadership team has put a lot of thought into targeted initiatives to underpin this journey and our long-term commitment to a working environment where everyone has the same opportunity to thrive irrespective of gender, race, age, religion and belief, sexual orientation, gender identity, disability or nationality.

I am convinced that the **integration of ESG considerations** in our business lines is a critical enabler in progressing our Corporate Responsibility strategy. As a business we are in a unique position to use our influence to help address environmental, social and governance issues at scale and act as a catalyst for change. All our investment business lines are signatories to the UN PRI, aiming to manage ESG related investment risks and realise value creation opportunities on the important pathway to a low-carbon economy for our clients. Our Global Advisory business has played a leading role in raising financing for renewable projects and making green projects investible. In 2020, the team advised on several innovative financing transactions that included sustainability elements.

“

We are determined to pursue our long-term commitment to encouraging a culture of responsible business, and proactively taking responsibility for the impact we have on our people, our industry, our communities and our planet.”

”

Our business has a strong heritage in supporting charities and non-profit organizations in addressing the underlying barriers to a more inclusive society. 2020 has seen many of our colleagues dedicate their time, skills and resources to support the **Group's solidarity efforts** on the frontline of the pandemic. As the events of the past year have once more highlighted the interconnectivity of societal, social, economic and environmental issues of our generation, I am looking forward to launching R&Co4Generations: a group-wide approach to support charities, non-for-profits and innovative social enterprises working to help protect our planet and fight social inequalities for future generations.

I am equally pleased to announce that earlier this year the Group became a signatory of the **UN Global Compact**. With this communication, we are expressing our intent to implement the Global Compact principles and selected **United Nations Sustainable Development Goals** as part of our Corporate Responsibility strategy and initiatives.

At Rothschild & Co, we are determined to pursue our long-term commitment to encouraging a culture of responsible business, and proactively taking responsibility for the impact we have on our people, our industry, our communities and our planet.

This report is aimed at highlighting the impact this culture can have. It provides an overview of our Corporate Responsibility priorities in 2020, showcases examples of our colleagues' continued efforts to progress our initiatives, and provides direction as to where we will focus in the year ahead. We are conscious that this is a long-term journey and that our continued success depends on feedback of all our stakeholders and welcome any ideas to support this agenda.

As of today, visibility of the road ahead for businesses and many of our stakeholders remains low. But as an optimist, and as someone fortunate enough to be looking at this uncertainty with the long-term perspective of a family-controlled group, I am hopeful that many of these challenges will prove to be a powerful force behind a sustainable recovery, and will equally manifest themselves in opportunities for the firm and all our stakeholders.

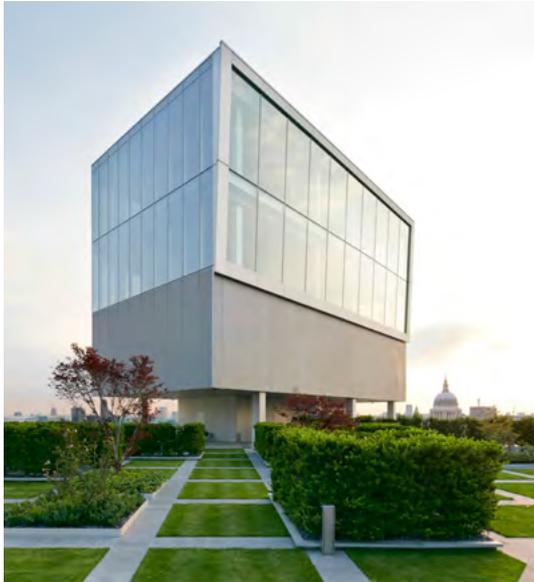
Paris, April 2021



Alexandre de Rothschild
Executive Chairman Rothschild & Co Gestion

Rothschild & Co achieves 'leadership' score in CDP climate reporting

Rothschild & Co was awarded an 'A-' rating for climate disclosure from CDP, a global non-profit organisation that runs the world's leading environmental disclosure platform, placing Rothschild & Co in CDP's leadership category with regard to implementing best practice.



Partnering with #10000BlackInterns

Rothschild & Co is offering positions within several of its UK business divisions and corporate functions as part of #10000BlackInterns, an initiative designed to attract talented black students to a career path in the British investment management industry with the aim to increase black talent.

Investment principles for the thermal coal sector published

Rothschild & Co published its investment principles for the thermal coal sector as a means to manage associated climate change exposure risk.

All investment business lines are UNPRI signatories

Signatory of:  Principles for Responsible Investment

Wealth Management Switzerland & Germany, Rothschild Martin Maurel and Asset Management US became new signatories in 2020, Asset Management Europe Governance & Strategy Score standing at A+.

<p>Over 800,000 meals provided to vulnerable people</p>	<p>17,000 pieces of medical equipment – e.g. oxygen masks and infusion pumps – provided to hospitals</p>	<p>Community Investment: COVID-19 campaign</p> <p>Targeted COVID-19 matched-giving campaign launched, engaging the global workforce to donate with company matching to charities and medical establishments, and charities working to mitigate issues affecting vulnerable people during lockdown.</p>
<p>Over 400 ill and vulnerable children provided with one-to-one care and support</p>	<p>More than 2,200 pieces of PPE provided to frontline workers</p>	
<p>Over 1,000 games and books provided to children living in shelters and refuges to keep them engaged and learning during lockdown</p>	<p>More than 2,000 grassroots charities supported</p>	

Supporting employee wellbeing through global roll-out of Unmind app

The confidential service with clinically-backed and easy-to-use tools provides ongoing support for employees to manage impact on their health, from improving sleep, to mindfulness and stress management.



Global Female Sponsorship Programme launched

More than 50 female Assistant Directors and Directors were matched with senior leaders as part of the roll-out of the Global Female Sponsorship Programme providing deliberate influence to high-performing, talented women to support their career aspirations within the organisation.

Partnering with Cool Earth in the fight against tropical rain forest degradation

The project with Cool Earth is aimed at strengthening resilience of rainforest communities in Peru, addressing the lack of access to nutrition and basic healthcare. This support helps reduce local reliance on monetary income in exchange for their trees, and focuses on developing sustainable livelihood projects.



Renewable electricity procurement

As part of its ambition to combat climate change, the Group has increased its renewable energy procurement in 2020 to 85%, up from 56% in 2019.



Expanding our Responsible Investment product offering

- Asset Management Europe: 4Change range of funds expanded, focusing on ESG issues identified by the UN in its Sustainable Development Goals
- Wealth Management UK: c. 12x growth in assets in its Exbury strategy
- Rothschild Martin Maurel: 4Change mandates launch across the French business

Supporting growth of clean and renewable energy

Rothschild & Co's Global Advisory business worked on offshore wind projects worth over c. US\$30 billion (over 25% of the global installed offshore wind) in the last ten years, taking a leading role in raising financing for renewable projects and making green projects investible.





1. Corporate Responsibility at Rothschild & Co

- 1.1 Our business model**
- 1.2 Background and approach**
- 1.3 Corporate Responsibility strategy**

1.1 Corporate Responsibility firmly embedded in our business model

With over 200 years of experience, we provide a distinct perspective that makes a meaningful difference to our clients' business and wealth.

Rothschild & Co is one of the world's leading independent financial groups. With more than 3,500 talented professionals working across 43 countries, the Group's **purpose** is to *provide a distinct perspective that makes a meaningful difference* to its clients' business and wealth.

The impact on our people, the industry, local communities, and the planet through the responsible management of our operations, resources and services play a fundamental part in our approach to business and towards reaching its long-term strategic objectives.

This commitment to a culture of responsible business is firmly embedded in our business model and is considerate of inherent material non-financial risks for our stakeholders.

Values-driven culture

We promote a culture of responsible business and long-term value creation for our clients, stakeholders and investors

- Thoughtful**
Considered
Strategic
Long-term
- Principled**
Responsible
Empathetic
Committed
- Creative**
Innovative
Collaborative
Entrepreneurial

Three established businesses

One Group consisting of three established businesses



Key differentiators

Long-term view

We are a long-standing and trusted partner to large institutions, families, individuals and governments:

- We are an independent, family-controlled business and our focus is on long-term growth
- We are unconstrained by short-term thinking and can take a long-term view in order to deliver the objectives of each client and offer sustainable shareholder return

Enduring relationships

Talented and motivated employees are the lifeblood of our business and the foundation of everything we provide to our clients:

- We focus on creating an inclusive culture that encourages the highest standards of quality, professionalism and ethics. Our culture is built on the quality of our people, who embody our values
- The dedication and knowledge of our workforce enables us to create real value for all our stakeholders

Culture of responsible business

We encourage a culture of responsible business and proactively take responsibility for the impact we have as a business on our:

- People
- Industry
- Environment
- Communities

Business aligned strategy

Sustainable value creation

Three established businesses with strong synergies between them focused on long-term growth

Balanced growth

Stable growth across our three businesses mitigating the effects of cyclical markets

Shareholder returns

By focusing on an efficient use of capital, we generate a sustainable profit and can ensure a progressive dividend policy

1.2 Background and approach

1.2.1 Dialogue with stakeholders⁽¹⁾

As a family-controlled group with more than 200 years of heritage, the business' success depends on the long-term trust of our stakeholders. This close relationship is essential to be able to responsibly manage the business' impact on our people, the industry, the planet and local communities, and to realise opportunities for long-term value creation. We support public accountability and are regularly and transparently disclosing relevant progress updates to our stakeholders.

In 2020, we have engaged in several dedicated **employee** communication and engagement campaigns and selected surveys, as well as increased communication to and with **clients, investors and shareholder** representatives on matters of Corporate Responsibility. Sections 2 & 3 illustrate some of these engagement initiatives that have provided valuable insight into stakeholder interests in our Corporate Responsibility strategy.

Rothschild & Co is a signatory to the **United Nations Global Compact** and supports its Ten Principles on human rights, labour, environment and anti-corruption. We intend to implement the principles as part of our Corporate Responsibility strategy and initiatives and are committed to engaging in collaborative projects that advance the United Nations Sustainable Development Goals (SDG). Where appropriate, this section makes the link between the Group's Corporate Responsibility initiatives and the commitment to wherever possible contribute to the achievement of the following **Sustainable Development Goals**: SDG 5 – gender equality, SDG 7 – affordable and clean energy, SDG 10 – reduced inequalities, SDG 12 – responsible consumption and production, SDG 13 – climate action, SDG 15 – life on land, and SDG 16 – peace, justice and strong institutions.

The below table provides an overview of key public commitments and partnerships through which we advocate for and engage with our stakeholders in sustainable development initiatives

Overview partnerships & public commitments

Organisation	Commitment
	Since 2021, Rothschild & Co has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.
	All relevant investing business lines are signatories (Wealth and Asset Management, Merchant Banking).
	Investor Signatory since 2017; regular climate change disclosure reporting.
	Rothschild & Co Asset Management Europe is a signatory since 2019.
	Five Arrows Managers SAS is a signatory since 2018.
	N.M. Rothschild & Sons Limited is a signatory since 2019.
	Rothschild & Co Bank AG is a signatory since 2020.
	Rothschild Martin Maurel SCS and Five Arrows Managers SAS are signatories since 2020.

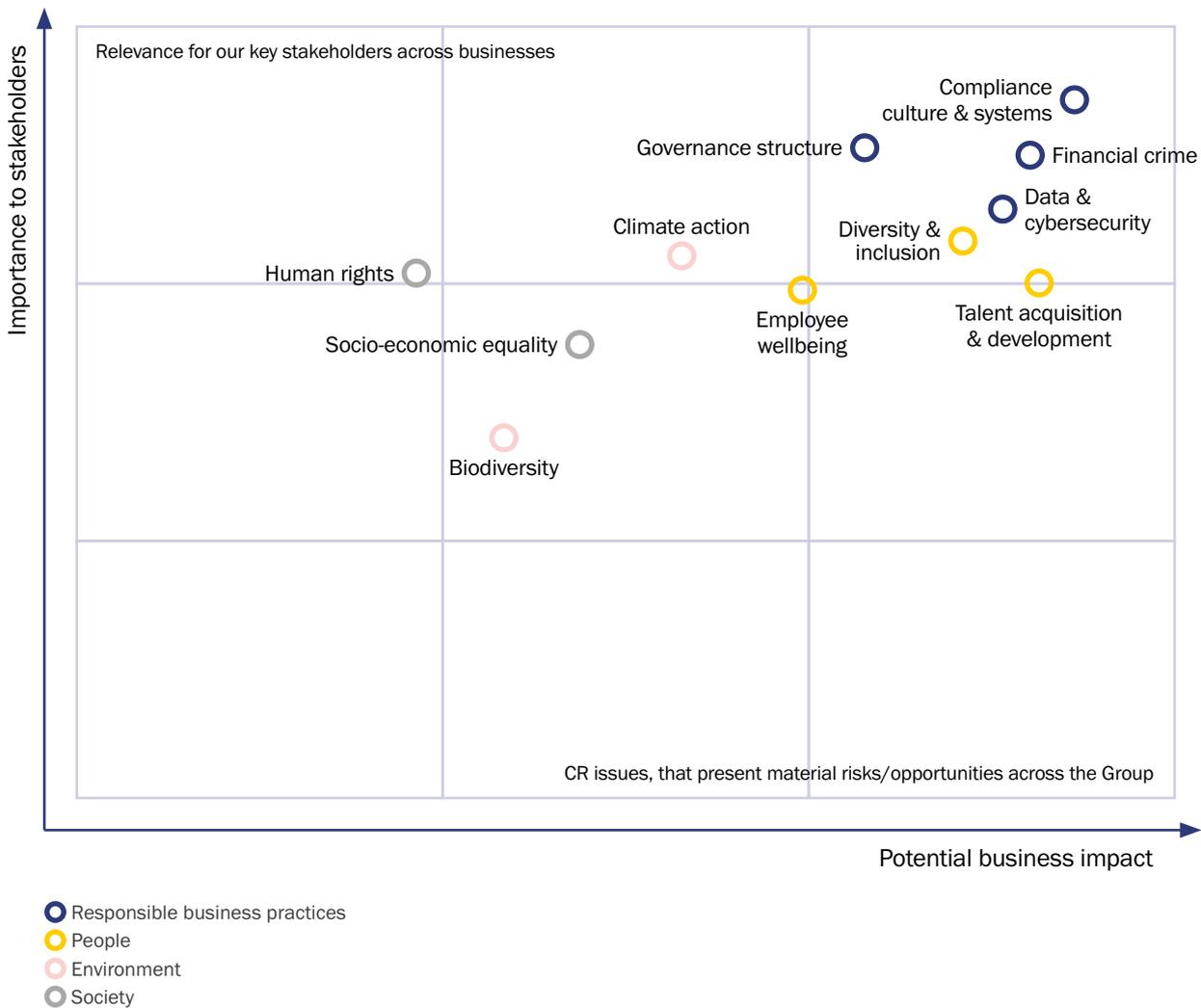
This section meets the legal requirements for non-financial performance statements as included in the Group's management report. It presents considerations relating to the Group's approach to Corporate Responsibility across Group companies. In accordance with the applicable regulations, KPMG was appointed as the independent third party in charge of verifying the information disclosed in this section. The KPMG report is presented in the "Additional Information".

(1) In accordance with the definition provided by the GRI Guidelines, Rothschild & Co's stakeholders are all entities or individuals that can reasonably be expected to be significantly affected by the Group's activities, products and/or services, and whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies or achieve its objectives. Rothschild & Co has identified as its key stakeholders its shareholders, potential investors and financial analysts, clients and talent. Please find more information in "[Additional Information](#)".

1.2.2 Identification of non-financial risks

As disclosed in the Group's [Annual Report 2019](#), we undertook a thorough assessment of Corporate Responsibility issues in 2018/19. The aim was to identify the most critical environmental, governance and social issues that are relevant to our stakeholders and which could represent non-financial risks or opportunities for our businesses. In recognition of the increased and shifting stakeholder interest in Corporate Responsibility matters, we carried out a review of this assessment of non-financial risks affecting its businesses and stakeholders alongside the annual review of strategic risks for the Group at the end of 2020. The results of this review are summarised in the below matrix:

Materiality assessment of Corporate Responsibility issues⁽¹⁾

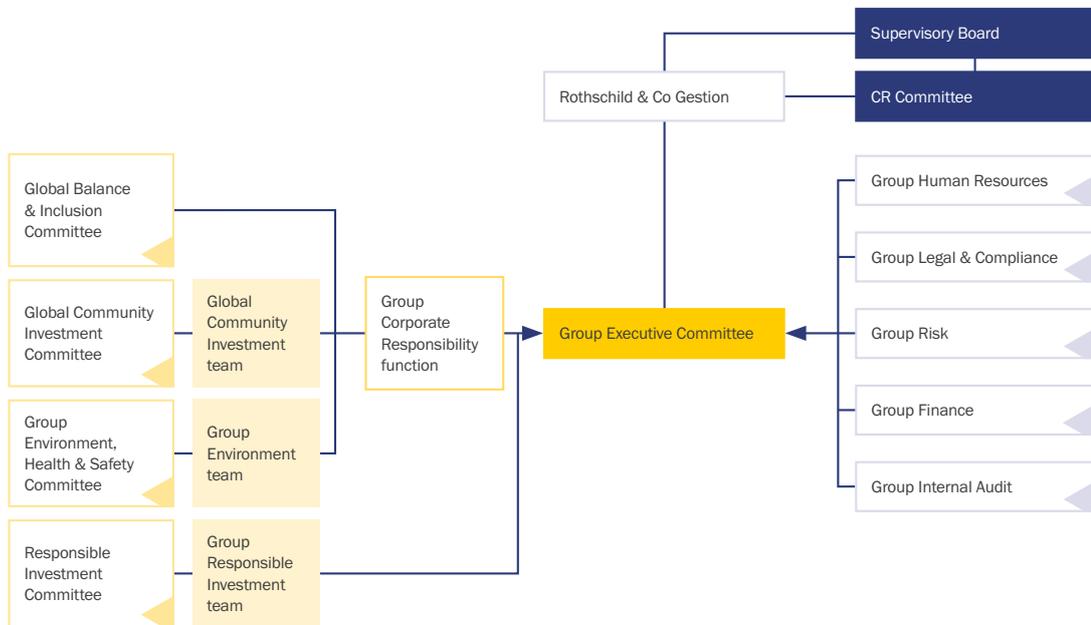


Sections 2 and 3 provide an overview of our strategic objectives in each of our Corporate Responsibility priority areas and the relevant policies and developments in 2020 aimed at managing identified non-financial risks in our operations, as well as initiatives addressing associated Environmental, Social and Governance (ESG) risks and opportunities in our business divisions.

(1) Methodology: consultation of most recent secondary data sources paired with internal expert consultation lead to an update of a long list of micro-issues related to Corporate Responsibility and respective categories that might present non-financial risks and / or opportunities for the firm and its stakeholders. Followed by a risk assessment in consultation with internal experts and calibration with Group Risk and responsible members of the senior management team the results of the materiality assessment were approved by the Group Executive Committee in December 2020, and considered by the CR Committee and Risk Committee of the Supervisory Board.

1.2.3 Corporate Responsibility governance

Corporate Responsibility is addressed at the level of the most senior governing bodies of the Group, as well as at the level of the Supervisory Board, with the assistance of specialised committees.



The **Supervisory Board** carries out the ongoing supervision of the Company's management. In this context, it considers Corporate Responsibility issues at the initiation of senior management unless the Supervisory Board itself identifies an opportunity to discuss. A dedicated **Corporate Responsibility Committee⁽¹⁾** (the "CR Committee") composed of three members of the Supervisory Board has the mission to:

- assist the Supervisory Board in ensuring we consider issues relating to Corporate Responsibility in line with strategic priorities for the business,
- assist the Supervisory Board in ensuring that we are in a position to best identify and address opportunities and risks associated therewith; and
- assist the Supervisory Board in monitoring and reviewing (i) the strategic priorities, policies implemented, and objectives set by the Group and its entities relating to Corporate Responsibility matters, and the (ii) the Corporate Responsibility Report included in the Rothschild & Co Management Report.

The **Group Executive Committee (GEC)** role is to propose strategic directions to Rothschild & Co Gestion, the Managing Partner, including in relation to Corporate Responsibility, and to assist the Managing Partner in overseeing the implementation of the strategy across the Group and the operational management of the Group. One member of the Group Executive Committee is responsible for Corporate Responsibility topics. Corporate Responsibility matters are discussed in the regular meetings of the Group Executive Committee anytime as required (in 60% of the meetings in 2020). The Corporate Responsibility strategy is presented to the Supervisory Board at least once a year.

The **Group Corporate Responsibility function** assists senior management in the development of the strategy, the coordination of group-wide initiatives and provision of an ongoing and consolidated picture of performance against the Group's strategic objectives. The **Group Head of Corporate Responsibility** reports directly to the Co-Chairman of the Group Executive Committee, who is one of the Managing Partners. Supported by a team of experts in defined priority areas, the Group Head of Corporate Responsibility is a member of and works closely with the respective dedicated senior **Group committees** (see overview of responsibilities in the table hereafter)

The dedicated **Group Responsible Investment team** supports the work of the **Group Responsible Investment Committee** to further the investing businesses' roadmap in integrating ESG considerations in their approaches, supporting the development of consistent policies among the Group and assisting business lines in their ESG integration developments. The Group Head of Responsible Investment reports directly to the Co-Chairman of the Group Executive Committee.

This integrative setup enables the dedicated implementation of our Corporate Responsibility strategy at all businesses and levels.

(1) More details on the composition of the CR Committee are shown in the [Rothschild & Co Annual Report 2020](#).

Overview of Group committees

Committee	Responsibility
Group Balance & Inclusion Committee	Committed to creating a diverse, inclusive and flexible environment which enables all colleagues to achieve their personal and professional aspirations, and to ensure that Rothschild & Co provides long-term opportunities for growth.
Group Environment, Health & Safety Committee	Emphasising the value for the Group's and its clients' businesses in conserving and protecting the world's natural resources through its operations, products and services.
Global Community Investment Committee	Defining and driving the Group's Community Investment strategy to deliver its global mission: to make a meaningful difference to disadvantaged young people and children.
Group Responsible Investment Committee	Developing and overseeing the implementation of a group-wide ESG investment integration and engagement framework supporting the transformation of industries towards sustainable practices.

1.3 Corporate Responsibility strategy

Our Corporate Responsibility strategy is built on a long-term commitment to encouraging a culture of responsible business, and to proactively take responsibility for the impact we have on our people, our industry, our communities and our planet. This long-term view has proven effective during the COVID-19 crisis and across its businesses we have witnessed a very welcome increase in stakeholder engagement with our approach to Corporate Responsibility and ESG risk considerations.

The overview on page [16 and 17](#) outlines the priority pillars and ambitions defined in the Corporate Responsibility strategy framework aimed at addressing identified material non-financial risks and opportunities for the Group and our stakeholders.

Chapter 2 in this report outlines how our Corporate Responsibility strategy, policies and initiatives have in 2020 aimed to address identified non-financial risks associated with our business operations in line with changing stakeholder expectations. Chapter 3 is dedicated to the way our Corporate Responsibility commitments are reflected in ESG integration approaches in our business divisions, with a particular focus on the Group's Responsible Investment agenda.

Looking ahead, the review of material Corporate Responsibility issues and related non-financial risks (see chapter 1.2.2 above) is a key source of insight into some of the most relevant stakeholder concerns that are considered as priorities in the evolution of the Group's strategy.

Conscious of the growing interdependence between identified priority areas, we will continue to take a concerted approach to Corporate Responsibility across our strategy pillars. For instance, an encouragement of more flexible working practices ([see chapter 2.2](#)) should continue to positively influence the Group's operational environmental footprint ([see chapter 2.3](#)).

In addition, we will seek to identify further ESG integration opportunities between operational management priorities, and, where appropriate, through the businesses' influence on the wider value chain (investment policy, client on-boarding, supplier engagement).

In the coming years, across our investment business lines we expect an increase in demand for solutions with a Responsible Investment focus, driven by clients' growing awareness of ESG issues and the evolution of the regulatory environment.

We encourage a culture of responsible business and proactively take responsibility for the impact we have as a business on our people, our industry, our communities and our planet.



Responsibility for our environment



- Responsibly managing greenhouse gas emissions and proactively reducing our impact
- Championing responsible consumption and resource use

85% of electricity from renewable sources

62% reduction in GHG emissions per FTE from 2019

100% sustainable paper

27 offices unnecessary single-use plastic free



Responsibility for our communities



- Financial support to charities, social enterprises and individuals
- Professional expertise helping to drive change for young people
- Volunteering to help young people to succeed in life

34% employees engaged in volunteering and giving

75% increase in Pro-Bono Advisory mandates vs. 2019







2. Operational Impact

- 2.1 Responsible business practices**
- 2.2. Responsible people culture**
- 2.3 Responsibility for the environment**
- 2.4 Responsibility for local communities**



>95% of employees participated in cyber awareness training during 2020

98% of employees completed Anti-Money Laundering and Sanctions training

"Training update for all staff on anti-bribery and corruption."

“

There is a strong culture of integrity in conduct embedded within Rothschild & Co. Senior management and non-executive directors take great care to ensure that this culture is maintained and protected, supported by a well-resourced and talented global compliance team.

”

JONATHAN WESTCOTT

Global Head of Legal & Compliance

2.1. Responsible business practices



As one of the world’s leading independent financial groups, Rothschild & Co places great emphasis on good conduct, based on personal accountability and commitment in the way we work with each other, clients and partners. Our approach to responsible business practices focuses on managing related non-financial risks that are most material to our operations and for our stakeholders.

Responsible Business practices – overview strategy & achievements

Effective compliance systems and technology	
Progress 2020	<ul style="list-style-type: none"> • Publication of revised Group Code of Conduct.
Impact	<ul style="list-style-type: none"> • 98% of employees completed Anti-Money-Laundering and Sanctions training.
Stringent anti-corruption and anti-bribery standards	
Progress 2020	<ul style="list-style-type: none"> • Revised Group Anti-Bribery and Corruption Policy. • Publication of Group Financial Crime Policy Statement.
Impact	<ul style="list-style-type: none"> • Training update for all staff on anti-bribery and corruption.
Safeguarding confidentiality	
Progress 2020	<ul style="list-style-type: none"> • Employee cyber awareness training. • Regular phishing test emails to all employees, targeted training.
Impact	<ul style="list-style-type: none"> • >95% of employees participated in cyber awareness training during 2020.

GOVERNANCE

The priority of upholding responsible business practices with the investment in and implementation of robust compliance systems and technology, overlain by effective governance and oversight, are set out in accordance with the Group’s framework on internal control (please refer to section “Internal control, risk management and accounting procedures” of the Rothschild & Co Annual Report 2020). The Group Head of Legal & Compliance is a member of the Group Executive Committee and the Group Operating Committee.

- PUBLIC POLICIES**
- [Group Code of Conduct](#)
 - [Financial Crime Policy Statement](#)
 - [Overview of our policies](#)

2.1.1 Strategic priorities

Acknowledging our responsibility, the Group's compliance systems, policies and procedures are aimed at setting standards for all employees and individuals working for the Group, supported by targeted and mandatory trainings to mitigate risks associated with, inter alia, money laundering, bribery and corruption, sanctions or counter-terrorist financing. These include the [Group Code of Conduct](#) and the [Group Anti-Bribery and Corruption Policy](#).

We have well embedded processes and policies for dealing with such risks, such as the [Group Client Due Diligence Policy](#), New Client Acceptance and Review Committees as well as Risk Committees which meet frequently to consider relevant risks and other reputational matters. We operate compliance monitoring and permanent control programmes to provide assurance to senior management that our processes and systems are operating effectively.

Managing data privacy and confidentiality risks and preserving the integrity of clients' and partners' data is essential to upholding the trust of our stakeholders. Rothschild & Co's information security strategy laid out in the [Group Information Security Policy](#), takes account of these risks and is aimed at safeguarding data confidentiality.

2.1.2 Compliance culture and systems

2.1.2.1 Policies, procedures and guidelines

Each employee is required to read, understand and comply with Rothschild & Co's Group policies, procedures and guidelines that apply to their job and undertake all mandatory compliance and other professional training as and when required. This includes relevant regulatory qualifications.

Expectations are clearly communicated in the [Group's policies](#).

The [Code of Conduct](#) sets out the Group's standards and expected behaviours and has been revised and enhanced in 2020 and published on the Group website to ensure the Group's expectations are visible to all partners and external stakeholders.

The Group's [Financial Crime Policy Statement](#) provides an overview of the Group's related policy commitments.

Failure to participate in the mandatory trainings or adhere to the [Code of Conduct](#) or the Group's policies and procedures can result in referrals to Human Resources as a part of the appraisal and remuneration process.

2.1.3 Market Abuse

The Group's specific procedures relating to market abuse and dealing with confidential and price sensitive information must be followed at all times. These procedures are reinforced by training and education and compliance monitoring programmes.

2.1.4 Conflicts of Interest

Independence is a cornerstone of Rothschild & Co's proposition across all businesses. Policies and procedures are designed to ensure that the Group's businesses are capable of identifying and managing conflicts or potential conflicts at an early stage. The overriding principle of the Group's [Conflicts of Interest Policy](#) is that Rothschild & Co shall provide objective advice, unaffected by conflicts and in the best interests of its clients. The policy and related procedures are regularly reviewed and updated as appropriate to reflect law and practice, and business developments around the Group.

2.1.4.1 Anti-bribery and corruption

The Group takes a zero-tolerance approach to all forms of bribery and corruption. The Group's policies are designed to ensure business is done fairly, honestly, openly and with integrity, and in accordance with applicable laws that promote and safeguard fair competition in the jurisdictions in which the Group operates.

All categories of Group employees complete regular mandatory anti-bribery and corruption training. Employees are expected to be familiar with, and attest to, the Group Anti-Bribery and Corruption Policy, which has been updated in 2020 and approved by senior management. The Group Anti-Bribery and Corruption Policy gives practical effect to relevant global initiatives such as the United Nations Convention Against Corruption. Clear communications from the Managing Partners at the time of publication of the Group Anti-Bribery and Corruption Policy set out the requirements and standards we expect from its employees. Training on the updated policy started in December 2020. Completion rates are tracked and monitored.

We have a well-resourced and dedicated Group Financial Crime Compliance team located in London, which oversees education, training, monitoring and assurance activities of local units with the same functions.

2.1.4.2 Political lobbying activity and donations

As summarised in our public [Financial Crime Policy Statement](#), Rothschild & Co does not engage in lobbying activity. It does not seek to actively influence public officials, laws or regulations.

We do not make or permit any of its employees to make on its behalf, any political donations, nor does it have any political affiliations. The Group, therefore, does not declare any expenditure in the EU Transparency Register (or equivalent registers).

2.1.4.3 Group tax policy

Our tax policy applies to all entities ultimately owned by Rothschild & Co. It applies to the management of the Group's corporate tax affairs as agreed by the Group Executive Committee detailing the governance process and the procedures in place to manage tax risks and is available for information of employees on the our intranet.

Group tax is only responsible for corporate tax affairs. The Group organises its affairs to manage taxation efficiently, consistent with commercial needs and with a conservative approach to tax risk, in line with the conservative approach to risk across the Rothschild & Co Group.

Arrangements will not be entered into, facilitated or promoted without business purpose or commercial rationale, or if outside of our risk appetite or in conflict with the intention of parliamentary legislation.

Our Tax team proactively identifies and monitors key tax risks throughout the year, taking into account changes in the business and applicable tax legislation, ensuring that the control framework governing tax risk is updated appropriately.

The team assists and works with our Finance department to ensure full and timely compliance with the tax reporting and other obligations as required by legislation. It maintains close working relationships with different parts of the business to ensure that the tax implications of transactions and any business changes are fully understood.

Our Tax team consults with external advisers on specific matters, where required, and engages with industry bodies to assess future legislative developments.

2.1.4.4 Tax evasion

Tax evasion and related offences are considered a crime (*délit* in France) and typically represent a predicate offence to money laundering. Rothschild & Co takes its responsibility to tackle tax evasion seriously. As summarised in our public [Financial Crime Policy Statement](#) all Rothschild & Co entities and employees must comply with standards, including:

- Reasonable client due diligence, where applicable, to mitigate the risk that the Group is handling or dealing with the proceeds of crime;
- The requirement to identify and report incidents where a suspicion is formed that the Group is handling or dealing in the proceeds of crime;
- Prohibiting exploitation of an association with Rothschild & Co to evade, or facilitate the evasion, of taxes legitimately due to any competent authority; and
- The institution of additional mitigating controls designed to help prevent the facilitation of tax evasion (e.g., risk assessments and relevant training).

2.1.4.5 Anti-Money-Laundering and 'Know Your Client'

As summarised in our public [Financial Crime Policy Statement](#), Rothschild & Co has detailed and comprehensive policies and procedures governing the way in which we take on clients and business. These policies and procedures cover matters from initial due diligence and research into the identity, purpose of relationship, expected activity, source of wealth/funds and reputation of individual clients to the ownership and governance structure of corporate bodies and other legal structures.

Rothschild & Co has specific client acceptance processes, including committees which look at all matters relevant to the acceptance of higher risk new clients. Information relating to all existing clients is regularly re-examined, with Politically Exposed Persons and high-risk clients subject to enhanced due diligence and more frequent review. The Client Acceptance Committees are comprised of senior management, forming part of a disciplined and embedded process to reduce the reputational risk that the Group faces. As of 31 December 2020, 98% of employees have completed the Anti-Money-Laundering and Sanctions training.

We also maintain appropriate systems and processes for sanction screening and transaction monitoring.

As well as looking at new clients and business, Rothschild & Co has comprehensive policies and processes aimed at reducing its risk of exposure to financial crime, including money laundering, terrorist financing and fraud. Regular reports of key financial crime metrics are delivered to appropriate governing bodies.

2.1.4.6 Whistleblowing

Rothschild & Co expects all employees to maintain the highest standards of professionalism and integrity, reflective of the Group [Code of Conduct](#), policies and other rules. All firms face the risk of errors occurring or of unknowingly harbouring criminal or unethical conduct. Equally, we recognise that loyalty or fear of professional or personal consequences may inhibit the exposure of non-compliant behaviour. In order to prevent or address such situations, the [Group Policy on Reporting Concerns or Irregularities](#) explains how individuals can confidentially escalate matters so that they may be assessed and resolved in a suitable manner (whistleblowing). Various whistleblowing channels are available, and individuals may choose to remain completely anonymous by reporting to our independent whistleblowing hotline (Safecall). Individuals making any report in good faith are fully protected against any prejudicial treatment or retaliation. Rothschild & Co will not take any action against the individual for raising it, irrespective of whether it is later substantiated.

2.1.5 Confidentiality and information security

Confidentiality is of paramount importance to Rothschild & Co. We take appropriate technical and organisational measures to safeguard **confidential information** and all employees are expected to exercise the highest level of due care and attention when dealing with confidential information about the Group or its clients. Communication and mandatory compliance training are supported by monitoring, and employees are obliged to report any incidences and concerns relating to confidentiality without delay. We communicate openly with its clients in relation to how it uses their confidential information, including personal data. Where compliance monitoring, reporting or internal audits reveal any concerns, remedial action is swiftly taken. Systems and controls are regularly tested and reviewed to ensure they are in line with technological developments and regulatory or market practice.

The **security of the information** the Group possesses and holds in relation to its clients, its employees, its businesses and its business partners is vital to Rothschild & Co's continued success. Our global Information Security Programme is aimed at managing the associated risks.

GOVERNANCE

Responsibility for defining and implementing the global Information Security Programme lies with the Chief Information Security Officer, reporting to the Group Chief Risk Officer. The Chief Information Security Officer is supported by a team in London with specialist experience in Information Security Programme design, build & delivery, and Regional Information Security Officers based in Paris, Zurich and New York.

The Rothschild & Co Information Security Programme is guided by the [Group Information Security Policy](#) and outlines the activities, governance and resources that collectively provide information on security services to the Group and its clients. The programme enables senior management to make risk management decisions by providing information about the organisation's information security capabilities. It is aimed at supporting the following objectives of our information security strategy as supported by the Group Executive Committee:

- ensure the confidentiality, integrity and availability of client and personal data and proprietary information irrespective of form;
- protect against anticipated threats to the confidentiality, integrity and availability of the IT infrastructure and information systems; and
- ensure ongoing compliance with regulatory requirements.

During 2020, we have invested in a Governance, Risk & Compliance platform to more formally document cyber risks, demonstrate compliance with security control objectives and perform trend analysis of security incidents. Key cyber technology initiatives in 2020 were focused on anti-virus systems, network access control systems, Public Key Infrastructure management and server file integrity monitoring. Through the introduction of new vulnerability management processes, the Group has been able to reduce the number of high-severity vulnerabilities across the IT estate by 55% during 2020.

The Information Security team delivers online cyber awareness training to all new joiners and annually to all employees. Employee cyber awareness training completion rate has been above 95% for all reporting cycles during 2020. This was complimented by staff education campaigns as well as regular phishing test emails to all employees. Failure to identify the phishing email by the recipient results in targeted training for the individual.

From the beginning of the COVID-19 crisis, there has been no significant impact to the Group's cyber security protection measures relating to the change in system access model with the majority of employees working remotely for some period of time. The incumbent security model surrounding its remote access has continued to provide proportionate protection to Rothschild & Co data and information.

GOVERNANCE

Responsibility for the implementation of technical security measures sits with the Group **IT Security** Manager, reporting to the Chief Information Officer. Supporting the Group IT Security Manager is a team of security specialists in London. Wealth Management in Switzerland operates an independent IT Security department reporting to the local Chief Information Officer.

2.1.6 Human Rights

Respect for the individual is at the heart of the Group's culture and values that have run through the organisation for generations. The importance placed upon human rights is inextricably linked to these values.

Rothschild & Co complies with all laws regarding non-discrimination, harassment and victimisation and human rights in the jurisdictions in which it operates. These laws vary between jurisdictions, but in general, prohibit discrimination on a number of grounds including age, disability, gender identity, marital status and civil partnership status, pregnancy and maternity, paternity, race, ethnicity, nationality, religion and belief and sexual orientation. The Group does not discriminate against collective bargaining or an individual's freedom of association. These expectations are clearly communicated in the Group [Code of Conduct](#).

Rothschild & Co's business practices are in line with the main provisions of the International Labour Organisation Convention's fundamental principles, for example, the elimination of all forms of forced labour, the abolition of child labour, the elimination of all forms of discrimination in respect of employment and occupation, and also in respect of freedom of association and collective bargaining.

We foster a culture of openness, thereby enabling employees to raise any legal, compliance and/or ethical concerns, including those related to any breach of human rights, within the business or within the supply chain.

We are committed to countering modern slavery in all its forms and are taking proportionate measures to ensure that slavery and human trafficking are not taking place in our business or manage the risk in our supply chains. This includes the formation of a Modern Slavery Working Group in the UK, which meets on an ad hoc basis and works throughout the year to consider any modern slavery risks and the ways in which the business can seek to mitigate them on a risk-assessed basis.

Modern Slavery Statement

N.M. Rothschild & Sons Limited and Rothschild & Co Wealth Management UK Limited publish an [annual statement](#) describing the steps taken to combat modern slavery within their businesses.

Equally, suppliers to N.M. Rothschild & Sons Limited and Rothschild & Co Wealth Management UK Limited are expected to adhere to the same high standards of respect for the individual as the Group adheres to itself. If a supplier is considered a high risk from a modern slavery perspective, their adherence to the Modern Slavery Act 2015 is requested. In addition, supplementary modern slavery protections may be drafted into a contract with a supplier who operates in a sector which is assessed to be high risk.

We have previously determined that its highest risk of exposure to modern slavery within our supply chains was in relation to the hotel industry in certain jurisdictions where modern slavery is particularly prevalent. We would note that business travel in 2020 has decreased significantly and, with it, our exposure to this risk. We maintain a Preferred List of hotels that have agreed to adhere to the legislation surrounding the Modern Slavery Act 2015.



Steps taken to
combat modern
slavery

“

We acknowledge that the COVID-19 pandemic has caused widespread economic and social disruption globally, which are key triggers for modern slavery risks. These risks stem from the increased social isolation, mass unemployment creating opportunities for traffickers and the various lockdowns disrupting anti-slavery efforts. We are conscious that we will need to continue to hold the Rothschild & Co group and our suppliers to high standards in our modern slavery response in order to protect those most vulnerable. We will continue to work with our Modern Slavery Working Group to address these challenges and demonstrate our long-term commitment to combating modern slavery and human trafficking.

”

TERESA SPYROPOULOS
Legal & Compliance



24% female
Assistant Directors
and above

Partnership with
#10000
BlackInterns

500 virtually
delivered training
programmes

“

Continuing Rothschild & Co's success will hinge on attracting the most talented and enthusiastic professionals - a place you aspire to join, where you can develop and challenge yourself, where you are respected as an individual and where you have the perspective of a balanced life.

”

KAI TSCHOEKE
Global Advisory

2.2 Responsible people culture



The commitment and expertise of our diverse workforce from 62 locations in 43 countries is essential in delivering our business model and creating value for all our stakeholders.

Responsible People practices – overview strategy & achievements

Talent development opportunities	
Progress 2020	<ul style="list-style-type: none"> Graduate and Promotion Programmes delivered virtually.
Impact	<ul style="list-style-type: none"> 115 graduates attended graduate training. 263 attendees on Promotion Programmes.
Equal opportunities at the heart of recruitment, reward and promotion strategy	
Progress 2020	<ul style="list-style-type: none"> <i>Global Female Sponsorship Programme</i> launched. Pilot sessions of <i>Inclusive Manager and Leader training</i>. <i>Shine for Women Programme</i>.
Impact	<ul style="list-style-type: none"> 39% of new hires were female. > 50 female Assistant Directors and Directors supported through <i>Global Female Sponsorship Programme</i>. 33% of promotion candidates were female. > 50 women empowered through <i>Shine for Women Programme</i>.
Balanced approach to work	
Progress 2020	<ul style="list-style-type: none"> Substantial investments in mobile and collaborative working technologies. Global guidelines for increased work-place flexibility developed. Global roll-out of unmind wellbeing app. Pulse surveys to monitor employees' experiences with new ways of working and generate ideas for improvements.
Impact	<ul style="list-style-type: none"> c. 80% participation in pulse surveys.
GOVERNANCE	
<p>The Group's people strategy is governed by the Managing Partners and is additionally supported by the work of the Global Balance & Inclusion Committee, which reports directly to the Group Executive Committee. The Group Head of Human Resources is a member of the Group Executive Committee and the Group Operating Committee.</p>	

2.2.1 Strategic priorities

We are proud to attract, develop and retain some of the industry's brightest minds. Our inclusive culture is fostered through the diverse perspectives and experience of all employees. Attracting and retaining the most talented people from a diverse range of backgrounds by creating an environment of equal opportunity and partnership, that empowers people to grow, develop and excel is therefore key to our strategy.

To retain talent, we invest in and support employees by offering a range of career opportunities supported through a variety of structured programmes and internal development pathways.

We are committed to safeguarding the wellbeing of our employees and promote this through a variety of programmes, training, and practical tools (please refer to section 2.2.4).

2.2.2 Diversity and inclusion

An inclusive and supportive environment where diversity and different perspectives are valued is key to enabling employees to achieve their personal and professional aspirations and to provide long-term opportunities for growth. Individually, each of the efforts described in this chapter are critical steps towards a fully inclusive workplace for all colleagues.

Our policies are designed to provide equal opportunities for everyone as the business seeks to recruit and reward based on experience and talent, ensuring the best candidate for a position is found and appropriately supported in their personal development by the business.

It is our strategy to make every effort possible to provide a working environment free from harassment, intimidation and discrimination, behaviours that are considered unacceptable⁽¹⁾. The commitment applies to all areas of employment including recruitment, the terms and conditions of employment, training, career development, promotion, transfer, redundancy, rehiring, benefits, compensation, retirement and termination. Rothschild & Co's policies and Code of Conduct aim to ensure that we will not unlawfully discriminate in employment because of age, disability, gender identity, marital status and civil partnership status, pregnancy and maternity, paternity, race, ethnicity, nationality, religion and belief and sexual orientation. Grievance policies are set by office according to local employment law.

2.2.2.1 Strategic initiatives and commitments

Co-chaired by one of the Managing Partners, the Global Balance & Inclusion Committee has increased the focus on our **diversity and inclusion strategy** over the course of 2020. Dedicated working groups have been established to provide input and direction to the business. While there is still more to do, good progress has been made in the areas of focus for diversity and inclusion in the last year:

- Firm-wide Balance & Inclusion principles to manifest our commitments and define corresponding measures of success;
- Recruiting practices that are reflective of the firm's objectives, inclusive and free of bias; and
- A robust training curriculum for all colleagues and managers to establish a common language and shared responsibility for maintaining a culture of inclusion.

In order to continually improve the effectiveness of our inclusion strategy and initiatives, we initiated a data collection campaign aimed at improved understanding of the diversity composition and nuances of our workforce by inviting employees to share self-identification data (where permitted by local law). This will allow over time to further identify opportunities to advance a balanced and inclusive representation across the firm.

To constantly reinforce the importance of an inclusive culture and raise awareness for a **leadership behaviours free from bias**, the Group introduced training aimed at helping colleagues recognise unconscious bias in its different forms. In 2020, clear expectations for managers have been developed, which will form a core part of the manager training curriculum from 2021 onwards. Performance against this requirement has been embedded in frameworks for performance ratings and promotion criteria for our senior grades.

As part of our commitment to ensuring a balanced workforce and to help increase the representation of women in senior managerial roles within the Financial Services industry, Rothschild & Co has signed the **Women in Finance Charter** in 2019, which will be implemented on a global level. In 2020, we have established aspirational goals for each business line in relation to the commitment to have women represent **30% of the Group-wide Assistant Director and above population, by 2024**. As at 31 December 2020, 24% of Assistant Directors and above globally were women.

Rothschild & Co's Private Banking and Private Equity divisions signed the **France Invest Charter** to promote gender diversity among French private equity players and the companies in which they support.

In **France**, a new **gender equality agreement** was signed in 2020. It is based on four pillars: recruitment, classification, the actual income and the balance between professional responsibility and family life. The agreement complements the gender equality index, which has increased sharply for the business in 2020 (94/100 points).

To support the retention and progression of women into senior roles the Group launched in 2020 its **Global Female Sponsorship Programme** which provides advocacy and deliberate influence to high performing, talented women at Assistant Director and Director grade with the potential to progress within the organisation. These female colleagues have been matched with senior leaders within the organisation as their sponsors. The success of the Global Female Sponsorship Programme is continuously reviewed, assessed and measured.

In late 2020 the Group launched a pilot **reverse mentoring programme** where members of the Group's Global Balance & Inclusion Committee act as the mentees, and Associates from across the firm act as the mentors. The programme will allow Associates to help inform the organisation's future direction by openly sharing their perspectives and experiences, providing input to help address the evolution of the culture across the firm, share feedback and give input into diversity & inclusion topics.

Over the last two years, there has been an increased focus on **direct sourcing for experienced hires**. Direct sourcing allows the lateral recruitment team to tailor their approach to recruitment on behalf of the business and to ensure a more diverse set of candidates is considered. In 2020, the number of direct hires in the United Kingdom increased by 39%, with 47% of the direct hires being female.

Only qualifications and skills important to a role will be a selection criterion in recruitment, promotion and in rewarding performance. An annual review process for all employees ensures there are no pay discrepancies within the Group for people performing similar roles. To safeguard transparency for all employees globally, the promotion policies are available on the Group's intranet and are implemented by divisional committees who oversee promotions on a global basis. We are mindful of a gender balanced participation at these committees as well as at the Benchmarking Committees during the performance evaluation process.

(1) The policies implemented by Rothschild & Co are in line with the main provisions of the International Labour Organisation Convention (ILO), including the elimination of all forms of discrimination in respect of employment and occupation, but also with respect to freedom of association and collective bargaining.



Leadership
behaviours free
from bias

“

I was fortunate enough to participate in the "inclusion curriculum for leaders" pilot program. This programme opened my eyes to the diversity of our world and how privileged I am. This awareness is important for our personal development but also for our management. This training is a necessity for each of us to act in a more inclusive way, to take into account the needs and difficulties of others and to be open-minded.

”

VALENTINE MARCORELLES-BERENGER

Rothschild Martin Maurel, France

2.2.3 Talent identification and development

We are committed to attracting and retaining high-potential, team-oriented and self-motivated individuals. Graduates, interns and apprentices play a crucial part in shaping the business from their very first day and throughout their career with the Group. When recruiting experienced professionals, we look for people who can add intellectual strength, offer a distinct perspective and have a genuine passion for what they do, and have the drive and determination to deliver excellence, consistently.

The disruption to the physical work environment experienced in 2020 has impacted the approaches to early careers recruitment. Whilst Rothschild & Co always relied on personal interactions to attract the best early career talent, the circumstances during the COVID-19 pandemic required us to find creative and virtual solutions to achieve our targets. For example, in July the London office hosted its first virtual Insight Programme, welcoming over 50 students to learn about Rothschild & Co and to participate in workshops, presentations, project work and networking sessions.

#10000BlackInterns

Rothschild & Co is delighted to be partnering with #10000BlackInterns, an initiative designed to attract talented black students to a career path in the British investment management industry that they may not have already considered with the aim to increase black talent within the industry. Successful applicants go through a tailored training programme before their paid internship. Rothschild & Co is excited to be offering positions on its 2021 Wealth Management and Global Advisory Summer Internship Programmes.

The initiative will help transform the horizons and prospects of young Black people in the United Kingdom by offering training and development opportunities, as well as paid work experience across several industries. Rothschild & Co is pleased to be offering internships within several of its business areas including Wealth Management, Global Advisory, Human Resources and Finance.

We take pride in our focus on nurturing and identifying talent at an early stage and run a number of initiatives globally to support balanced representation, in particular across all our early careers recruitment programmes.

Initiative	
Women in Finance events/workshops	Supporting female career development to identify talent at an early stage; allowing students to gain insights into the various aspects of an M&A deal, as well as improve their technical and presentation skills.
Bright Network	Bright Network helps companies attract a diverse range of candidates from traditionally underrepresented groups.

“Our goal should be complete equality for everybody. Every day of every year, every action, decision and deed we do should contemplate this goal to make it fair and empowering for everybody.”

JIMMY NEISSA

Head of Rothschild & Co North America

We offer structured Graduate and Internship Programmes in its Global Advisory, Wealth and Asset Management, and Merchant Banking businesses, for both students in their final year of university and those who have already graduated. The firm offered c. 350 paid internships in 2020 (c. 300 in 2019) across its offices and business areas. Internships are a great pipeline for the Graduate Programmes, as evidenced by a conversion rate of up to 88% from these programmes.

Nurturing talent and encouraging people to get the best out of their careers is a key focus of our people strategy. Once with the firm, the aim is to help employees to become the best they can be at their job.

We are committed to providing bespoke development opportunities to help employees support the firm’s goals and objectives through informal and formal training programmes, mentoring, coaching and team development. Individuals are also actively encouraged to attend development programmes that are directly relevant to their current position or career path.

The Group’s Learning & Development team offers and coordinates a wide range of training and development opportunities, enabling employees to improve their professional, technical and personal effectiveness. All training programmes have been rapidly redesigned in 2020 to ensure they can be run virtually with different digital formats and new content. The launch of a new learning module in the Group’s HR management software has been essential to the success of 500 virtually delivered programmes, allowing access to all learning curricula and training for the global employee base.

The annual **Global Graduate Training Programme** provides essential training in the financial concepts that are required for graduates to be successful in their daily work, and training for interpersonal skills as well as networking opportunities. In 2020, more than 100 graduates from 17 offices around the globe attended the programme virtually.

Through our **Global Mobility Programme** we facilitate and allow qualified strongly performing employees to move between offices as temporary or long-term assignments, enabling them to learn how business is done in other parts of the world, share information across the Group and benefit from the Group’s global network.

The annual **Promotion Programmes** for each key promotion stage provide an opportunity for newly promoted colleagues in all divisions globally to prepare for the transition into their new role. In 2020, over 260 employees have participated in the programme virtually.

Managing performance is critical to the ongoing success of our people strategy. Feedback on the individual performance is encouraged regularly throughout the year and performance is assessed formally at the end of every year to help develop an individual’s career. In 2020, 92% of Group employees benefited from a performance review (90% in 2019). The Rothschild & Co **career frameworks** reflect the Group’s guiding principles and provide all employees with a clear and consistent set of expectations across all divisions, geographies and career paths.

2.2.4 Health & Wellbeing

Supporting employees to ensure their wellbeing in life and at work is critical in today's demanding world. We are committed to safeguarding and enhancing the health and wellbeing of all our employees and provide a sound support framework including expert advice and tools.

2.2.4.1 Workplace flexibility

Through the COVID-19 pandemic we learnt a lot about its ability to work in a more agile way. The unprecedented situation has disrupted peoples' lives, both on a professional and personal level. From March 2020, many Rothschild & Co offices had to close or partially close, to comply with lockdown restrictions imposed by local governments. Within a very short timeframe, almost the entire firm adapted to work in a remote environment whilst retaining a high level of productivity to continue to serve clients' needs.

In the summer of 2020, the Balance & Inclusion Committee launched the '**Workplace of the Future**' project to review and challenge previous working practices, and design how the Group could work in the future. Initial investigations with employee focus groups centred around expectations and opportunities resulting from the changing patterns, how these changes could be reflected in the use of office space, and how this effects the need for travel, conducting meetings and use of technology to bring people together. Amongst other initiatives, the discussions led to the development of a global **Agile Working Policy** agreed by the Group Executive Committee. The policy sets out ways of working that balance the needs of clients, business and employees, and acts as a guideline in encouraging and supporting changes in working patterns whilst recognising the value the firm places on personal contacts and relationships, and the importance of spending time together to deliver the best to clients.

Additionally, a '**smart working from home**' resource was created and is available on the Group intranet to all employees globally to help adjust and continue to work in healthy, efficient and collaborative ways and to provide helpful advice from team-working tips and updates, to wellbeing information and family advice during lockdown.

2.2.4.2 Physical, mental and emotional health

Our aim is to ensure all employees are supported and well informed to manage their own health proactively through its Wellbeing strategy that is covering concerns around Family, Mental, Physical and Financial Wellbeing. To further support the internal programme, we provide employees with a range of healthcare services and benefits that aim to support their overall wellbeing.

Global offices work together to focus on the topics that are relevant and unifying around the world. In 2020, the firm ran 16 sessions on physical and mental health and wellbeing topics that will benefit all employees, but also topics that are relevant on a local level.

A regular wellbeing newsletter is circulated globally with insights on nutrition, physical and mental wellbeing.

In 2020, we rolled out **Unmind** globally, a confidential service with clinically backed and easy-to-use tools, which provides ongoing support for people to manage topics that impact their health, from improving sleep, to mindfulness and stress management.

We seek to comply with all applicable local health and safety laws and regulations to provide a **healthy and safe work environment**.

The Group Health and Safety Policy defines the Group Health and Safety conformance standard for offices worldwide, in order to further strengthen and improve Health & Safety conformance requirements across all offices. More details on the policy can be found in "[Additional Information](#)".

GOVERNANCE

Health and safety matters are governed by the Group Environment, Health and Safety Committee, formed of senior representatives and reporting directly to the Group Executive Committee. A dedicated Group Health and Safety Manager is responsible for coordinating activities at Group level. The implementation of health and safety management activities in each office rests with the locally appointed Health and Safety Champions.

2.2.4.3 In focus: supporting physical and mental health during the pandemic

Throughout the pandemic, we have taken all necessary steps to make sure employees are provided with the full support and guidance to navigate the crisis and stay healthy and safe. 95% of Group employees have been able to work from home effectively and without risk. For those teams who were required to work on-site the firm has focused on providing a safe working environment.

Home working guidance included IT support as well as ways to ensure comfort at the assortment of workstations available to employees in their homes. Instrumental to the success of our ability to work remotely was the distribution of new laptops to enable all staff to work from home across the globe. Ergonomic equipment has been provided wherever necessary to try as best as possible to replicate the workstation set up in the office. Employees who were unable to set up an adequate home working space were supported by the Group Health & Safety Manager. At the end of 2020, an online training module was made available to enable a consistent method of assessing home working environments.

2.2.5 Stakeholder engagement

Communicating achievements and plans for the future, encouraging input and participation are key to keep employees engaged and involved.

The overview below provides some examples of such campaigns:

Overview global employee engagement initiatives 2020

Focus	Initiative
Diversity & Inclusion	<ul style="list-style-type: none"> International Women's Day event in March in collaboration with LGBT Network with Dame Inge Beale. Balance & Inclusion communications week providing an update on the B&I strategy and initiatives from Employee Networks, the launch of the Global Female Sponsorship Programme; EMBrace events on racial issues, launch of new parental leave policies, reminder of importance of LGBT issues in connection with Pride, global roll-out of Unmind App. Managing Partner Townhall updates on diversity initiatives. Celebration of Black History Month. Year-end Balance and Inclusion update including launch of self-identification data collection project.
Wellbeing	<ul style="list-style-type: none"> Smart working from home resources on intranet launched immediately after the start of the pandemic. Live seminars and recorded videos. Launch of Unmind globally and Unmind Plus One. Wellbeing newsletters and articles. Managing Partner Townhall updates on agile working best practices.
Health & Safety	<ul style="list-style-type: none"> Return to work pulse surveys. COVID-19 secure office environment intranet page and resources. Return to work survey and divisional follow-ups.
Workplace of the Future	<ul style="list-style-type: none"> Focus groups with employees to understand needs and expectations for agile working best practices.

Overview of external partnerships and commitments

Organisation	Commitment
Women in Finance Charter	N.M. Rothschild & Sons Limited is a signatory since 2019.
Advance Diversity Charter	Rothschild & Co Bank AG is a signatory since 2020.
France Invest Charter	Rothschild Martin Maurel SCS and Five Arrows Managers SAS are signatories since 2020.
FTSE 100® Cross-Company Mentoring Programme	Longstanding supporter of The Mentoring Foundation, which owns and operates both the FTSE-100 Cross-Company Mentoring Executive Programme and the Next Generation Women Leaders Programme.

2.2.6 Outlook

Our key Balance & Inclusion workstreams will continue to inform our strategic direction in 2021. A focus will be placed upon embedding Inclusion Training modules and rolling-out agile working charters.

The next twelve months will see us reconsider our approach to early careers recruitment, including approaches to interviewing and assessing candidates and to expand the recruitment reach to create a better seedbed for diversity, incorporating gender, sexual orientation, ethnicity, and socioeconomic considerations. Our lateral recruiting team will continue to map hiring opportunities across businesses to identify diverse talent as part of the direct sourcing strategy.

The launch of Workday Talent will provide a more systematic way to monitor the Group's talent and share a common succession planning tool across the organisation.

We are planning a more focused global wellbeing strategy for 2021 in collaboration with all offices and will continue to utilise digital learning resources as much as possible in order to ensure that all colleagues have equal access to learning opportunities irrespective of their location.

2.2.7 Indicators over time

	2018	2019	2020
Total employees	3,633	3,559	3,587
Female Assistant Director and above	n/a	23.5%	24.1%
Total training hours ⁽¹⁾	-	24,249	34,270
New hires	606	609	508
Male	60%	59%	61%
Female	40%	41%	39%
Promotions	343	412	353
Male	73%	67%	67%
Female	27%	33%	33%
Graduates	143	148	135
Male	83%	80%	72%
Female	17%	20%	28%

(1) Centrally recorded face to face training and e-learning. 2019 training data covers France and the UK (77% of headcount), 2020 data covers 100% of headcount.



A- rating
in CDP climate
change disclosure
process

62% reduction
in GHG emissions
per FTE

85% of
electricity from
renewable
sources

“

We are committed to conserving and restoring our natural resources and promoting sustainable development.

”

CHRISTOPHER COLEMAN

Chairman Global Environment, Health & Safety Committee

2.3 Responsibility for the environment



We are committed to contributing to a more environmentally sustainable economy and optimising our environmental impact. Climate change poses risks to our stakeholders and businesses. Considerate of these climate related risks on our operations, we have implemented actions to monitor operational legal and regulatory requirements for all our offices. In line with a heightened awareness of the risk of biodiversity loss, we seek to continuously improve our operational environmental management processes, aimed at minimising environmental impact resulting from resource use.

Environmental management – overview strategy & achievements

Championing responsible consumption and resource use	
Progress 2020	<ul style="list-style-type: none"> Responsible Material Use Standard implemented by all offices.
Impact	<ul style="list-style-type: none"> 100% of the paper procured by Rothschild & Co offices is from sustainable sources.
Responsibly managing greenhouse gas emissions and proactively reducing our operational impact	
Progress 2020	<ul style="list-style-type: none"> Expansion of renewable electricity procurement programme to more offices. Strategic partnership with Cool Earth supports projects aimed at helping to stop deforestation.
Impact	<ul style="list-style-type: none"> 85% of reported office electricity procurement is from renewables (56% in 2019). 62% reduction in GHG emissions per FTE from 2019, primarily driven by reduction of travel related emissions. Total Scope 1 and 2 GHG emissions decreased by 36% or 963 tonnes from 2019. Compensation of unavoidable operational GHG emission.

GOVERNANCE

The strategic priorities and initiatives guiding the Group's environmental management practices are part of the Group's Corporate Responsibility strategy driven by the Group Executive Committee. The implementation of the Group's Environmental Management strategy is governed by the Group Environment, Health and Safety Committee, a Group committee that meets quarterly and reports directly to the Group Executive Committee.

PUBLIC POLICIES

[Group Environment Statement](#)

2.3.1 Strategic priorities

Climate change poses risks to our stakeholders and businesses. Physical risks, such as those resulting from extreme weather events, can disrupt business activities and impact livelihoods. Transition risks, from an operational perspective, mainly affect the Group in the form of government policy and legal requirements, as well as reputational considerations. Considerate of these climate related risks on its operations, we have implemented actions to monitor operational legal and regulatory requirements for all our offices.

In line with a heightened awareness of the risk of biodiversity loss, we seek to continuously improve our operational environmental management processes, aimed at minimising environmental impact resulting from resource use, such as paper and other consumables.

Our operational environmental strategy focuses on managing and minimising the aforementioned non-financial risks through our operations for our business and stakeholders. In addition, Rothschild & Co's policies are aimed to managing climate related financial risks and consider the environmental impact of its investments as part of the Group's responsible investment strategy (see Section 3.1.5 in this report on climate risk disclosure).

Specifically, our operational environmental management strategy is aimed at, and helps support, the following Sustainable Development Goals:

- Limiting GHG emissions (SDG 13 – Climate action; SDG 7 – Affordable clean energy).
- Making conscious, sustainable resource choices, maximising recycling and promoting circular economic practices (SDG 12 – Responsible consumption and production; SDG 15 – Life on land).

We monitor relevant global environmental legislation to ensure any change can be acted upon.

In an additional effort to minimise risk and promote transparency, the Group annually submits a report to the CDP climate change disclosure process. For the 2020 reporting period, the Group received an "A-" rating ('Leadership' category).

Our operational environmental footprint has been significantly influenced by the COVID-19 effect on global business activity, most notably with regards to GHG emissions relating to travel. However, this is not uniform across all offices. Local and national government approaches aimed at minimising the COVID-19 impact have led to, for example, significant reductions in office energy use in Brussels, Johannesburg, Madrid and Milan, all reporting a decrease in energy consumption of more than 40%, whereas in Dubai and Sydney energy use has remained relatively stable. Other factors, such as the size and occupancy percentage of leased buildings where energy is recorded as a percentage use based on occupancy was a factor.

NOTE: for information regarding the approach to financial climate risk management and related opportunities in the Group's investment businesses, please refer to section 3.1.5. The section describes the Group's progress in incorporating the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

2.3.2 Greenhouse gas emissions and climate change

2020 progress against targets (against a 2018 baseline):

Target	Progress
Reduce GHG emission per FTE by 10% by 2025	GHG emissions are 3.06 tCO ₂ e per FTE, a 64% decrease from the baseline, exceeding the 10% target. The Group recognises this decrease was largely attributable to COVID-related business travel restrictions.
Procure 100% renewable electricity for our offices by 2025	85% of the Group's electricity is from renewables, up from 56% in 2019.
Carbon-neutral operations	Compensation made for unavoidable GHG operational emissions in 2020.

Our GHG emissions reduction strategy is multi-faceted:

- Measure and report all operational GHG emissions; Scope 1, 2 and 3
- Set an internal carbon price (ICP) on operational emissions generated per office for all Scopes.
- Encourage reduced business travel.
- Conduct office energy assessments to identify and implement energy saving opportunities and procure low energy equipment to reduce consumption.
- Procure renewable electricity for all offices, and where applicable, biogas.
- Compensate for unavoidable operational GHG emissions.

Our reported operational GHG emissions for 2020 have been impacted by reduced emissions from limited business travel and reduced office occupancy as a result of COVID-19 related restrictions. In 2020, we expanded our reporting scope to include for the first-time emissions from remote working, representing about 12% of total emissions and server use GHG emissions. The Group has separately begun recording employee commuting emissions, which for 2020 are calculated as 614 tCO₂e.

As a result of the accelerated roll out of IT equipment across the Group and server use GHG emissions from third party servers or servers not within Rothschild & Co's control, market-based emissions from IT sources increased to 1,078 tCO₂e, up from 595 tCO₂e in 2019.

In line with our ambition to be carbon neutral, all remaining and unavoidable operational GHG emissions are compensated for.

Whilst this business environment has contributed to meeting the Group's GHG reduction targets per FTE four years earlier than targeted, we expect a rebound caused by uptake in travel routines and use of office space once pandemic restrictions are lifted. Initiatives aimed at limiting this rebound effect will seek to capitalise on some of the behavioural changes (resulting from the changes to working patterns in 2020, e.g. increased use of video conferencing).

To minimise business travel and reduce GHG emissions, we have ensured that employees have access to video conferencing (VC) facilities by installing dedicated VC units in the offices. The number of dedicated VC units increased by 21% from 70 to 85 units.

We strengthened our remote working capacity by ensuring employees had the necessary equipment to work in locations away from the office. This included the accelerated roll out of more than 1,600 laptops and 2,700 displays screens, as well as collaborative software to enable remote video conferencing.

Recognising that operational improvements are only one way to contribute to action against climate change, we have in 2020 expanded our **environmental partnership with Cool Earth**. This partnership supports the Ashaninka and Awajún regions of the Peruvian Amazon fighting the negative climate impact of deforestation of tropical rainforest.



Environmental
partnership with
Cool Earth

“

Rothschild & Co partners with Cool Earth on an innovative project to strengthen resilience against external pressures and promote self-determination and self-sufficiency for communities in Peru. Supporting the Asháninka and Awajún communities is one of the ways to conserve and protect delicately balanced rainforest ecosystems in this region. These communities are suffering from lack of access to nutrition and basic healthcare, which leaves them faced with the need to sacrifice the forest to logging in order to gain income and to help prevent disease and malnutrition. Our support provides an alternative for communities to sustain and improve their livelihoods, meaning they are no longer reliant on payments from loggers for survival and can protect against forest degradation.

”

GREG RITT

Group Environment Manager

2.3.3 Responsible consumption and engagement

2020 progress against targets (against a 2018 baseline):

Target	Progress
100% paper from sustainable sources in 2020	Achieved in 2020 through implementation of Responsible Material Use Standard. Offices are using remaining stock and are committed to procuring sustainable paper for all future orders.
Reduce paper use by 25% per FTE by 2025	Total paper use per FTE has decreased by 56% from the baseline year, exceeding the -25% target. The Group recognises this decrease was significantly affected by reduced office occupancy related to COVID-19.
Reduce energy consumption in offices by 10% per FTE by 2025	Office energy consumption per FTE decreased by 9.8% from the baseline year and 18% from 2019. The Group recognises this decrease was significantly affected by reduced office occupancy related to COVID-19.

Responsible management of **materials use** is embedded in our working practices. In 2020 a group-wide Responsible Material Use Standard was implemented in order to further reduce consumables and track their use. As a result, by the end of 2020 all new orders of printing paper by offices were for paper from sustainable sources⁽¹⁾.

Over the years we have identified and acted to implement **energy efficiency** opportunities across its offices. Energy audits, conducted by third party assessors, have helped with the swift implementation of energy savings. For example, the London office energy audit has identified opportunities for major energy savings by upgrading existing lighting to LED lighting. This work will conclude in 2021.

2.3.4 Resource management

2020 progress against targets (against a 2018 baseline):

Target	Progress
Achieve a group-wide recycling rate of 80% by 2025	39% of material disposed was recycled.
Zero waste to landfill by 2030	77% reduction of material sent to landfill from baseline (45% reduction from 2019).

The COVID-19 environment had a significant impact on global recycling rates. Total **material disposed** in 2020 decreased by 44%. Contributing factors to this trend for the Group include the significant decrease in recyclable material waste produced in some of the larger offices as more people worked remotely. For example, the recycling of high volume/heavy items (*predominately paper, glass and compostable material*) fell to zero in London during the six months between April and November. Recycling waste of the London office decreased by 69% from 2019.

We continued the expansion of its programme to eliminate **Unnecessary Single-Use Plastic (USUP)** in 2020. By the end of 2020, 27 offices were USUP free, an increase of 35% from 20 offices in 2019.

2.3.5 Stakeholder engagement

In the remote working environment of 2020, we took the opportunity to help increase employee information and education on environmental practices with dedicated engagement campaigns.

Overview employee engagement initiatives 2020

Focus	Highlights
Climate change and climate action awareness	Climate Action Weeks, launched by Alexandre de Rothschild, aimed at educating and making employees more aware of climate change risks, why it matters to the Group and how all divisions, teams and individuals can contribute to reducing the impact of climate change.
Understanding the Group's environmental footprint	Awareness campaign around the key driver of the Group's environmental footprint. Rating results of the Group's CDP climate reporting (A-).
Influencing employee behaviour to limit the Group's environmental impact	Appeal to employees to reconsider printing habits. Encouraging employees to utilise technology for collaboration and interaction. Information on how to avoid unnecessary single-use plastic.

The group operates a dedicated intranet page and email inbox, where employees can provide feedback, suggestions, concerns and general information including reporting environmental incidents and accidents.

Selected **client publications** from Wealth and Asset Management businesses were aimed at contributing to a better client understanding of the growing awareness of environmentalism and related corporate action.

2.3.6 Outlook

The global pandemic has had a positive environmental influence on our operational carbon impact in 2020 by significantly reducing it and accelerating the acceptance of new ways of working. The business now has the opportunity to limit the rebound and embed newly established routines once business activity starts to normalise.

We are conscious that actions taken throughout 2021 and over the next decade will have a lasting impact on the future of our planet. Planned actions regarding GHG emission reduction and an ongoing review of the Group's climate ambition and environmental targets, are aimed to help align the strategy more consistently with the Paris climate agreement.

(1) Rothschild & Co defines sustainable paper source as one, or a combination, of the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or made from 100% recycled material.

2.3.7 Indicators over time

	2018	2019	2020	Change from 2019 (%)
Total GHG emissions (tCO ₂ e) ⁽¹⁾	29,711.2	27,613.3	10,753.6	-61%
GHG emissions Scope 1 + 2 (tCO ₂ e)	3,494.9	2,677.8	1,715.3	-36%
GHG emissions Scope 3 (tCO ₂ e)	26,216.2	24,935.5	9,038.3	-64%
GHG emissions / FTE (All Scopes) (tCO ₂ e)	8.47	7.96	3.06	-62%
Total energy consumption (MWh) ⁽²⁾	24,011	26,217	21,701	-17%
Total energy consumption / FTE (MWh) ⁽³⁾	6.85	7.56	6.18	-18%
Total electricity consumption (MWh) <i>non-extrapolated</i>	16,234	17,694	13,902	-21%
<i>Thereof renewable electricity consumption (MWh) non-extrapolated</i>	8,729 (54%)	9,934 (56%)	11,836 (85%)	19%
Total natural gas consumption (MWh) <i>non-extrapolated</i>	3,397	710	672	-5%
Total biogas consumption (MWh) <i>non-extrapolated</i>	1,299	4,274	4,041	-5%
USUP free offices	0	20	27	35%
Sustainable paper procurement	30%	67%	100%	33%
Paper use / FTE (tonnes)	0.07	0.06	0.03	-50%
Total materials disposed (tonnes)	663	605	339	-44%

(1) All GHG emissions in the table are presented as market-based emissions in tonnes of carbon dioxide equivalent (tCO₂e).

(2) Total energy consumption is from premises use, it does not include MWh from company owned cars and vans.

(3) Total energy consumption per FTE is calculated on premises use, it does not include MWh from company owned cars and vans.



Directly
contributed to
the work of
138 charities
in **16** countries

66 partner
organisations
working to support
disadvantaged
young people

138 charities
supported through
pro-bono advisory
webinars

“

“Investing in our communities is at the heart of our culture at Rothschild & Co. We have a global Community Investment mission: to make a meaningful difference to disadvantaged young people.”

”

RAVI GUPTA

Chair of the Global Community Investment Committee

2.4 Responsibility for local communities



We have a long heritage in recognising that our position in society carries with it a special responsibility towards the communities we are part of.

Community Investment – overview strategy & achievements

Financial support to charities, social enterprises and individuals to help overcome barriers associated with a disadvantaged start in life

- | | |
|----------------------|---|
| Progress 2020 | <ul style="list-style-type: none"> Increased focus on fundraising and employee matched giving to support those in need throughout the pandemic. |
| Impact | <ul style="list-style-type: none"> 478 employees contributed to the COVID-19 matched-giving campaign supporting 138 charitable causes. More than 12,000 young people directly supported by corporate donations. 34% of employees globally engaged with Community Investment in 2020, by volunteering or giving, or both. |

Professional expertise for the social sector helping to drive change for young people

- | | |
|----------------------|---|
| Progress 2020 | <ul style="list-style-type: none"> Pro-bono Advisory mandates to charities and social enterprises. |
| Impact | <ul style="list-style-type: none"> 75% increase in the number of live Pro-Bono Advisory mandates vs. 2019. |

Skills-based volunteering to help young people succeed in life

- | | |
|----------------------|--|
| Progress 2020 | <ul style="list-style-type: none"> Continued to offer mentoring and tutoring support to young people during the pandemic. Ad-hoc support to local communities during pandemic. |
| Impact | <ul style="list-style-type: none"> c.1,000 young people supported directly by volunteers through Skills for Life Programme. Employees volunteering across Skills for Life and Pro-bono Advisory Programmes averaged 33 hours of volunteering each. |

GOVERNANCE

Community Investment initiatives are driven by local offices, and governed by the Global Community Investment Committee, which reports directly to the Group Executive Committee.

2.4.1 Strategic priorities

A focus has been given to helping overcome barriers to success in life for young people. That is why, for the last few years, the Group's Community Investment mission across all offices and businesses has been to make a meaningful difference to children and young people whose opportunities in life are restricted through disadvantage.

The Group pursues this Community Investment mission via three priority engagement activities:

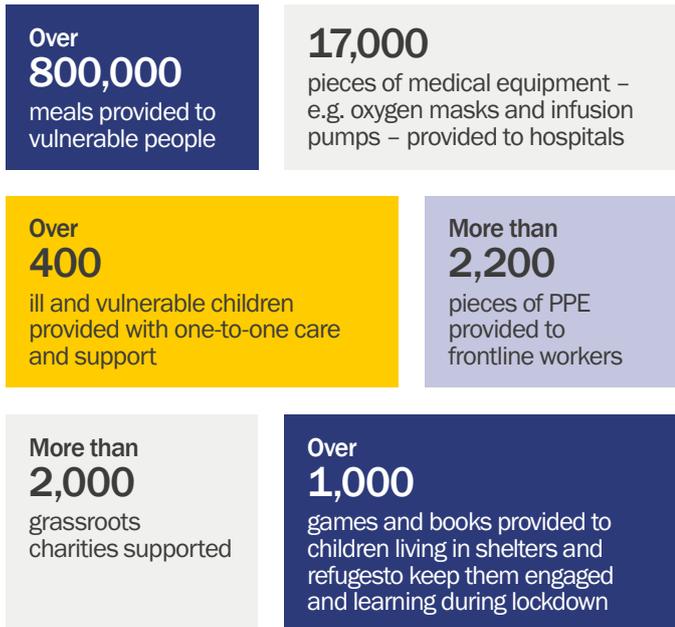
- Providing financial support to charities and social enterprises, as well as to individuals.
- Offering professional expertise to charities and social enterprises, helping them to drive change for young people.
- Encouraging employees to volunteer, using their skills to help young people to succeed in life.

2.4.2 Supporting local communities during the COVID-19 crisis

Times of crisis highlight more than ever the responsibility for businesses to support local communities in need.

In the extraordinary circumstances of 2020, we took the decision to extend Community Investment support beyond the scope of the Community Investment mission in order to facilitate a rapid response to the crisis. Local Community Investment Committees identified a range of causes where the Group's support could make a meaningful difference and launched a targeted COVID-19 matched-giving campaign.

This global campaign mobilised employees to donate with company matching to charities and medical establishments operating on the frontline of the health crisis, as well as those working to mitigate many of the issues affecting vulnerable people during lock-down: from food poverty to mental health and supporting the needs of at-risk children. This campaign successfully engaged the Group's global workforce, with North American colleagues demonstrating particularly strong engagement.



Overall, through a combination of employee and company contributions, we directly contributed to the work of 138 charities in 16 countries.

Local responses to COVID-19

In addition to the global campaign, a range of offices initiated local responses. For example:

- Senior colleagues from Rothschild & Co South African played a central role in forming and providing support to [Business for South Africa \(BSA\)](#); an organisation convened to mobilise private sector resources in a coordinated approach to South Africa's pandemic response. The team also provided support to the Solidarity Fund, which was set up as a platform for the general public, civil society and the public and private sectors to contribute to a consolidated effort in response to the COVID-19 crisis.
- Rothschild & Co's office in Brussels organised a collection of essential items in partnership with [BXL Refugees](#) to donate to refugees put up in a local hotel. The 80 refugees, who had been sleeping in a local park where they were particularly vulnerable to COVID-19, were in desperate need of clothes, toiletries, and shelter.

2.4.3 Continuation of the Group's Corporate Giving Programme

Alongside responses to help mitigate the impact of the COVID-19 crisis, we continued to provide financial support to 66 partner organisations working to support disadvantaged young people; this included supporting students from disadvantaged backgrounds to enter higher education by offering scholarships and bursaries in the UK, South Africa, Brazil and Italy to help ease the financial burden associated with studying at university or college.

Helping educational establishments develop essential infrastructure

Rothschild & Co India supported projects to develop the infrastructure of two schools catering to 1,253 underprivileged children. One, based near Mumbai, involved works to repair the classrooms and playground, the installation of a water storage tank and drainage system and the construction of a new kitchen shed and toilet blocks. A second school benefitted from new doors and windows for its classrooms, as well as work to decorate and refurbish the school hall and construct new toilet blocks.

Sport dans La Ville partnership in France

[Sport dans la Ville](#) uses sport to promote the integration of young people from disadvantaged neighbourhoods. This year colleagues from Lyon and Marseille sponsored and mentored young people in the "Job dans la Ville" programme helping them to understand the impact of choices they make now in their later lives. Rothschild & Co in France also participated in the "[Entrepreneur dans la Ville](#)" programme, an incubator that helps entrepreneurs between the ages of 25 and 35 to develop their own businesses.



Raising funds for
COVID-19 causes
whilst promoting
employee wellbeing

“

In the summer the Group ran a fitness and fundraising challenge aimed at helping our colleagues to stay fit, well and connected and raise much-needed funds for charities. More than 800 of our employees from 15 countries joined forces to compete in the challenge. Team members took part in more than 20,000 hours of physical activity and worked together to raise funds for 83 charities worldwide that were suffering from the consequences of the pandemic disruption, and the vulnerable people that they support. These funds were matched through the company matching scheme to further contribute to the amount raised. It was inspiring to see colleagues from around the globe coming together to make a meaningful difference to our communities.

”

CAROLINE PYKE

Global Community Investment Manager

2.4.4 Volunteering skills and expertise

Skills-based volunteering during the pandemic

The delivery of Rothschild & Co's usual [Skills-for-Life](#) Programmes was impacted by limited ability to offer in-person support to disadvantaged students during national lock-downs. In the UK the team decided to raise funds to equip 60 students with laptops to ensure they were able to access the benefits of home learning during lockdown, and volunteers have continued to tutor disadvantaged young people in partnership with [The Access Project](#) and [Innovations for Learning](#), a web-based reading programme. This support has been even more important than usual during a time in which many young people have missed out on large periods of learning at school.

In other offices, colleagues continued to mentor young people and help them to plan their futures and understand what is required of them to succeed professionally. For example, in France the team worked in partnership with [Simplon](#) and [Sport dans la Ville](#) to mentor students; in North America, colleagues continued to mentor young people in partnership with [Madison Square Boys and Girls Club](#); and in Italy, they offered further support to recipients of their bursary scheme by mentoring the beneficiaries. In the UK, we are partnering with The Fore, an institution that helps connect our expertise with eligible organisations.

Pro-bono Advisory: professional expertise supporting social organisations

At the heart of our Community Investment programme is its [Pro-bono Advisory](#) initiative, which aims to increase organisational resilience and support entrepreneurship in the social sector, leading to sustained and scaled social impact for individuals and communities. We offer support to NGOs, charities and social enterprises over the long-term to increase their effectiveness, reach and revenues, and to reduce costs. Projects typically focus on one or more of:

- Financial modelling to provide financial clarity.
- Navigating the process of mergers, de-mergers or re-structuring.
- Support in preparing marketing materials to maximise impact and reach.

While charities across the board experienced a significant shortfall in income due to a fall in donations and fundraising activities this year, demand on their services was greatly increased.

Identifying growth opportunities in the micro-giving space

[Pennies](#), a leading UK fintech charity, partners with retailers to raise micro-donations by rounding up to the nearest pound a customer's purchase and donating this to the retailer's chosen charity.

The charity sought advice around the growth potential of entering the UK salary micro-giving market and expanding their international presence. The project team analysed these opportunities and provided recommendations in a comprehensive discussion paper that identified 14 potential alternative markets for micro-giving, with six having high potential for significant growth. Undertaking this work also freed the leadership team to focus on the implications of the Coronavirus pandemic.

“It was a pleasure to help the Pennies team to think through new ways to build on the incredible success they have achieved to date. We see them as true pioneers in the fintech charity space and we look forward to continuing to work with them going forward.”

TOBY ROSS

Project team lead and Rothschild & Co Director in Global Advisory

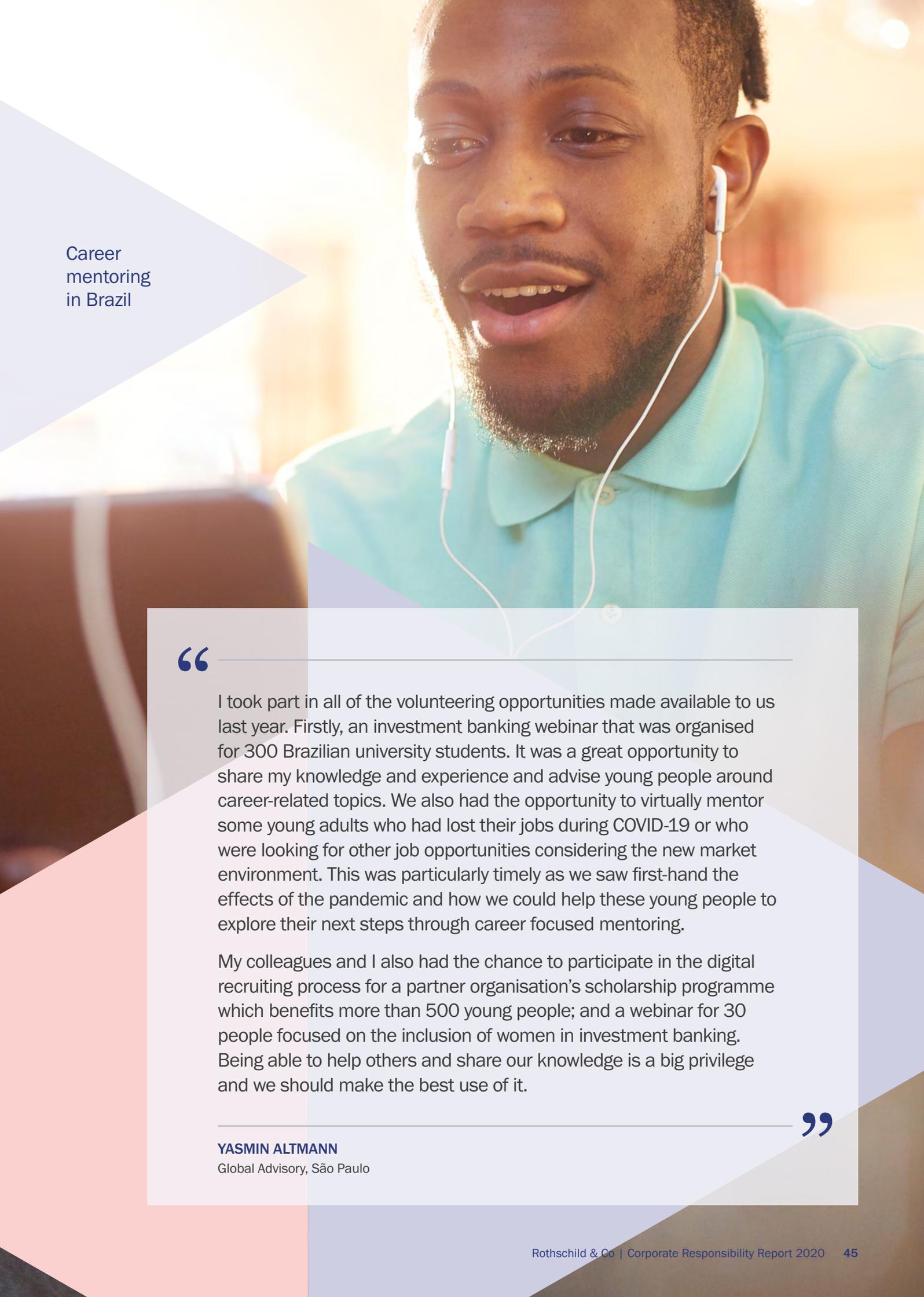
Advising charities on restructuring and consolidation

A dedicated pro-bono project team advised [Teenage Cancer Trust](#), the charity providing nursing and care to young people diagnosed with cancer, and developed a report on the financial strengths and weaknesses (and comparative scale) of nearly 50 UK charities in the Children & Young People sector. This report directed the charity's thinking around opportunities for improved alignment of their strategic objectives and operational model, and in the future will inform any decisions on partnerships, collaboration or consolidation.

“As a result of Rothschild & Co's support we are better placed to strategically and operationally align with key organisations working to offer care to the young people we support through and beyond cancer – improving the experience of young people with cancer and minimizing the risk of duplication of offer.”

KATE COLLINS

CEO Teenage Cancer Trust



Career mentoring in Brazil

“

I took part in all of the volunteering opportunities made available to us last year. Firstly, an investment banking webinar that was organised for 300 Brazilian university students. It was a great opportunity to share my knowledge and experience and advise young people around career-related topics. We also had the opportunity to virtually mentor some young adults who had lost their jobs during COVID-19 or who were looking for other job opportunities considering the new market environment. This was particularly timely as we saw first-hand the effects of the pandemic and how we could help these young people to explore their next steps through career focused mentoring.

My colleagues and I also had the chance to participate in the digital recruiting process for a partner organisation's scholarship programme which benefits more than 500 young people; and a webinar for 30 people focused on the inclusion of women in investment banking. Being able to help others and share our knowledge is a big privilege and we should make the best use of it.

”

YASMIN ALTMANN

Global Advisory, São Paulo

In 2020, we have additionally been able to support 138 charities through pro-bono advisory webinars, including one focusing on the HR challenges posed by COVID-19 and another on the future of the UK retail landscape for those charities with a significant high street presence. Additionally, more than 20 senior bankers attended virtual funding panels during the year to help assess funding applications from start-up charities and social enterprises.

“Rothschild & Co’s **pro bono programme** was in great demand this year, with many organisations needing our expertise to solve pressing issues caused by the pandemic. In response, we significantly increased the number of pro bono mandates and included colleagues from Wealth Management, Merchant Banking and internal services such as HR to expand our offering. While the size and complexity of mandates increased, particularly with a number of large scale merger advisory projects, we also delivered high volume advisory webinars to address urgent sector needs. This support not only allowed a number of charities to increase scale and efficiency, but also ensured organisations continued operating during a time of extraordinary pressure on their services”

CHRISTIAN SAVIDES

Sponsor of the Pro-Bono Programme
Chair of the UK Community Investment committee

2.4.5 Outlook

Our strategy for engaging with the social sector in 2021 will take account of the learnings and changing environment in 2020.

Whilst in 2020 we experienced a high degree of employee engagement for a broader range of causes with **34% of employees engaging** in either employee giving or volunteering support (or both) organised at local level, the year has also highlighted the opportunity to help address some of the most pressing societal as well as environmental challenges in collaboration with the social sector.

At the time of publication of this report we are reorganising our philanthropic and volunteering initiatives to ensure their alignment with the Group’s Corporate Responsibility strategy, supporting social enterprises and charities that work to fight against social and economic inequalities and help protect the planet for future generations. The revised approach will allow us to draw on the full extent of the group-wide business expertise and the enthusiasm of our people, and seeks to improve the lives of the next generation by supporting initiatives aimed at:

- addressing barriers to equality such as income, race and gender;
- protecting the planet by helping to mitigate the risks of climate change and biodiversity loss.



Dedicated structure for philanthropy

“

With **R&Co4Generations**, a dedicated structure for philanthropy, we aim to support social enterprises and charities that work to address the effects of social and economic inequalities and of climate change.

Our primary goal will be to equip the next generations in their drive for social and environmental change and we will focus our efforts on developing their skills and talents and cultivating entrepreneurial mindsets.

We will promote innovation and support high impact initiatives at local and global levels. Through a more focused and long-term approach, we want to combine various supporting mechanisms, including financial innovative tools, impact investing, and pro-bono advisory, to optimise the use of our resources and maximize our impact.

”

CLAIRE KRAMME

Director, R&Co4Generations





3. Business Impact

3.1 Responsible Investment

3.2 Other business ESG integration opportunities



All investment
business lines are
signatories to the
UN PRI

“

Responsible Investment can act as the catalyst for funding innovation and support the transitioning towards a low carbon economy.

”

FRANCOIS PÉROL

Managing Partner of Rothschild & Co Gestion
Chairman of the Responsible Investment Committee

Group-wide
ESG investment
framework

3.1 Responsible Investment

Rothschild & Co considers responsible investing as an opportunity to play an active role in the successful transformation of industries towards a more sustainable future.

Responsible Investment – overview strategy and achievements

ESG investment framework for the Group	
Progress 2020	<ul style="list-style-type: none"> Group-wide investment exclusion policy agreed, including implementation of investment principles for thermal coal. ESG integration: common ESG data provider across WAM entities. TCFD reporting & SFDR project.
Impact	<ul style="list-style-type: none"> 100% UNPRI signatory. A is the average UN PRI Governance & Strategy score across Merchant Banking, Asset Management Europe and Wealth Management UK.
Strengthening of stewardship activities as active and engaged investors	
Progress 2020	<ul style="list-style-type: none"> Voting and engagement policies updated by Asset Management Europe and Wealth Management UK. Merchant Banking joins the Global Impact Investing Network.
Impact	<ul style="list-style-type: none"> 96% of voting coverage for AM Europe (priority scope) and 100% of voting coverage for WM UK.
Development of responsible investment solutions for clients	
Progress 2020	<ul style="list-style-type: none"> Expansion of Asset Management 4Change funds range. Development of Exbury Fund.
Impact	<ul style="list-style-type: none"> 4 funds obtained an SRI certification. The Exbury strategy saw circa 12x growth in assets in 2020.

GOVERNANCE

The Responsible Investment Committee is chaired by one of the Managing Partners and Co-Chairman of the Group Executive Committee, which considers Responsible Investment priorities as part of its responsibility to develop the Group's Corporate Responsibility strategy and ensures accountability for the creation of policy and implementation across its businesses. In the same spirit as for the Responsible Investment Committee, the Group Responsible Investment team reports to the Co-Chairman of the Group Executive Committee.

PUBLIC POLICIES

[Controversial weapons policy](#)

[Fundamental principles policy](#)

[Investment principles for the thermal coal sector](#)

3.1.1 Strategic priorities

Corporate Responsibility is evolving and businesses are increasingly called upon to act by clients, regulators, employees and investors. The financial services industry is adapting in turn to the rising awareness of ESG issues through developing its offering and expertise across this fast-growing area of finance.

Responsible Investment is an important pillar of our Corporate Responsibility strategy and – in today’s business environment – fundamental in terms of the impact it can have on long-term business success.

In practice, investing responsibly at Rothschild & Co requires managing both financial and non-financial risks associated with the companies invested in and identifying related opportunities which preserve and create value for the Group’s clients and stakeholders.

Our Responsible Investment strategy takes account of these risks and is centred around three strategic objectives which have been developed by the Responsible Investment Committee, the Group Executive Committee and approved by the Managing Partner. These objectives are aimed at **establishing, strengthening and developing** responsible investment activities across the Group over the next years (see overview below):

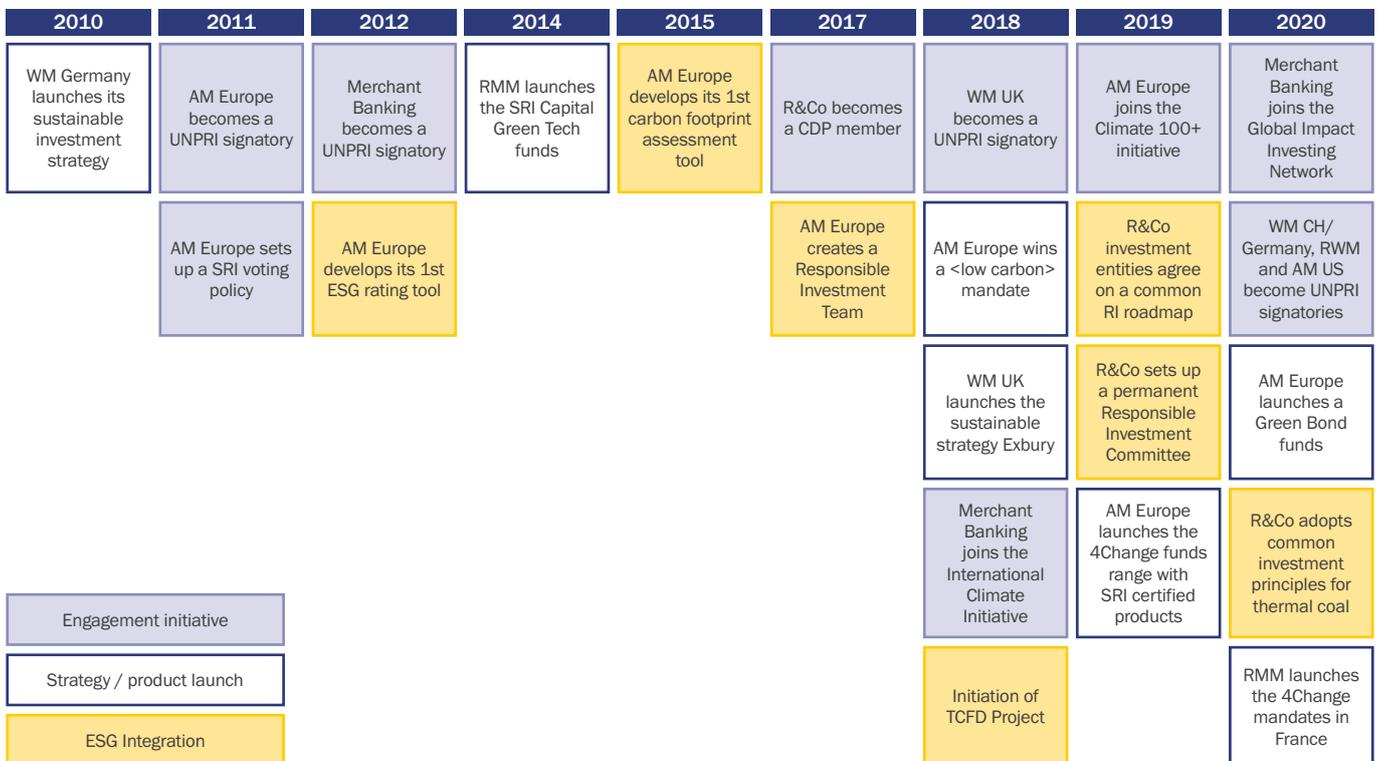
2022 Strategic Objectives

1. Establishing a coherent ESG investment framework for the Group, including:
 - Group-wide exclusion policy;
 - common ESG rating reference and data provider; and a
 - minimum set of ESG/impact data for transparent and consistent monitoring.
2. Strengthening of Rothschild & Co’s stewardship activities as active and engaged investors:
 - enhance Rothschild & Co’s involvement in relevant multi-stakeholder initiatives;
 - strengthen Rothschild & Co’s engagement policy;
 - promote and support sustainable investment practices; and
 - establish knowledge leadership through regular publications and conferences.
3. Developing responsible investment solutions for clients:
 - support the business lines in the development of investment solutions for their clients.

In addition to these group-wide objectives, business lines have developed responsible investment organisations and solutions reflecting the needs of the markets and clients they serve, in line with their investment philosophies.

The success of this model has given rise to a rapid growth in responsible investing at Rothschild & Co in recent years, as illustrated below.

Responsible Investment at Rothschild & Co over time



As of 2020, all investment business lines are signatories to the [UNPRI](#).

As signatories, the businesses commit to uphold the six key principles of the PRI. As well as committing to integrate ESG factors in their investment processes, an important part of the PRI is the ongoing reporting requirements which provide an opportunity for our business lines to evaluate their progress against its industry peers. In 2020, we have seen improvement across business lines which already reported under the PRI in 2019, as can be seen below.

UN PRI scores across business lines

Governance & Strategy Score	2019 UN PRI Score	2020 UN PRI Score
Wealth Management UK	A	A
Merchant Banking	B	A
Asset Management Europe	A	A+
Wealth Management Switzerland & Germany	n/a	new signatory
Rothschild Martin Maurel	n/a	new signatory
Asset Management US	n/a	new signatory

The Group's Responsible Investment Committee draws on management and subject-matter experts from its investment businesses and is supported by a Group Responsible Investment team to ensure effective coordination across business lines. The Group Responsible Investment team works with a network of Responsible Investment champions in the Group's investment business lines on a daily basis.

The Group has set up a dedicated working group comprising of senior members from business lines and Group support functions in order to:

- coordinate Rothschild & Co's activities regarding the recommendations on climate risk integration and disclosure by the Task Force of Climate-related Financial Disclosure (TCFD); and
- ensure consistency in the understanding and implementation of the SFDR requirements as part of the European Action Plan on Sustainable Finance.

3.1.2 Group-wide ESG-investment framework

At the time of publication of this report, we have agreed on a **common exclusion policy framework** in accordance with its 2022 Strategic Objectives, focusing on three key areas:

1. Exclusion of investing in companies that design and produce *cluster munitions and/or land mines* in accordance with the Oslo Treaty (2008) and the Ottawa Convention (1997).
2. Exclusion of investing in companies which to the Group's knowledge may breach **fundamental principles due to gross corporate misconduct** such as severe infringements of human rights, substantial environmental damage or those linked with corruption and bribery activities. We do not take exclusion decisions lightly and will engage with companies as a first step in most instances (also **see Section 3.1.3**). In taking the decision to exclude a company on the basis of conduct, Rothschild & Co is guided by industry-wide recognised standards.
3. Exclusion of investing in companies involved directly in thermal coal production as well as exploration, mining & processing and power generation using thermal coal. Our Wealth & Asset Management and Merchant Banking business-lines have published [investment principles for the thermal coal sector](#) in line with the international coal phase-out schedule which sets a 2030 deadline for Europe and the OECD, and a 2040 deadline for the rest of the world. For more information on these principles, see the following info box.

As part of the roadmap to achieving the 2022 strategic objectives, Wealth & Asset Management business lines have access to the same **research tools, training and 3rd party data provider**, in order to ensure consistency when it comes to the integration of ESG factors across investment teams.

Thermal Coal Investment Principles – An Overview

Rothschild & Co will not invest in or lend to:

- companies involved in projects for new thermal coal mines or thermal coal fired power plants;
- companies with:
 - more than 30% of revenues generated through activities related to thermal coal;
 - more than 30% of the energy mix (per MWh produced) derived from coal;
- companies whose:
 - annual thermal coal production exceeds 20 MT per year;
 - installed coal capacities of greater than 10 GW.

Supporting companies engaged in a coal exit strategy

Where companies are not involved in developing new thermal coal capacity but have direct exposure to thermal coal in excess of the thresholds defined in Rothschild & Co's exclusion policy, the business will:

- engage with companies to discuss their coal exposure;
- continue to support companies implementing a thermal coal exit strategy on a case-by-case basis;
- not invest nor lend or cease to invest in or lend to companies which, following engagement, do not implement a thermal coal exit strategy.

Where Rothschild & Co does not invest in individual companies but rather in third-party funds or funds of funds the implementation of these principles is more complex. Rothschild & Co will:

- integrate the analysis of the coal investment guidelines implemented by third party fund managers into the fund selection process;
- specifically review all allocations to third-party funds where the manager of those funds has not established a thermal coal strategy.

In keeping with their respective PRI obligations, business lines have made important progress in integrating ESG factors in their investment analysis and decision-making processes. By doing so, businesses can take integration of ESG factors to different levels across the spectrum of capital, to meet the different investment needs of institutional and private clients. Key ESG integration metrics used by our business lines include ESG ratings provided by third parties, ESG indicators provided by companies and reliable open source data.

These help investment teams to assess a security or portfolio's:

- overall ESG profile;
- ESG risk and opportunity exposure; and
- any quantifiable impact.

Examples of how this data is being used in ESG integration processes are explored in further detail below:

An industry approach

Specific business lines such as Asset Management Europe and Wealth Management Switzerland take an industry vs. absolute approach to analysing companies' average ESG positioning – this “best-in-class” rating approach avoids investment bias, takes into account a comparison on comparable metrics and allows investment teams to identify active engagement opportunities, where dialogue rather than disinvestment may help to bring companies towards the goal of a contributing to a more sustainable future.

Carbon risk exposure

Companies with a large carbon footprint are increasingly affected by carbon mitigation and adaptation policies and pressured by activist organisations and financial markets. At Rothschild & Co, many investment teams look closely at companies' carbon risk exposure to understand:

- the carbon footprint of the operations, inputs and products of a company;
- whether the company has implemented credible measures or plans (in line with its business constraints) to reduce its carbon footprint; and
- the contribution of the company to the transition towards a low carbon economy.

This analysis helps to integrate environmental factors into the security selection process for portfolios.

3.1.3 Engagement and stewardship policy

Good stewardship through engagement and voting activities is one of our key objectives in its Responsible Investment strategy. This requires a focus on the following levers:

1. The **voting policy** implemented at the business level.
2. Individual **engagement initiatives**: effective stewardship starts with active monitoring of securities held in portfolios and engaging with companies and fund managers on topics which are fundamental to the ESG integration process. For example, when implementing the Group policy on thermal coal, engagement plays an important role to **discuss** companies' thermal coal exposure and to assist those companies which implement a thermal coal exit strategy on a case-by-case basis.
3. **Collective engagement**: collaborating with other investors to promote ESG themes through effective corporate channels. Investment teams and dedicated staff are involved in this active engagement process with relevant industry partners and multi-stakeholder initiatives.
4. Our Asset Management business in Europe and Wealth Management UK businesses have updated their **engagement and voting policies** in 2020 in line with local stewardship code requirements. As captured in the table below, in 2020 the two business lines voted 5,670 times. The below case study highlights the 2020 voting activities undertaken by Asset Management Europe in this rapidly developing area of responsible investing.

Key 2020 stewardship activities in Wealth and Asset Management

	Asset Management Europe	Wealth Management UK
Votes	5,380	290

Voting Matters

Asset Management Europe has implemented a voting policy that complies with SRI principles since 2011. During 2020 the business voted in favour of 4,591 resolutions and against some 755 resolutions. Absent for just 34 votes, this means that the contested rate for resolutions in 2020 was c. 14%.

The most contested resolutions concerned:

- executive compensation (with 24% of votes against);
- anti-takeover measures (with 23% of votes against); and
- external resolutions (with 33% of votes against).

The external resolutions filed accounted for circa 3% of the total number of resolutions.

Both individual and collaborative **engagement** activities are undertaken by our investment business lines. An example of the former is explored in more detail below.

Engagement in times of COVID-19

During the UK-wide COVID-19 lockdown, Admiral, the UK motor insurer, automatically refunded its motor customers part of their premium. Wealth Management UK had pro-actively engaged with Admiral on this subject, which influenced the company's decision.

As an investor in Berkshire Hathaway, the Wealth Management UK investment team observed that one of its subsidiaries, the US auto insurer GEICO, had decided to refund 15% of premiums to its customers in the light of a large reduction in road traffic during Q1/Q2 COVID-19 lockdowns. Given the pandemic and reduced movement, GEICO had decided it was only fair to share these savings with its customers.

Impressed by GEICO's actions, Wealth Management UK contacted Admiral, a company which it has invested in since 2015. During the engagement, Wealth Management UK were asked to evaluate the effects of such a policy, given that as a publicly listed company Admiral had to consider the impact of such a policy on its short-term earnings. After reassurance that the long-term benefits of such a move would outweigh any impact on short-term profits, Admiral decided to follow the industry precedent and refund premiums to their customers.

This engagement initiative illustrates how strong research capabilities, robust engagement with management teams and a long-term responsible approach to owning businesses can drive positive outcomes for investors, customers and companies alike.

Our business lines have joined a wide variety of responsible and impact investing platforms and industry bodies or multi-stakeholder initiatives aimed at increasing know-how and leveraging networks to meet the needs of business lines' engagement priorities. An overview of these initiatives is captured to the right.

Collaborative Engagement Initiatives

Structuring responsible finance



IMPACT



SRI Certifications



Protection of the Environment



3.1.4 Developing responsible investment solutions

In accordance with the third strategic objective, we have launched and developed investment solutions across the spectrum of capital, meeting the needs of institutional and private wealth clients looking to invest with an awareness of environmental, social and governance issues.

1. **R&Co Wealth Management UK** saw circa 12x growth in assets in its Exbury strategy in 2020. In addition to integrating ESG analysis into investment decisions, the strategy seeks to invest in assets that enable the goals of the Paris Agreement and which support the transition to a low carbon economy. A minimum of 30% of the portfolio is invested in these “enabling” assets.
2. **R&Co Asset Management Europe** business has expanded the 4Change range of funds. The funds aim to address through their investment process some environmental, social and governance issues identified by the UN in its Sustainable Development Goals. These are captured below.

3. **Rothschild Martin Maurel** launched the 4Change mandates across the French business in December 2020. Beyond the general ESG integration framework applying to assets under management, the 4Change mandates prioritise ESG criteria to optimise the ESG profile of the funds.
4. **R&Co Asset Management US** has continued to build awareness around Rothschild & Co's Gender Diversity strategy within the US market. Interest has been building with consultants and select institutional investors, and Asset Management US has helped to educate on the merits of Gender Lens investing and Rothschild & Co's capabilities in the space. The US marketplace and demand for thematic, ESG, and socially responsible investing has been gaining momentum in recent years, and with the change in administrations, Asset Management US anticipates a strong surge in these investment categories over the coming years.

4Change Funds Overview

Strategy	SDG	SRI Certification	NGO partnership
The R-co 4Change Climate Equity	<ul style="list-style-type: none"> 11 – sustainable cities 12 – sustainable development 13 – climate action 14 – life below water 15 – life on land 		
The R-co 4Change Climate Credit Euro	<ul style="list-style-type: none"> 11 – sustainable cities 12 – sustainable development 13 – climate action 14 – life below water 15 – life on land 		
The R-co 4Change Human Values	<ul style="list-style-type: none"> 5 – gender equality 8 – decent work and economic growth 10 – reduced inequalities 12 – sustainable development 		
The R-co 4Change Green Bonds Fund	<ul style="list-style-type: none"> 7 – affordable clean energy, 9 – industry, innovation and infrastructure 13 – climate action 14 – life below water 15 – life on land 		
The R-co 4Change Moderate Allocation funds	<ul style="list-style-type: none"> 7 – affordable, clean energy 8 – decent work and economic growth 12 – sustainable development 15 – life on land 17 – partnerships for goals 		

3.1.5 Focus on climate-related investment risks

Companies, creditors and investors alike are increasingly aware of the financial, operational, legal and reputational risks for businesses as a result of climate change.

Climate change poses both physical and transition risks to businesses as stranded assets, environmental regulation and changing consumer attitudes reshape the way business is conducted. Whilst there is an understandable focus on mitigation of climate risks, these changes can also present investment opportunities resulting from the transformation to a carbon neutral global economy⁽¹⁾.

As part of our duty to invest responsibly, our businesses are considering policies aimed at the assessment and management of climate-related risks and opportunities across investment activities.

We have identified potential areas of financial exposure to climate risks and opportunities:

1. **As a corporate**, through investing its balance sheet in liquid and less liquid assets exposed to climate-related risks and opportunities,
2. **As a listed company**, through a sensitivity to investor sentiment and expectations, and
3. **Through the investments made by individual business lines.**

The Task Force on Climate related Financial Disclosures (TCFD) provides structured recommendations around disclosure across four key areas: Governance & Strategy, Risk Management, Metrics and Targets.

Our dedicated TCFD project team has been tasked with tracking and supporting the integration of the Task Force's recommendations across business line activities. An update on progress in 2020 is provided below.

2020 update on activities in the four key TCFD areas

TCFD area	2020 update
Governance	
Organisation	Dedicated TCFD Project Team set up to support climate-risk integration and to develop a TCFD roadmap for the coming years.
Governance bodies	The Responsible Investment Committee oversees the project team's activities and acts as a catalyst for coherent implementation. The CR Committee of the Supervisory Board is kept informed of the Group's progress.
Training & engagement	Senior management workshops held at entity and Group level to understand exposure of the Group's activities to climate risks and opportunities on a consolidated basis.
Strategy	
Integration in investment process	Direct access to climate-risk metrics and broader ESG scores from 3rd party data providers to allow investment managers to assess the climate risk exposure of their investments.
Stewardship	For engagement and voting matters Rothschild & Co undertakes voting, individual and collaborative engagements for climate-related risks in accordance with the stewardship approach set out in Section 3.1.3.
Investment Principles on Thermal Coal	Investment business lines have agreed to exclude companies involved in new thermal coal expansion projects and with a thermal coal exposure beyond certain thresholds as set out in Section 3.1.2.
Risk Monitoring	
Exclusion framework	In accordance with the group-wide exclusion framework as detailed in Section 3.1.2.
Procedures	Entities are directly in charge of implementing the relevant exclusion policies in their risk monitoring and trading system. The Group Responsible Investment Team and the Responsible Investment Committee are in charge of reviewing the implementation of voluntary (non-regulatory) exclusion lists.
Training	Investment teams, colleagues from legal & compliance and risk have attended trainings dedicated to ESG risks & opportunities and sustainable finance requirements to prepare and integrate ESG risks in daily activities.
Metrics	
Development of a climate risk & opportunity dashboard	The Responsible Investment Committee is working on the definition of a dashboard taking into account climate risks & opportunities allowing assessment and monitoring of climate exposure of portfolios.
Examples of KPIs explored	<p>Physical risks:</p> <ul style="list-style-type: none"> • Estimated assets in high/medium water stress geographies (%): this figure represents the portion of the company's assets in regions that are exposed to water stress. <p>Climate transition risks and opportunities:</p> <ul style="list-style-type: none"> • Carbon intensity, for corporates defined as: emissions Scope 1 and 2 (year n)/annual sales. • Low Carbon Transition Category: classification scheme that assigns a Low Carbon Transition Category to a company based on its exposure to transition risks and opportunities.

In addition to TCFD recommendations, we use PRI and CDP disclosure to further integrate climate-risk assessment techniques into investment processes.

The team is implementing a three-layered approach to aligning with the TCFD requirements:

- Risk management review at Group level.
- Assisting businesses in implementing the TCFD recommendation.
- Onboarding entities progressively in the TCFD reporting process starting with [Asset Management Europe](#).

(1) According to a 2019 research document published by the Global Commission on Adaptation, investing US\$1.8 trillion globally from 2020 to 2030 in key sectors to speed up the transition could generate US\$7.1 trillion in total net benefits

3.1.6 Stakeholder engagement

As well as engaging with companies we invest in, we have undertaken an intense schedule of activities in 2020 in order to educate stakeholders and raise awareness of its responsible investment activities. This includes establishing knowledge leadership through regular publications, podcasts and conferences.

Stakeholder engagement initiatives in 2020

Stakeholder	Engagement Initiative
Employees	<p>Responsible Investment Week 2020: insights, educational articles, video and podcasts into industry developments for responsible investing and updates on activities in Merchant Banking, Wealth & Asset Management and Global Advisory.</p> <p>Climate Action Weeks: education of employees on climate-related risks relevant for the sector and investments.</p> <p>Teach-ins with sales teams organised by business lines to educate and inform on latest developments in screening and ESG integration across investment platforms.</p>
Clients	<p>Over 20 targeted publications produced by business lines for institutional or private clients in 2020 on Responsible Investment themes, investment strategies and interviews with Portfolio Managers.</p> <p>Asset Management Europe organized 4 events dedicated to sustainability over the last 18 months focusing on Microfinance, Climate risks, ESG integration.</p>
Industry	<p>Rothschild & Co's Head of Responsible Investment spoke at 5 events in 2020 to broaden and share knowledge with subject-matter experts across the industry on climate risks integration, ESG integration and biodiversity.</p>

ESG training focus

In 2020, we offered a number of remote training opportunities on ESG matters to relevant employees across business lines and relevant corporate functions on topics such as TCFD framework, Sustainable Finance Disclosure Regulation and ESG rating.

3.1.7 Outlook

The financial industry has a pivotal role to play in combating climate change and more broadly contributing to the UN's sustainable development goals. The advancement of our Responsible Investment activities and the broadening of our offering and reporting in this fields could not come at a more critical time. The disruption and inequalities caused by the COVID-19 pandemic have given the growing area of sustainable finance renewed impetus. Looking forward, growth in responsible investing is expected to accelerate in the coming years as multilateral and government targets are integrated into the global business agenda.

At Rothschild & Co, both the Group and business lines are putting in place the teams, resources and expertise to ensure that it is at the forefront of responsible investing for the years to come.



Responsible
investing

“

Investors have two main courses of action with regards to Responsible Investment: 1. Make ESG considerations part of their investment processes to drive capital flows towards companies committed to climate change transition. 2. Engage with companies regarding their business and environmental practices to persuade them to embrace a positive environmental trajectory.

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GERALDINE GOUGES

Group Head of Responsible Investment

3.2 Other business ESG integration opportunities

3.2.1 Global Advisory

Our Global Advisory business shares the ambition to use the skills and expertise at the heart of our business model to integrate ESG considerations for its clients and other stakeholders.

Debt & financing advisory

In 2020, the Global Advisory team advised on several innovative financing transactions that included a sustainability-linked instrument.

Sustainability bond

Rothschild & Co provided debt advice to **Burberry Group plc** on its inaugural £300m 5-year 1.125% Sustainability Bond, the first sustainability labelled bond issued by a luxury fashion company. The Bond was issued pursuant to the company's Sustainability Bond Framework. The proceeds will be used to finance and/or refinance eligible sustainable projects as described by Burberry's Sustainability Bond Framework.

Sustainability Linked Revolving Credit Facility

Rothschild & Co advised **Volusion Group plc** on the refinancing of its bank facility with a new £150m Sustainability Linked Revolving Credit Facility. The facility, which is aligned with the Loan Market Association Sustainability Linked Loan Principles, incorporates two sustainability performance targets which are central to Volusion's strategy of providing products and solutions which deliver "healthy air, sustainably": percentage of sales revenue from low-carbon products and percentage of plastic processed in owned factories from recycled sources.

Education bond

Rothschild & Co acted as debt adviser to FTSE-100 company **Pearson plc** on its £350m 10-year 3.75% "Education bond". The bond was issued under the International Capital Market Association's Social Bond Principles. It is the world's first Social Bond where the proceeds will be used towards UN Sustainable Development Goal 4, which is to promote access to quality education and vocational training.

Supporting growth of clean and renewable energy

Clean energy plays a major role in the energy transition and efforts to limit GHG emissions globally and clean electricity, such as wind and solar, are increasingly providing a greater percentage of energy to grids. Over the last decade, we have worked on offshore wind projects worth over US\$ 30 billion, representing over 25% of the global installed offshore wind.

We have taken a leading role in raising financing for renewable projects and making green projects investible. This is particularly the case in relation to offshore wind, which is one of the key delivery agents for decarbonising the global electricity markets and achieving net-zero. The mass rollout of offshore wind globally has resulted in huge falls in costs of deployment making offshore wind the most competitive form of large-scale green electricity generation in many markets.

Investor Advisory

We provide comprehensive advice to corporate clients for improved engagement with their investor base. The team helps clients understand which topics are most important for their business and get on the front foot with investors by providing high quality strategic advice on dealing with shareholders' expectations, especially around environmental, social and governance matters. Through analytics, perception studies, market intelligence, positioning and engagement the Investor Advisory team advises how clients can best navigate these challenges. The Investor Advisory team also works with clients on the communication of the progress their company has made on ESG matters to investors.

A platform for engagement with ESG leaders

In September 2020, Rothschild & Co and Redburn hosted a virtual **ESG conference** to bring together ESG leaders from companies and asset managers with a selection of independent experts and pioneers in fields ranging from standard setting to impact measurement to climate-change technology. This inaugural virtual gathering saw over 500 attendees join, highlighting that the agenda clearly offered interesting insights to investors and corporates alike, with presentations and panel sessions covering a breadth of topics from Inclusive Capitalism to the Energy Transition.

3.2.2 Supply chain engagement

We are committed to encouraging responsible business practices throughout our supply chain and believe that a responsible sourcing strategy can only succeed if it is implemented in partnership with our suppliers. This requires both parties to commit to working with each other to build a relationship of respect, trust and transparency. We are aiming to create a diverse pool of suppliers that share our principles.

In the supplier selection process, we treat all parties equally and with fairness, providing the same opportunities irrespective of business size, location or time in business. We are committed to follow fair and reasonable payment practices and pay suppliers in accordance with agreed deadlines. In return, the principles laid out in our [Code of Conduct](#) apply to all third parties we are contracting with.

Procurement processes are managed in line with local entities' governance set-up and regimes. For example, the UK procurement policy outlines guidelines for the procurement of goods and services and provides a consistent framework to proactively manage risk and opportunity. It highlights important criteria that need to form part of the decision making or vendor evaluation process, e.g. data protection or modern slavery.

A list of group-wide policies specifies how we manage ESG related risks we are exposed to via third party contractors: Group Anti-Bribery and Corruption Policy, Group Financial Crime Policy, Group Outsourcing Policy, Group Data Protection Policy, Group Cloud Security Standard, Group Acceptable Use Policy, Group Environment Policy, Group Health & Safety Policy, Group Information Security Policy, Supplier Security Standard, Group Travel Security Policy, UK Procurement Policy.



The world's
largest offshore
wind farm

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Rothschild & Co has been involved in the world's largest offshore wind farm, the £8 billion, 3.6GW Dogger Bank project, to help owners Equinor and SSE bring in Eni for 20% in the first two phases of the project. Dogger Bank, when built by 2026, will produce enough electricity to supply 6 million households in the UK with green electricity and has been hailed by the UK Prime Minister as central to the UK's power future. This transaction once more highlights our position as the market leader in advising on global offshore wind transactions and our continuing role in the energy transition.

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SUSANNAH LOWNDES

Global Advisory





Additional information

A. Additional Information

A.1. Means of stakeholder dialogue

We seek to maintain an ongoing dialogue with our stakeholders to be in the position to take their interests into account and ensure relevant information is shared transparently.

To ensure good relations with the **financial community**, the Investor Relations department regularly participates in events to enable institutional investors and financial analysts to meet with the Executive Management. In 2020, we organised more than 150 virtual meetings in Europe and North America. As a listed company, Rothschild & Co attaches great importance in complying with applicable listing rules regarding transparency. In accordance with these rules, we disclose in both French and English the information that is necessary to investors and shareholders to assess our situation and outlook. This financial and extra-financial information is available on our website (www.rothschildandco.com) in a section entitled "Investor Relations". Information is also disclosed in a subsection named "Shareholders", including all information relating to General Meetings and the exercise of the voting rights, or explanations about the different ways to hold securities issued by Rothschild & Co.

A close dialogue with **clients and business partners** is essential to building the lasting relationships and network that underpin the business' success. Each division is sharing relevant information, hosting regular events and experiences to help our clients understand the business and engage in discussion about the industry's trends and challenges. This communication focuses on knowledge sharing and information about Rothschild & Co and offer opportunities for outside inspiration.

Transparent and direct communication between our **employees** and the leadership team is an important part of the firm's culture. Regular townhalls with senior management provide employees with an update on latest developments, priorities and initiatives, and employees are given the chance to raise questions about the Group, in person or anonymously. Breakfast meetings and luncheons are held with regional senior management to keep employees informed and to foster a constant dialogue both with senior management as well as between colleagues. Ongoing communication about our progress and initiatives is shared via email or our intranet page with all employees, who are invited to engage with the content and authors on these topics via the platform or directly.

We participate in career fairs and hosts dinners and events around the world where talented individuals are given the opportunity to learn about Rothschild & Co and its diverse career opportunities and to network with Rothschild & Co employees. These opportunities provide first-hand insights into the expectations of future talent towards the Group as an employer.

A.2. Responsible business practices

A.2.1. Information security

The Rothschild & Co IT Security department continuously controls and governs the delivery of day-to-day technical security measures. These are selected to meet the requirements of the Information Security Programme. The key controls operated by the Group IT division include, but are not limited to:

- threat protection such as network and application firewalls, anti-virus and patching;
- threat detection including vulnerability management, penetration testing and security monitoring;
- identity access management and specifically privileged access control and email verification, e.g. SPF;
- disaster recovery test coordination for data centre facilities, major offices, local offices and recovery sites;
- security incident response; and
- *global data centre* facility is ISO27001 Certified and covered by ISAE 3402 assurance report.

A.3. Responsible people culture

A.3.1. Diversity and inclusion

Headcount by geography ⁽¹⁾	2018	2019	2020
France	1,206	1,204	1,171
United Kingdom and Channel Islands	1,014	1,015	1,078
Switzerland	356	264	269
Other Continental Europe	438	462	446
North America	337	358	370
Rest of the world	282	256	253
Total Group⁽²⁾	3,633	3,559	3,587
FTE Total Group⁽³⁾	3,507	3,468	3,512
% of headcount located in the country of the company's headquarter (France)			33%
Share of employees operating in at least one sensitive country in terms of fundamental rights at work ⁽⁴⁾			1.4%

Headcount by business	2018	2019	2020
Global Advisory	1,405	1,481	1,491
Wealth & Asset Management	1,280	1,138	1,155
Merchant Banking	138	155	172
Central & Support	810	785	769
Total	3,633	3,559	3,587

Employee age profile ⁽⁵⁾	2018	2019	2020
< 30 years	23%	24%	23%
30 to 39 years	29%	29%	29%
40 to 49 years	26%	25%	25%
> 50 years	22%	22%	22%
Total	100.0%	100.0%	100.0%

Employee gender profile	2018	2019	2020
Male	60%	60%	60%
Female	40%	40%	40%
Total	100.0%	100.0%	100.0%

Average tenure of employees	2018	2019	2020
Below 2 years	28%	27%	25%
2 – 5 years	32%	32%	32%
5 – 12 years	22%	21%	22%
Above 12 years	18%	20%	21%
Total	100.0%	100.0%	100.0%

(1) A presentation of all the Group's office locations is set out in Section "Overview" of the Rothschild & Co Annual Report 2020.

(2) Data based on headcount (i.e. not FTE). Off Headcount workers are not in scope (e.g. consultants, contractors).

(3) Full time equivalent data.

(4) Ten worst countries for workers according to ITUC Global Rights Index 2020.

(5) Age distribution based on 98% of data.

New hires by geography	2018	2019	2020
United Kingdom and Channel Islands	28%	22%	30%
France	29%	38%	22%
North America	12%	13%	24%
Other Continental Europe	12%	15%	11%
Switzerland	7%	4%	4%
Rest of the world	12%	8%	9%
Total	100.0%	100.0%	100.0%

New hires by gender	2018	2019	2020
Male	60%	59%	61%
Female	40%	41%	39%
Total	100.0%	100.0%	100.0%

Talent identification and development	2018	2019	2020
Number of paid internships	250	295	348
Graduates	143	148	135
Thereof female	17%	20%	28%
Promotions	343	412	353
Thereof female	27%	33%	33%

Additional information	2018	2019	2020
Non-permanent workforce ⁽¹⁾	409	431	398
Number of flexible working arrangements ⁽²⁾	283	268	261

Employee turnover

During the 2020 financial year, employee turnover was 13% (vs. 19% in 2019). Redundancies in 2020 were 2.1% (vs. 2.6% in 2019). The aggregate number of new joiners was 508.

Remuneration

Our remuneration policies, procedures and practices are in line with Rothschild & Co's business strategy, objectives, values and long-term interests and are designed to promote sound and effective risk management. The Remuneration and Nomination Committee, a specialized committee of the Supervisory Board of Rothschild & Co, is responsible for overseeing remuneration-related matters in accordance with principles defined in the Group's remuneration policy.

Rothschild & Co rewards its people at a total compensation level, paying fixed and variable compensation. The Group ensures that fixed and variable components of total compensation are balanced appropriately. Fixed compensation is driven by the local market for the role taking into account responsibilities, skills and experience, and annual variable compensation is awarded on a discretionary basis, driven by a combination of the consolidated results of Rothschild & Co and the financial performance of the business division in which an individual works as well as local market competitiveness. It is then truly differentiated based on individual performance against financial and non-financial metrics.

In some cases, we operate arrangements to defer a proportion of variable compensation over three years. For the regulated population, part of the variable compensation is awarded as non-cash instruments ensuring compliance with all remuneration regulations applicable to the Group. Detailed information is presented in the consolidated financial statements, under Note 27, "Operating expenses".

Equal opportunities

Rothschild & Co's strategy to ensure non-discriminatory treatment across recruitment, career development and remuneration decisions includes a commitment to work closely with employees living with disabilities and occupational health advisers to provide the necessary adjustments and support to enable them to succeed and flourish in the workplace. For example, in France, our annual involvement in actions to promote the employment of people with disabilities takes the form of recruitment or job retention activities, the adaptation of workstations, the funding of associations dedicated to this cause and the payment of a contribution to promote the employment of people with disabilities, where appropriate. In 2020, a disability advisor has been appointed to provide better guidance, information and support for employees with disabilities.

Employee networks are an important part of our culture and are critical in strengthening our Balance & Inclusion strategy. Each network provides the opportunity for connection and education to ensure employees are fairly represented and to strengthen our position as a diverse and inclusive place of work. The network groups represent the interest of the firm's employee communities and are sponsored by the Global Balance & Inclusion Committee to amplify their voice, strengthen collaboration and increase geographic reach. Examples are the EMbrace Network (ethnic minority network), Family Network and LGBT Network in the UK, and the Women's Network (UK, US, France).

(1) Includes apprentices, contingent workers, fixed term contractors, interns and payrolled Non-Executive Directors.

(2) Includes employees with an FTE less than 1.

Shine for Women

In 2018, the Group launched a training programme specially designed to empower senior women. **Shine for Women** is aimed at maximising individual potential and delivering personal impact. In 2020, the project was adopted to a virtual format and expanded to include Group coaching, individual learning, and a manager briefing to spotlight the critical role they play in the success of women in the firm. Over 70% of senior female staff participated since programme induction in 2018.

A.3.2. Employee development

Training and development

A Learning and Development team is dedicated to assisting our aim to build and provide solutions to satisfy all aspects of an employee's development through services in training, mentoring, coaching and team development.

In 2020, Rothschild & Co recorded an aggregate number of training hours across the Group (covering 100% of headcount, 34,270 hours). In 2019, Rothschild & Co reported training data for France and the UK (77% of headcount, 24,249 hours).

Training covered topics such as Commercial Awareness, Management & Leadership, Personal effectiveness, Communications, Wellbeing and Technical skills, amongst others. In 2020, 2,537 training events were provided, and 1,983 employees participated in at least one training programme which amounts to 55% of headcount. The total number of hours organised by the Human Resources function was 18,420.

In addition, 15,850 training hours were completed across all categories of Group employees via our e-learning platform (Skillcast) in 2020. Training topics included Anti-Bribery and Corruption, Anti-Money-Laundering and Sanctions, Group Code of Conduct, Business Continuity and Crisis Management, Information Security Education and Awareness.

A.3.3. Employee wellbeing

Social dialogue

In France, the social dialogue at Rothschild & Co level is organised through the Social and Economic Committee and the union delegate, in other companies through the Social and Economic Committee, the Health, Safety and Working Conditions Committee, local representatives and union delegates. Social dialogue is held at least once a month between employee representatives and a member of management and includes procedures for information, consultation and negotiation with employees.

As part of this dialogue, employee representatives have access to a comprehensive economic and social database, which is regularly updated and contains historical data. The database includes comparative data on employees by gender and age on all aspects of working life, i.e. data on recruitment, training, remuneration and departures. This information makes it possible to address all subjects to ensure compliance with the principle of equal opportunities and to take appropriate countermeasures, if necessary. It also gives employee representatives an informed view so that they can give their opinion each year during the consultation on social policy.

Social dialogue also includes collective bargaining. French employees are covered by a collective agreement at industry level with more favourable provisions than those laid down by law.

In addition, employees benefit in the same way from agreements reached as part of their company's social dialogue. Company agreements cover a wide range of issues, including gender equality, social protection, working time, work time flexibility, profit-sharing and employee savings. In addition, regular negotiations are held with trade union representatives on pay, quality of life at work and the management of jobs and career paths. The agreements reached with the trade unions cover 94% of French employees (and 31% of total workforce). In companies where there are no unions, unilateral decisions are taken and/or referenda are held to ensure that employees are also covered on these issues.

In 2020, 17 agreements and unilateral decisions were signed on gender equality, social protection, employee savings schemes (PEE/PERCO) and profit-sharing.

An agreement on telework was signed in 2019. This agreement, which came into force on 1 January 2020, opens three teleworking formulas (regular fixed, regular flexible and exceptional) to eligible employees. In the first two months of 2020 alone, this agreement enabled 227 employees to sign an amendment to their employment contract to benefit from teleworking. Due to the COVID-19 crisis and the containment measures, the deployment of this agreement was suspended, and teleworking was widely opened to all professions that could do so. 95% of French employees were working remotely during the first lockdown.

A new negotiation was opened with the trade union delegates in order to modify the existing agreement and to envisage the future of telework.

Only France is concerned by this subject. Staff thresholds are not reached in other countries where the law provides for staff representatives.

GENDER EQUALITY AGREEMENT IN FRANCE

In France, a new gender equality agreement was signed in 2020, with the following goals:

- Promote gender diversity in the workplace;
- Raise awareness among all employees about the fight against stereotypes;
- Improve pay policy and reduce any pay inequalities;
- Create a balance between the private and professional spheres;
- Provide improved support for return from parenthood-related leave.

FRANCE INVEST CHARTER

This charter has the following targets:

- In the investment teams of the management companies: 25% of women with responsibility for investment committee decisions by 2030 and 30% by 2035, and a target of 40% of women in investment teams by 2030;
- In companies with more than 500 employees: at least 30% women in the Executive Committee by 2030.

Work organisation

Working hours vary from country to country depending on national legislation and are therefore managed and monitored by local management and HR teams. Absenteeism is actively monitored and managed by local offices.

A group-wide HR system is operationally providing global consistency to many HR processes. Absence management functionality is being addressed on a location by location basis. This has been rolled out to Australia, North America, the United Kingdom, Guernsey and Switzerland. Further countries will be considered in due course.

In France and Monaco, more specifically, all kinds of absenteeism are already recorded: maternity and paternity leave, additional leave, breastfeeding leave, absences for working accident and sick leave.

Health and Safety

Rothschild & Co continues to strengthen and improve health and safety compliance and conformance requirements by following the continuous improvement programme required by the Group Health and Safety Policy. This includes the minimum conformance standards across all Group's offices.

The Group Environment, Health and Safety Committee is required to

- review and provide direction on Rothschild & Co's Health and Safety strategy;
- promote alignment of Rothschild & Co's Health and Safety Policy across all Group entities; and
- review and endorse Health and Safety content for the Rothschild & Co Annual Report as well as the Group website.

All offices meet statutory and local Health and Safety legislation. The commitment to Health and Safety applies throughout the Group, supported by senior management. In addition, responsibility for commitments is allocated to a dedicated structure or local managers are held accountable.

The Group Health and Safety Policy enables a consistent approach to maintain the health, safety and wellbeing of all persons who might be affected by the activities within an office. All reporting locations commit to implementing the compliance standards by setting procedures listed within the Group health and safety requirements prescribed in the policy.

The Health and Safety requirements separate health and safety matters into manageable sectors:

- risk assessments – including general office safety;
- fire management – including fire risk assessment and fire evacuation procedures;
- contractor management and access procedures ensuring safety of third parties;
- accident reporting and first aid provision – monitoring procedures and managing cases;
- training and information tools - general Health and Safety awareness for office environments and general fire awareness;
- health and wellbeing services - online tool to enable all employees to complete an online workstation assessment; and
- inspection and audit.

All offices have created and communicated a COVID-19 Risk Assessment documenting the specifics of their secure control measures. These are continually reviewed and updated as guidance changes. Control measures have been successful in maintaining the safety of any employee in the physical office. Secure measures include travel to the office, access and egress around the buildings, emergency responses, enhanced cleaning regimes as well as physical and mental wellbeing tools.

Following the end of lockdowns, to support reopening of workplaces the offices are required to follow Group guidelines for workplaces to be considered COVID-19-secure. The following safety considerations have been continually managed:

- Maintenance and statutory testing (air and water quality, equipment, building compliance).
- Fire management (adjustments to take account of social distancing rules, regular testing of alarm systems, review of fire assessments, personal emergency evacuation plans).
- Staff welfare (increase in cleaning schedules, Return to Office communications, Working from Home support, mental health support).
- Facilities (safe access, social distancing measures).

In France, social dialogue also addresses health and safety issues. The role of the Health, Safety and Working Conditions Commission, which is made up of employee representatives, includes analysing the occupational risks to which employees may be exposed, making proposals for adapting jobs to facilitate access and retention of disabled people in all jobs and proposing actions to prevent moral or sexual harassment. Rothschild & Co in France evaluates procedures and systems for preventing occupational risks at least once a year through the "*Document d'évaluation des risques professionnels*" (Occupational Risk Assessment) and modifies the prevention measures whenever necessary through the "*Plan de prévention des risques*" (Risk Prevention Plan). These two documents are regularly reviewed by staff representatives.

For the 2020 financial year, reportable workplace accidents are listed in the following table. All reported accident and near miss data are classed as "not concerning."

- Accident – when an individual (whether Rothschild & Co employee or otherwise) has been injured as the result of an accident when on work premises.
- Near miss – for an event which did not cause harm or injury but had the potential to cause injury or ill health, such as a trip over a loose carpet tile, slip due to wet floor, etc.

Accident reporting requirements are in accordance with local legislation and are not comparable between office locations.

In 2020, there have not been any Occupational Diseases.

Office		Accidents total - 8 (2019: 5)				
	Type of accident	Type of injury	Date of accident	Number of days missed work	Government notification required?	
Paris	Other	Other	06/01/2020	4	Yes	
Paris	Slip trip or fall (same level)	Bruising/swelling	20/02/2020	11	Yes	
Frankfurt	Slip trip or fall (same level)	Fractured bone	24/04/2020	1	Yes	
Frankfurt	Slip trip or fall (same level)	Concussion	26/08/2020	0	Yes	
Sydney	Hit by falling or moving object	Strain or sprain	15/09/2020	0	No	
Frankfurt	Struck by vehicle	Bruising/swelling	21/09/2020	1	Yes	
London – New Court	Cut or stabbed by object	Laceration or cut	11/12/2020	0	No	
Paris	Fall from height	Multiple injuries	15/12/2020	0	Yes	

Office		Near miss total - 2 (2019: 3)	
	Category of near miss	Date of near miss	
Frankfurt	Slip trip or fall (same level)	15/10/2020	
Madrid	Fire (false alarm)	09/12/2020	

A.4. Responsibility for our environment

A.4.1. Greenhouse gas emissions and climate change⁽¹⁾

Greenhouse gas emissions in tCO ₂ e ⁽²⁾		2018	2019	2020
Direct emissions (Scope 1)	Natural gas	628.75	128.65	127.92
	Biogas	0.35	0.89	0.84
	Other fuel	47.00	37.91	33.52
	Owned vehicles	198.30	176.44	175.18
Total Scope 1		874.40	343.90	337.46
Indirect emissions (Scope 2)	Electricity consumption (location-based)	3,344.29	3,321.06	2,585.92
	Electricity consumption (market-based)	2,104.46	1,844.10	989.62
	Heat consumption ⁽³⁾	298.39	289.94	262.28
Total Scope 2 (Location-based)		3,642.68	3,611.00	2,848.20
Total Scope 2 (Market-based)		2,402.85	2,134.04	1,251.90
Indirect emissions from Travel (Scope 3)	Business travel – Flights	19,224.19	17,856.53	4,004.67
	Business Travel – Rail	221.30	210.14	41.59
	Business Travel – Taxis	334.04	324.99	139.53
	Hotel stays	349.41	289.20	85.52
Total Emissions – Travel		20,128.93	18,680.86	4,271.32
Other emissions (Scope 3)	Courier services	24.44	45.02	28.94
	Materials	240.66	201.69	98.77
	Recycling and disposal	25.68	21.95	18.33
	Remote working ⁽⁴⁾	-	-	1,299.71
	Water	40.35	36.35	27.53
	Company leased vehicles	273.78	280.76	224.08
	IT equipment and server use (location-based)	594.82	594.82	1,083.35
	IT equipment and server use (market-based)	594.82	594.82	1,077.72
	Electricity Transmission and Distribution Losses (location-based)	292.18	327.22	249.36
	Electricity Transmission and Distribution Losses (market-based)	291.82	318.65	230.15
	Upstream emissions (WTT) (location-based)	2,960.34	2,914.82	1,129.88
Upstream emissions (WTT) (market-based)	2,962.84	2,984.41	1,098.11	
Total emissions – Other (location-based)		4,452.25	4,422.63	4,159.96
Total emissions – Other (market-based)		4,454.39	4,393.65	4,103.34
Total Scope 3 (location-based)		24,581.18	23,103.49	8,431.27
Total Scope 3 (market-based)		24,583.33	23,074.51	8,374.66
Total Scope 1, 2 & 3 (location-based)		29,098.27	27,058.39	11,616.93
Total Scope 1, 2 & 3 (market-based)		27,860.58	25,552.44	9,964.01

Scope 1 emission remained relatively stable, but Scope 2 market-based emission decreased due to French offices procuring renewable electricity contracts, which resulted in a c. 400 tCO₂e reduction from 2019.

Business travel was significantly affected by COVID-related travel restrictions, as a result a c. 14,500 tCO₂e has been realised from 2019.

IT equipment and server-related emissions have increased due mainly to an increased roll-out of hardware (laptops, screens, etc) to enable more efficient homeworking.

(1) Nonextrapolated, reporting offices only. In 2020, Rothschild & Co collected data for 93% of the Group's FTE.

(2) Rothschild & Co's GHG emissions are calculated as tonnes of carbon dioxide equivalent (tCO₂e), a universal unit of measurement expressing the impact of each of the Kyoto GHGs in terms of the amount of CO₂ that would create the same amount of warming. The Group calculates tCO₂e by multiplying its activity data, for example, waste incineration, landfill and air miles travelled, by the UK BEIS approved conversion factors or other sources of emissions factors.

(3) 2019 and 2018 heat consumption emissions amended due to the reporting of inaccurate consumption in one office.

(4) 2018 and 2019 data for remote working has not been calculated.

Greenhouse gas emissions data (non-extrapolated, reporting offices)

Emissions tCO ₂ e/FTE	Location-based			Market-based		
	2018	2019	2020	2018	2019	2020
FTE ⁽¹⁾	3,288.15	3,208.86	3,254.2	3,288.15	3,208.86	3,254.2
Scope 1	0.27	0.11	0.10	0.27	0.11	0.10
Scope 2	1.11	1.13	0.88	0.73	0.67	0.38
Scope 3 (All)	7.48	7.20	2.59	7.48	7.19	2.57
Scope 1 and 2	1.37	1.23	0.98	1.00	0.77	0.49
Scope 1, 2 and 3 (All)	8.85	8.43	3.57	8.47	7.96	3.06

Total greenhouse gas emissions data (extrapolated to 100%)

Emissions tCO ₂ e/FTE	Location-based			Market-based		
	2018	2019	2020	2018	2019	2020
FTE (7% extrapolation)	218.41	258.8	257.8	218.41	258.8	257.8
Scope 1, 2 and 3 emissions of non-reporting offices	1,932.8	2,182.3	920.5	1,850.6	2,060.8	789.6
Total Group emissions, all Scopes, extrapolated	31,031.1	29,240.7	12,537.5	29,711.2	27,613.3	10,753.6
tCO ₂ e/FTE, all Scopes, extrapolated	8.85	8.43	3.57	8.47	7.96	3.06

Emissions per FTE have seen a significant decrease mainly due to COVID travel restrictions, but also due to renewable electricity procurement in France.

At the time of publication of this report the Group has implemented an **Internal Carbon Price (ICP)**. This mechanism places a monetary value on greenhouse gases and is a way to responsibly influence emissions from business operations, including travel, aimed at ensuring the Group pursues emission reduction opportunities. The ICP generates a financial support stream for the Group's environmental management budget, which in turn is used to develop further small and medium-scale carbon-reduction opportunities and sustainability projects in line with the supported SDGs.

A.4.2. Responsible consumption and engagement

Recycling and disposal

Resource disposal in tonnes	2018	2019	2020
Anaerobic digestion	73.50	64.04	20.28
Composted	0	10.03	9.48
Incinerated energy recovery	269.07	247.08	176.31
Landfilled	127.84	53.76	29.50
Re-used	0	0	3.42
Recycled	192.50	230.32	100.29
Total	662.92	606.23	339.27
Total disposal tonnes/FTE	0.19	0.17	0.10

Total materials sent for disposal has decreased significantly, due mainly to reduced office occupancy levels across the Group. Other contributing factors to a reduced recycling rate (39% in 2020 vs. 50% in 2019) was the reduction in high volume / heavy items (predominately paper, glass, and compostable material) being produced. For example, in the London office, a significant producer of recyclable material, the rates of recycling paper, glass and compostable material fell to zero for six months between April and November.

(1) Group FTE adjusted. In 2020, Rothschild & Co collected data for 93% of the Group's FTE.

Water use

Water consumption in m ³	2018	2019	2020
Water Consumption	60,781	55,481	45,210
m ³ /FTE	17.33	16.00	12.87

Whilst Rothschild & Co is not a large consumer of water, it recognises its responsibility in the countries where it operates.

Water use decreased significantly, due mainly to reduced office occupancy levels across the Group.

A.4.3. Resource management

Materials use

Materials use in tonnes	2018	2019	2020
Recycled content/sustainable sources	54.26	67.18	102.00
Non-recycled content/non-sustainable sources	215.04	166.24	12.54
Total materials consumption	269.30	233.42	114.55
Tonnes/FTE	0.08	0.07	0.03

Rothschild & Co understands that applying a traditional approach to resources use can place undue pressure on global resources, is wasteful and not economically viable in an increasingly challenging business environment. To that end, we ensure that we manage our resource use responsibly and as far as practicable.

Materials use predominately means paper use, although an increase in reporting scope over the years has resulted in more material types being added. The Group measures the amount of 100% recycled and sustainably sourced paper it procures (certified sustainable paper from FSC or PEFC). Responsible management of materials use is embedded in the Group's working practices.

In 2020 a group-wide Responsible Material Use Standard was implemented to further reduce consumables and track their use. As a result, by the end of 2020 all new orders of printing paper by offices were for paper from sustainable sources.

Material use decreased significantly, due mainly to reduced office occupancy levels across the Group.

Energy use

Total energy use in MWh	2018	2019	2020
Bioenergy	1,385.78	4,618.83	4,361.36
Electricity	17,312.59	19,121.56	15,003.12
Heat/Steam	1,509.28	1,552.52	1,471.73
Natural gas	3,622.27	766.78	725.74
Other fuel	180.65	157.23	139.14
Total Energy Consumed	24,010.57	26,216.92	21,701.10
MWh/FTE	6.85	7.56	6.18

The reduction in energy use is mainly from electricity consumption decreases in offices due to reduced office occupancy levels across the Group.

The Group's total extrapolated **energy use** across its offices is 21,701 MWh and of this 69% (15,003 MWh) is electricity.

Across reporting offices, we expanded our renewable electricity procurement to 85%, up from 56% in 2019. Renewable electricity and sustainable energy sources (renewable electricity and biogas) covered 79% of FTE in 2020.

Local measures to prevent the spread of COVID-19 in the workplace reduced the effectiveness of some of the **recycling** initiatives that had been rolled out (e.g. the removal of under desk waste bins in the London office and the implementation of centralised specialist recycling stations in the Paris office), aimed at encouraging employees to separate recyclable and non-recyclable materials and reduce contamination. The reduced opportunities for such behaviour changes in the COVID-19 environment resulted in an increased incineration volume.

A.4.4. Amount of provisions and guarantees for environmental risk

Rothschild & Co undertook a legal compliance and conformance assessment to understand the legal environmental responsibilities in each jurisdiction where Rothschild & Co has an office. This assessment led to the development of the Group environmental conformance standard for offices worldwide, and which the Group regularly monitors and uses to improve continuously.

Provisions have been identified in order to meet European Union (EU) energy efficiency obligations relevant to EU member states. Provisions in the United Kingdom have been identified for operational environmental risk, pertaining to the outgoing CRC energy efficiency scheme (formerly the Carbon Reduction Commitment) and the Streamlined Energy and Carbon Reporting (SERC) scheme.

As an office-based business, Rothschild & Co does not consider environmental discharges to air, water, soil or indeed noise pollution to be of material environmental risk.

B. Methodology

Reporting of Corporate Responsibility information – process for the 2020 reporting period

The reporting period is 1 January 2020 to 31 December 2020. The preparation and coordination of the Corporate Responsibility report involved members of Rothschild & Co and Group entities, taking key responsibilities in Legal & Compliance, Human Resources, Health and Safety, Responsible Investment, Environment, and Community Investment areas.

Reporting scope

Rothschild & Co provided the Corporate Responsibility information with the overall objective of an enhanced qualitative approach and an improved verification process based on:

- **Completeness:** all fully consolidated entities within Rothschild & Co (excluding joint ventures) are included in the report boundary. Rothschild & Co strives to provide the most comprehensive information possible, notably by including indicators covering the most significant consolidated entities.
- **Materiality:** the published information is significant and representative of the Group's business. Rothschild & Co's performance data is presented within the social, economic and environmental context.

In consideration of the above, the reporting scope has been defined as follows:

Human Resources:

- 100% of headcount is covered for all Human Resources data presented in this section. Data is sourced from Workday. All data is based on headcount (i.e. not FTE) unless stated otherwise. Off-headcount workers are not in scope (e.g. consultants, contractors).
- The following outcomes and performance indicators are disclosed for financial year 2020 only:
- New indicators and only implemented in 2020: participation in cyber awareness training, number of virtually delivered training modules, participation in pulse surveys, employees supported through Global Female Sponsorship Programme, conversion rate internships to graduates, employees benefited from a performance review, contributions to COVID-19 campaign and supported causes, young people directly supported by donations or by volunteers, % increase in number of Pro-Bono Advisory mandates, average hours volunteered, % of voting coverage and number of votes, SRI certification of funds, employee commuting emissions, emissions from remote working
- Headcount by geography: in 2020, Russia has been included in Other Continental Europe whereas it had been included in Rest of World in 2018 and 2019

Environment, Health and Safety:

- In 2020, Rothschild & Co reported accident data from the following office locations: Birmingham, Brussels, Dubai, Frankfurt, Geneva, Guernsey, Hong Kong, Johannesburg, Leeds, London, Los Angeles (two offices), Lyon, Madrid, Manchester, Marseille (seven offices), Milan, Monaco (two offices), Mumbai, New York, Paris, Sao Paulo, Singapore, Sydney, Warsaw, Washington, Wilmslow and Zurich, representing approximately 93% of the headcount of the Rothschild & Co Group.
- Full-time equivalent (FTE) headcount is provided from the HR system per 31 December 2020, with third party service provider or contractor employee headcount not captured by the HR system.
- A ratio is applied to the total Group FTE headcount based on the offices included in the reporting scope. The result is used to calculate the impact per FTE (Impact/FTE). Impact per FTE is used to normalise the total impact against headcount.
- GHG emissions have been extrapolated to cover 100% of the Rothschild & Co Group. This extrapolation provides a more complete synopsis of the Group's operational emissions. The reporting scope for Environment information accounts for 100% of office operations and has been defined as follows: The reporting boundary of offices measured to establish the environmental impact has remained the same in 2020 as it was in 2019. However, additional indicators have been added that has allowed the Group to report operational Scope 3 emissions in greater detail. These additions include remote working, server electricity use.
- The environment reporting software tool references a large database of over 85,000 emission factors, sourced from over 350 different institutions, such as the UK government Department for Business, Energy and Industrial Strategy (BEIS), the Intergovernmental Panel and Climate Change (IPCC) and national government data from reporting countries such as the USA EPA and the Canadian NIR.
- The emission factors are automatically selected and applied to data based on geographical and temporal relevance, so that country-specific conversions are applied leading to the most accurate estimate of GHG emissions. There are over 300 different units of measurement available for the entry of data, and conversion of these to standard units for reporting is again automatic and location specific. The emissions factor database is accredited as Gold Software by the CDP (formerly the Carbon Disclosure Project) and a team of analysts ensure that all factors are reviewed and updated when source publications provide new releases. The system is independently assured by PricewaterhouseCoopers.
- Refinements in data collection have resulted in an increased robustness of final data. Where assumptions, estimates or changes have been made, this is explained.
- The Group's greenhouse gas emissions reporting is in respect of its operational activities and includes Scope 1 and 2 emissions and Scope 3 emissions relating to business travel, water supply and wastewater treatment, materials use, resources disposal and recycling, electricity transmission and distribution losses, courier services, remote working, IT equipment and server use, hotel night stays and upstream or well-to-tank emissions. Emissions are reported as carbon dioxide equivalent or CO₂e. In line with best practice, the Group produces a "dual report", reporting both location and market-based reporting instruments for Scope 2.

- Greenhouse gas emissions for energy consumption have been calculated using 2020 Department for Business, Energy and Industrial Strategy (BEIS) emissions factors and the resulting emissions are reported as tonnes of carbon dioxide equivalent (tCO₂e) values.
 - A Rothschild & Co 'Group average intensity' figure for electricity consumption has been used in 2020. This assumes an electricity consumption of 0.109165 MWh/m² of office space per year. In total, this figure was used by four offices this year: Birmingham, Leeds, Manchester and Los Angeles (RINC).
 - In 2020, a Rothschild & Co Group 'average energy intensity' figure was used to help offices estimate their annual natural gas consumption. This figure is 0.162567 MWh/m² of office space per year. This method of estimation is more accurate to Rothschild & Co facilities and replaces the industry benchmarks were used to help offices estimate their annual natural gas consumption in 2019.
 - Two offices (Dubai and Leeds) used average intensity figure to estimate their natural gas consumption for 2020.
 - The locations-based methodology uses energy grid average emission factors in location specific geographies and over specific timeframes and allows the Group to compare emissions year-on-year. 2020 emissions reporting shows the summary in absolute emissions and relative emissions per full time equivalent employee for each Scope. This has enabled the identification of true fluctuations across the three scopes on a per FTE basis.
 - Additional indicators have been added to the Group's operational reporting: Remote working and server use. Therefore, improvements to data collection have been made and an additional GHG calculation methodology have been included to provide additional insight and specific information.
 - Remote working emissions have been added to the Group GHG emission criteria. Emissions from this source incorporate all reporting offices. Non-reporting office emissions are established by extrapolating output data from reporting offices in.
 - Whilst emissions from employee commuting have been measured for the first time in 2020, they have not been included in the overall GHG emissions from the Group. These emissions have been calculated at 614 tCO₂e.
 - The upstream emissions calculation further strengthens the reporting by incorporating the WTT (Well-to-tank) emissions contributions from premises energy consumption (electricity, heat/steam, natural gas, biogas, gas/ burning oil), travel emissions (company vehicles, leased vehicles, air travel, rail travel, taxi travel) and courier emissions.
 - The GHG emission data table in the section "Additional Information" is provided as non-extrapolated to show the actual measured GHG emission impact of the Group. Emissions presented in the table in section 2.3 are extrapolated unless stated otherwise.
 - Recycling, water, materials use and energy numbers in the table are provided as extrapolations, using the FTE of non-reporting offices.
 - Remote working emissions have been included in 2020 data for the first time.
 - Minor changes have occurred from previously reported data in 2018 and 2019. Whilst these changes are relatively insignificant, they have been listed below:
 - A data entry error in 2018 and 2019 for energy consumption for Heat in one office has been corrected. This error also resulted in emission changes for upstream (WTT) emission, which has also been corrected.
 - A data entry error in 2018 and 2019 for electricity use in one office has been corrected. This error also resulting in emission changes for upstream (WTT) emission and the amount of renewable electricity being used in MWh. The errors were less than 0.5% and total numbers have been restated.
 - An error was identified in the FTE numbers provided for 2018 and 2019.
 - This resulted in inaccurate output data for energy use and water consumption of less than 4%. A recalculation using corrected FTE was made with corrected 2018 and 2019 results being restated.
 - This resulted in inaccurate output data for materials use in 2018 of 14%. The number has been recalculated and restated from 0.07 to 0.08 tonnes per FTE.
- Community Investment:**
- The percentage of employees engaged in 2020 has been calculated using the total number of Rothschild & Co employees on 31 December 2020. Amongst the individuals who participated in the volunteering element of the Community Investment Programme, there may be a small number of contractors, but the number is unlikely to be high enough to make any difference to the overall percentage of employees engaged.
- It should be noted that due to its business activities, the following Corporate Responsibility issues are not considered as relevant to Rothschild & Co: food waste, responsible, fair and sustainable food, fight against food insecurity and respect for animal welfare.

C. Universal reference table

The following overview references information relating to the Global Reporting Initiative Sustainability Reporting Standards 2020 as well as to the United Nations Global Compact and the UN Sustainable Development Goals to information published in this report. Rothschild & Co has identified material non-financial risks and opportunities in its dedicated materiality assessment (see section “Identification of non-financial risks”).

	page	Principles of the United Nations Global Compact	UN Sustainable Development Goals	GRI ⁽¹⁾
Rothschild & Co purpose and role of responsible business culture in the Group's business model	10/11	1-10		102-1 102-2 102-4 102-5 102-7
Corporate Responsibility strategy	15	1-10	5,7,10,12,13,15,16	
Ongoing dialogue with stakeholders	12			102-20 102-21 102-40 102-42 102-43
Public commitments & partnerships	12	1-10	5,7,10,12,13,15,16	102-12 102-13
Identified non-financial risks in relation to Corporate Responsibility	13			102-47
CR taken to the highest level in the organisation	14			102-18 102-19 102-20 102-23 102-26 102-29
Strategic priorities and management indicators clearly defined	21, 27, 35, 41, 51	1-10		102-15
Responsible business practices				
Publication of updated Group Code of Conduct	21	1,2,3,4,5,6, 7, 8, 10	16	102-16
Stringent anti-corruption and anti-bribery standards	22	10	16	205-1
No engagement in political lobbying activity and donations	22	10	16	415-1
Policies implemented in line with the main provisions of the International Labour Organisation's fundamental conventions on Human Rights	28	1,2,3,4,5,6	16	407 408 409 412
Responsible people culture				
Quality social dialogue and collective bargaining agreements	28, 67	3,6	5,10	407 102-41
Equal opportunities at the heart of recruitment, reward and promotion strategy	28, 66	3, 6	5,10	401-1
Talent development opportunities	30	5,10		404-1 404-2 404-3
Physical, mental and emotional health	31			403-1 403-2 403-3 403-5 403-6 403-8

(1) This Corporate Responsibility Report was written in consideration of GRI standards 101 and 103. Where appropriate, the report references selected GRI Standards, or parts of their content, to report specific information with a GRI-referenced claim.

	page	Principles of the United Nations Global Compact	UN Sustainable Development Goals	GRI ⁽⁴⁾
Responsibility for the environment				
Responsibly managing greenhouse gas emissions and proactively reducing operational impact	36 , 70 , 71	7,8,9	7,10,12,13,15	302-1 302-3 302-4 304-3 305-1 305-2 305-3 305-4 305-5
Championing responsible consumption and resource use	38 , 71 , 72	7,8,9	12,15	301-1 301-2
Strategic partnership with Cool Earth	36	8	10,13,15	304-3
Responsibility for local communities				
Make a meaningful difference to children and young people whose opportunities in life are restricted through disadvantage	41-46		10	413-1
Responsible Investment				
Measures to combat deforestation and protect biodiversity	35 , 36 , 56 , 58	7,8,9	15	302-3 304-3
Strategy to invest in assets which support the transition to a low carbon economy	54 , 56 , 60	7,8,9	13,15	302-4 302-5
Financial implications and other risks and opportunities due to climate change	57	9	13	201-2
Reporting practice				
Reporting period for the information provided	74			102-50
Effect of any restatements of information given in previous reports, and the reasons for such restatements	74 , 75			102-48
Contact point for questions regarding the report or its content	82			
Statutory auditor's opinion				
External assurance	78 , 79			102-53 102-56

Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December 2020

To the Shareholders,

In our capacity as Statutory Auditor of your company Rothschild & Co S.C.A. (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049⁽¹⁾, we hereby report to you on the Corporate Responsibility report for the year ended 31 December 2020 (hereinafter the "Report"), included in the entity's Management Report pursuant to the requirements of articles L. 225-102-1, L. 22-10-36, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Responsibility of the entity

The Managing Partner is responsible for preparing a voluntary Report, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Report has been prepared based on the consolidated non-financial statement for the year ended December 31st 2020 (hereinafter the "Statement"), included in the Group's Management Report, and in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Report and available upon request at the entity's head office.

Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the Statutory Auditors appointed as independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Report with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax evasion nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed alongside the work done for the audit of the Statement and consisted mostly in the reconciliation of the information published in the Report with those of the Statement. It was performed in accordance with the provisions of Article A.225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCC) applicable to such engagements and with ISAE 3000⁽²⁾:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Report includes each category of social and environmental information set out in article L.225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax evasion set out in article L. 22-10-36, paragraph 2;
- We verified that the Report provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Report presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important⁽³⁾. Concerning certain risks⁽⁴⁾, our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities⁽⁵⁾.
- We verified that the Report covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Report;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;

(1) Accreditation Cofrac Inspection, number 3-1049, scope available at www.cofrac.fr

(2) ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information.

(3) Employee engagement; Inclusion and diversity policy; Employee wellbeing; Actions taken against climate change; Employee training to corruption risks; Actions taken against modern slavery; Employee engagement in charity work; Data protection policy; Responsible investment policy.

(4) Societal impact; Responsible Business Practices; Responsible investment.

(5) Frankfurt; New York; Paris; Zurich.

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- For the key performance indicators and other quantitative outcomes that we considered to be the most important⁽⁶⁾, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities⁽⁵⁾ and covers between 33% and 45% of the consolidated data selected for these tests;

We assessed the overall consistency of the Report based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of seven people between January 2021 and April 2021, alongside those performed on the Statement, and took a total of five weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted a dozen of interviews with the people responsible for preparing the Report.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Corporate Responsibility report is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, on April 22, 2021

KPMG S.A.

Anne Garans

Partner

Sustainability Services

Arnaud Bourdeille

Partner

(6) **Social KPIs:** Number of training hours; Number of females "Assistant Director" and above; Number of promotions, thereof percentage of female employees; Employee turnover.

Environmental KPIs: GHG emissions per FTE; Energy consumption, thereof percentage of renewable energy; Waste to landfill; Recycling rate; Paper use, thereof percentage from sustainable sources.



Abbreviations and glossary

Term	Definition
AD	Assistant Director
AM	Asset Management
B&I	Balance and Inclusion
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent is a universal unit of measurement used to compare the emissions from various greenhouse gases based upon their global warming potential
Company	Rothschild & Co SCA
Emissions, location-based	A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)
Emissions, market-based	A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).
Emissions, scope 1	Direct emissions from owned or controlled sources as defined by the GHG Protocol Corporate Standard
Emissions, scope 2	Indirect emissions from the generation of purchased energy as defined by the GHG Protocol Corporate Standard
Emissions, scope 3	All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions as defined by the GHG Protocol Corporate Standard
ESG	Environmental, Social and Governance
FTE	Full time equivalents
GA	Global Advisory (business segment)
GEC	Group Executive Committee
GHG	Greenhouse Gas
Group	Rothschild & Co SCA and its consolidated subsidiaries
GW	Gigawatt
HR	Human resources
ICP	Internal carbon price
ILO	International Labour Organisation
LGBTQ	Lesbian, Gay, Bisexual, Transgender and Queer
M&A	Mergers and Acquisitions
Managing Partner	Rothschild & Co Gestion SAS, as manager of the Company (gérant)
MB	Merchant Banking (business segment)
MT	Megaton
MWh	Megawatt hour
NGO	Non-governmental organisation
NMR	N. M. Rothschild & Sons Limited
PPE	Personal protective equipment
R&Co	Rothschild & Co SCA
R&Co Gestion	Rothschild & Co Gestion SAS
RI	Responsible Investment
RMM	Rothschild Martin Maurel SCS
SDGs	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SRI	Socially responsible investing
TCFD	Taskforce on Climate Related Financial Disclosure
UNPRI	United Nations Principles for Responsible Investment
USUP	Unnecessary single-use plastics
VC	Video conferencing
WAM	Wealth and Asset Management (business segment)
WM	Wealth Management
WTT	Well to tank, upstream emissions associated with, for example, the extraction, production and transportation of fuel before combustion

