Rothschild & Co

Sustainability Report

2021

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Alexandre de Rothschild
Executive Chairman
of Rothschild & Co Gestion

"We have the long-term ambition to use our influence and expertise to support the sustainability transition of the global economy"

Message from the Executive Chairman

The publication of the Sustainability Report 2021 gives me the opportunity to thank our teams for the impressive efforts in driving ESG integration to the heart of our business. The progress made on ambition and initiatives since we published our first dedicated Corporate Responsibility Report 2019 are very visible across the entire business model. Yet, the events of recent years – in particular the current geopolitical context – highlight the new dynamic, sense of urgency and increased scope of that job today, and our remaining headroom for supporting our clients in their sustainability transition efforts.

As a business, we firmly believe that in order to sustain a successful business in the long-term, to manage risks for stakeholders, and to unlock new opportunities for growth, we need to help enable and protect a future in which everyone can thrive.

And whilst this may not be new for the generations of leaders who have successfully steered our family business for more than 200 years, as a management team we want to ensure that this philosophy is now firmly embedded in our business model for the years to come; that it is not just a question of corporate responsibility, but that sustainability is strategy. In the summer of 2021, we decided to anchor the long-term ambition to use our influence and expertise to support the sustainability transition of the global economy as a key pillar in our group strategy.

Today, a common set of strategic E, S, and G priorities provides the Group with a clear focus on ensuring that sustainability is a strategic imperative across the Group's business model, including through:

- its direct operational impact;
- investment approaches in the Wealth & Asset Management, and Merchant Banking businesses;
- transaction advice in the Global Advisory business;
- client and mandate onboarding;
- engagement of other operational supply chain partners;
- and approach for support of charities and social enterprises.

This report aims to provide transparency on the progress made in the last year across this spectrum.

Delivering this roadmap for ESG integration to support the sustainability transition of the global economy requires us to respect and embrace the connectivity of ecosystems, societies and economic interdependence. And it requires a great deal of collaboration.

Internally, this starts with a governance setup with clear ownership for sustainability strategy development and delivery responsibility at every level of the Group's business model, enabling the business-relevant implementation of group-wide E, S, G priorities, and empowering every employee to make sustainability a priority in their daily jobs. Externally, we saw over the last year more collaboration and the demonstration of joined responsibility by governments, businesses, and civil society in their efforts to mitigate and adapt to the impact of climate change. And we very much welcome the initiatives and collaboration of experts working towards more transparency and standardisation in Corporate Sustainability disclosures.

I am proud that the Group is a signatory of the UN Global Compact, and with this communication I am expressing our intent to implement the Global Compact principles and selected United Nations Sustainable Development Goals as part of the Group's Sustainability strategy and initiatives.

As an investor and advisor, we are working with a variety of management teams and boards to support them on their transition journeys by assisting the allocation of capital to long-term sustainable solutions and accessing new opportunities. This is evidenced, for example, in our role as one of the leading advisors on renewable energy transactions, the launch of innovative sustainable investment products and by the active engagement of our investment teams with issuers on their ESG trajectories.

And there are many new opportunities for collaboration that I am excited about: from joining the Net Zero Asset Manager Initiative; to identifying innovative partners to deliver against our net-zero-operations-2030 ambition, or for philanthropic support via our new R&Co4Generations platform.

These days, the road ahead looks more challenging. I was fortunate enough to grow up in an environment that allowed me to take peace, freedom and democracy for granted. Over the recent months, some of these ideals and convictions were challenged in unexpected ways.

Our thoughts are with everyone affected by the current geopolitical crisis. The whole firm is engaged in a fund-raising campaign to help support the humanitarian efforts directed at helping those people who had to leave their homes and lives behind.

As a business we have taken swift and decisive action to support a global effort to isolate Russia from access to capital markets, beyond pure compliance with globally orchestrated sanctions. In consultation with our team on the ground, we decided to suspend our Global Advisory operation in Moscow and wind down our Russian activity. We will not act as an advisor for any Russian entity, state-owned or otherwise. Our Wealth and Asset Management and Merchant Banking business will not accept any new Russian clients. And the businesses' thorough mandate and client onboarding procedures will take into consideration the heightened risks associated with acting for clients with significant exposure to the region at large, in line with our conservative approach to geopolitical risks.

But whilst it might be easy to blame the interconnectivity of the world for the lack of predictability and for the magnitude of the global impact of recent crises – from the pandemic, to the geopolitical situation, to visible effects of climate change - these events demonstrate that we all have a role to play in nurturing, upholding and protecting a world that future generations consider worth fighting for.

Integrating sustainability considerations into the heart of our strategy should not only create value in the long term, but should help build resilience in the business to mitigate some of these shocks. And whilst these developments will no doubt impact a company's approach to E, S, and G over time, and might at times require course-corrections about what is 'the right thing to do' – in the short-, medium-, and long-term –, they shouldn't be compromising joined ambitions and targets.

I remain optimistic that we can overcome these challenges by embracing our common values, the power of dialogue and global collaboration, allowing us as individuals, business leaders, advisors, and investors to be even more thoughtful and creative in supporting the sustainability transition of the global economy.

Paris, April 2022

Alexandre de Rothschild

Alexandre de Rothschild
Executive Chairman of Rothschild & Co Gestion

1. Our approach to sustainability

1.1 Sustainability is strategy

As a family-controlled business, we know that long-term value creation depends on the balanced consideration of the interests of all our stakeholders. Having been at the centre of the world's financial markets for over 200 years, our expertise, intellectual capital and global network enable us to provide a distinct perspective that makes a meaningful difference to our clients, communities and planet. Our long-term ambition to use our influence and expertise to support the sustainability transition of the global economy is a key pillar of the Group strategy and as such fundamental to delivering our strategy across the business model.

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

Global Advisory

We provide advice in M&A, Strategic Advisory and Financing Advisory, encompassing: Restructuring, Debt Advisory and Equity Advisory. Our clients include corporations, private equity, families, entrepreneurs and governments.

Merchant Banking

We are the investment arm of the Group deploying the firm's and third parties' capital in private equity and private debt opportunities, alongside a select set of leading institutional and private investors.

Wealth and Asset Management

We invest, structure and safeguard assets, creating innovative investment solutions to preserve and grow our clients' wealth.

Global reach
Local presence
Family controlled

Key differentiators

Long-term view

- Family controlled
- Strong capital position
- Enduring client relationships

People-centric

- Breadth of experience
- Deep know-how
- Partnership culture
- Well-connected

Unique brand heritage

- Strong credibility
- High affiliation

Business aligned strategy

Focus

Build strong market positions and expertise around our three core businesses

Growth

Growth across our three businesses, both organically and through targeted acquisitions, mitigating the impact of cyclicality in our markets

Value-creation

Three established businesses with strong synergies between them focused on sustainable performance and value creation

Strong returns

Effective use of capital generates long-term profit growth, supporting our progressive dividend policy

Sustainability ambition

Use our influence and expertise to support the sustainability transition of the global economy

A common set of strategic priorities provide our Group with a clear focus in ensuring that sustainability is a strategic imperative across our business model, including our:

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

The priorities listed in the **ESG priority framework** are reflective of our most material dimensions of environmental, social and governance impact (please refer to the materiality assessment of non-financial risks in Section 1.4 of this report). The framework acts as the foundation for a considered approach to ESG integration in the most business-relevant activities across our value chain and helps define a roadmap for implementation.

Section 2 of this report outlines how these priorities are reflected in policies and progress made in 2021 to integrate ESG considerations across the different levers of the business model. Sections 3,4, and 5 provide a more granular description of priorities and progress made in each of the Group's strategic E, S, and G pillars in 2021, including key performance indicators.

"At Rothschild & Co, we want to use our influence and expertise to support the sustainability transition of the global economy."

Strategic priorities

Environment (E)

- Support and contribute to the transition to a **low carbon economy**
- Preserve and protect **biodiversity**

12 Responsible consumption and production · 13 Climate action · 15 Life on land · 7 Affordable and clean energy

People and Society (S)

- Champion **diversity of thought**
- Ensure **employee wellbeing**
- Work against **inequality**

5 Gender equality · 10 Reduced inequalities

Business Practices (G)

- Safeguard **responsible business conduct**

16 Peace, justice and strong institutions

Operational focus

Environment (E):
- Carbon footprint
- Responsible consumption and resource use

People and Society (S):
- Diverse and inclusive talent pool
- Employee wellbeing and development

Business Practices (G):
- Compliance culture
- Data and cybersecurity
- Financial crime

Bussiness line integration

Wealth & Asset Management and Merchant Banking

Investment policies · Stewardship and engagement · Products and services

Global Advisory

M&A transaction advice · Financing and investor advisory

Mandates/clients/supplier selection

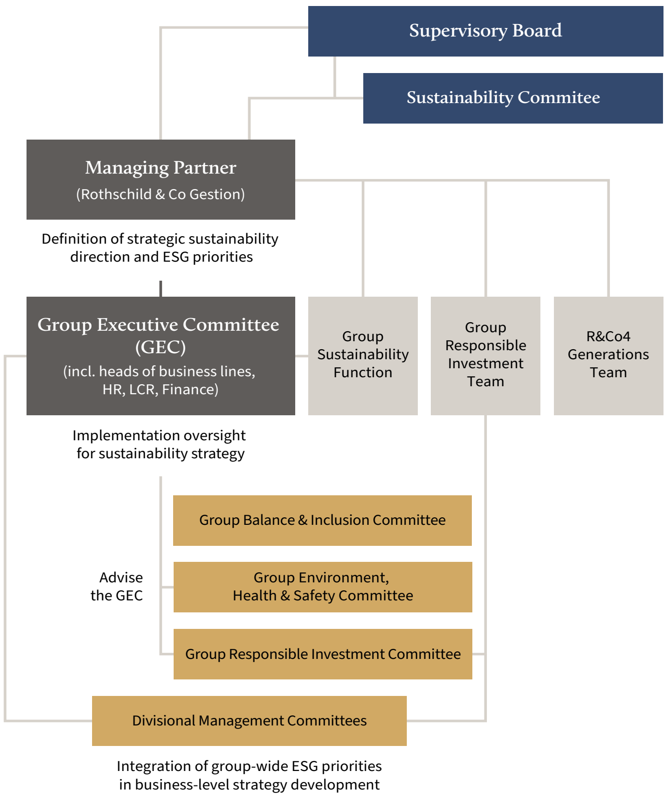
Philanthropic activities

R&Co4Generations

Donations/debt/investments · Pro-bono advisory

1.2 Governance of sustainability matters

Overview of governance arrangements



The **Supervisory Board** carries out the ongoing supervision of our Company's management. In this context, it considers sustainability issues at the initiation of senior management unless the Supervisory Board itself identifies an opportunity to discuss. A dedicated **Sustainability Committee**[1] composed of three members of the Supervisory Board meets at least twice per year and has been given the mission to assist the Supervisory Board in:

- ensuring that the Group considers environmental, social and societal as well as business practice-related issues, in line with strategic priorities for the business;
- ensuring that the Group is positioned to best identify, and address opportunities and risks associated therewith; and
- monitoring and reviewing (i) the strategic priorities, policies implemented, and objectives set by the Group relating to sustainability matters, and (ii) the Sustainability Report included in the Rothschild & Co Management Report.

In addition, the sustainability strategy is presented to the Supervisory Board at least once a year and discussed as part of the meetings of the Audit and Risk Committee of the Board, or informally considered ad hoc throughout the year.

Rothschild & Co Gestion, the Managing Partner, defines the Group's ambition for sustainability integration into Group strategy, and group-wide strategic priorities.

The **Group Executive Committee *(*GEC)'s** role is to propose strategic directions to Rothschild & Co Gestion, including in relation to sustainability, 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 GEC is responsible for sustainability topics. Sustainability matters are discussed in the regular meetings of the GEC any time as required (in more than 80% of the meetings in 2021).

Divisional Management Committees for Wealth & Asset Management, Merchant Banking and Global Advisory are responsible for the integration of group-wide E, S, G priorities in their business-line strategy.

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

The **Group Responsible Investment team** supports the work of the Group Responsible Investment Committee to further the investing business lines' roadmap for integration of ESG considerations in their approaches, including the development of consistent investment policies and assisting investment business lines in their ESG integration developments. The team reports directly to the Co-Chairman of the GEC and works closely with the Group Sustainability function.

This integrative setup enables the dedicated implementation of the Group's sustainability strategy at all levels of the business model.

Overview of dedicated committees supporting the GEC

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 we provide long-term opportunities for growth.

Group Environment, Health & Safety Committee
Overseeing the development and effective implementation of group-wide policies aimed at limiting and reducing the impact of our business operations on the environment, and the health and safety of employees.

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) For information on the composition of the Sustainability Committee, please refer to Section 6.2.7 of the Rothschild & Co Annual Report 2021.

1.3 Stakeholder dialogue, partnerships and public commitments

Building long-term, trusted partnerships with our stakeholders is essential to understanding the impact of our actions, identifying opportunities for improvement, and realising sustainable value creation. Continuous engagement with employees, clients, investors and shareholders, social society, and multi-stakeholder initiatives is crucial for fostering this dialogue.

Section 6 of this report provides an overview of relevant stakeholder groups, key topics and structured engagement activities in 2021, which helped us form our perspectives on how to approach sustainability matters in 2021.

As a signatory to the United Nations Global Compact, we support the Ten Principles on human rights, labour, environment, and anti-corruption and are committed to engaging in collaborative projects that advance the United Nations Sustainable Development Goals (SDGs). Where appropriate, this report makes the link between the Group's sustainability priorities and the commitment to, wherever possible, contribute to the achievement of selected SDGs (please refer to the ESG priority framework or universal reference table in Section 6 of this report).

The table on the right provides an overview of group-wide public commitments and the partnerships through which the Group and its businesses **publicly advocate** for and engage with its stakeholders in sustainable development initiatives.

Overview partnership & public commitments

UN GLOBAL COMPACT	**PRI** Principles for Responsible Investment	**CDP**	**FRANCE INVEST CHARTER FOR GENDER EQUALITY**
Signatory since January 2021	All investment business entities have signatory status	Investor Signatory since 2017; regular climate change disclosure reporting	Rothschild Martin Maurel SCS and Five Arrows Managers SAS are signatories since 2020
Climate Action 100+	**WOMEN IN FINANCE CHARTER**	**INITIATIVE CLIMAT INTERNATIONAL**	**Advance** GENDER EQUALITY IN BUSINESS
Rothschild & Co Asset Management Europe is a signatory since 2019	N.M. Rothschild & Sons Limited is a signatory since 2019; commitments have been expanded to the entire Group	Five Arrows Managers SAS is a signatory since 2018	Rothschild & Co Bank AG is a signatory since 2020
Swiss Sustainable Finance	**NET ZERO ASSET MANAGERS INITIATIVE**	**INVESTORS COALITION FOR A JUST TRANSITION**	**LE CERCLE ROBECO POUR UNE BANQUE PRIVÉE DURABLE**
Rothschild & Co Bank AG is a signatory since 2021	Rothschild & Co Asset Management Europe is a signatory since 2021	Rothschild & Co Asset Management Europe is a signatory since 2021	Rothschild Martin Maurel is a member since 2021

1.4 Materiality assessment of non-financial risks

Materiality matrix of non-financial risks relating to sustainability

Since 2018, we have undertaken regular materiality assessments aimed at identifying the most critical environmental, social, and governance issues that are relevant to our stakeholders and which could represent non-financial risks or opportunities for the businesses.

A review of this assessment of non-financial risks affecting Group businesses and stakeholders(1) was carried out alongside the annual review of strategic risks for the Group at the end of 2021 (please refer to the description of the main risks to which the Group is exposed presented in Section 4.1 of the Rothschild & Co Annual Report 2021). The results of this review are summarised in the below matrix, considering both:

- material stakeholder relevance, i.e., likelihood that the Group's actions with regards to an identified issue will impact its stakeholders, which could have an impact on its reputation;
- material business impact, i.e., likelihood that an identified issue will impact the Group's performance, and its ability to create long-term value.

In addition to ongoing stakeholder and market intelligence, this regular formal assessment provides the Group with relevant insight for the continued review of strategic priorities.

The results of the assessment for 2021 highlight the continued areas of focus for the business as reflected in the ESG priority framework. This report aims to provide relevant information with regards to initiatives aimed at mitigating the business impact on these matters, in particular relating to "Compliance culture" (Section 5.2), "Data & cybersecurity" (Section 5.4), "Climate action" (Section 3), "Diversity & inclusion" and "Talent acquisition and development" (Section 4.2)(2).

(1) Methodology 2021: Consultation of most recent secondary data sources paired with internal expert consultation led to an update of a long list of micro-issues related to sustainability (incl. category labels), that might present non-financial risks and/or opportunities for the firm and its stakeholders. Followed by a spot employee survey as well as consultation of most recent secondary data sources, a risk assessment was conducted in consultation with internal experts as part of Group's strategic risk assessment process, including focus groups with internal business line experts. In line with formal governance arrangements, the results were approved by the Managing Partner, and shared and discussed with the Sustainability Committee and Risk Committee of the Supervisory Board.

(2) For "Employee Wellbeing", please refer to Section 4.2 of this report, for "Human Rights", please refer to Sections 4.2 and 4.4 of this report; for "Natural Capital", please refer to Section 3 of this report; for "Socio-economic equity" please refer to Sections 3.5 and 4.5 of this report.

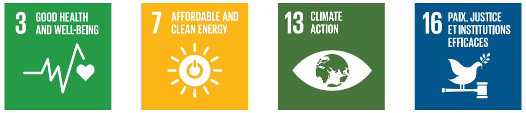
1.5 2021 highlights and impact at a glance

	Environment (E)	People and Society (S)	Business Practices (G)
Strategic priorities	■ Support and contribute to transition to a **low carbon economy** ■ Preserve and protect **biodiversity**	■ Champion **diversity of thought** ■ Ensure **employee wellbeing** ■ Work against **inequality**	■ Safeguard **responsible business conduct**
Operational focus	■ Net zero operations 2030 commitment ■ 70% GHG emissions reduction (vs 2018) ■ Shift towards active carbon removal ■ 91% renewable electricity ■ 79% of reporting offices are USUP free	■ c. 3,800 employees in over 40 countries ■ 39% average tenure > 5 years ■ Over 800 new hires (33% female) ■ 25.4% female in AD level and above ■ 40% female Board members ■ c. 1,300 participants in D&I training programmes ■ Agile Working Policy	■ 97% completion Information Security training ■ 96% completion Data Protection Training ■ 100% of clients subjected to financial crime risk assessment ■ All business divisions assessed for ABC risk

Business integration	WAM and MB	Social and environmental controversy monitoring	Specific ESG investment policies
	WAM and MB	Ambitious SFDR classification objectives	New sustainable investment products in AM Europe and MB; 10 labelled funds in AM Europe (ISR/Towards Sustainability)
	WAM and MB	Voting coverage almost 100%[1]	Nine ESG engagement initiatives joined by entities in 2021
	GA	Leading corporate adviser on transactions relating to innovative energy technology	Advisor on sustainable financing transactions linked to environmental and social causes
	Third parties	Supplier Code of Conduct	ESG considerations in new client on-boarding processes
Philanthropic activities		R&Co4Generations: new fund and global platform for environmental and social philantropic partnerships	

(1) Eligible perimeter for AM Europe, AM US and WM UK (discretionary assets).

2. ESG integration across the business model



85%
of WM discretionary assets[(1)] and

95%
of AM EU's open ended funds to be classified as SFDR Article 8 or 9[(2)]

10
labelled funds in AM Europe (French ISR/Towards Sustainability labels)

One of the leading corporate advisers
on transactions relating to innovative energy technology

Almost 100%
voting coverage on the eligible perimeter for Asset Management Europe, AM US and Wealth Management UK (discretionary assets)

(1) Excluding UK and dedicated funds, which represent c. 50% of total WM discretionary assets.
(2) SFRD framework: based on available information and businesses' own analysis, 2020 baseline.

From our operational impact, to the products and services offered in our business lines, to the clients and supply chain partners we engage with, we aim to integrate our sustainability priorities at every level of the business model. As such, ESG considerations play an increasing role in the approach to Responsible Investment, and in the transaction and ongoing advice given in the Global Advisory business. We aim to support the defined environmental and social priorities through philanthropic activities with our dedicated R&Co4Generations fund and platform.

2.1 ESG integration in investments

We believe a proactive approach to Responsible Investment is key to protect the value of investment portfolios, seize investment opportunities, and play an active role in the global transition effort towards a more sustainable economy. Responsible Investment decisions allow to preserve and create value for our clients and stakeholders and to support long-term business success. Our approach to Responsible Investment identifies and manages potential environmental, social and governance related risks for both ourselves and our clients, resulting from engagement with the companies and funds that we invested in. This chapter aims to highlight common approaches across the Group's investment business lines and draws attention to a number of examples that demonstrate the breadth and depth of progress made in the last year.

Key achievements 2021 Group Responsible Investment roadmap

Strengthening of the Responsible Investment platform

While ESG integration is increasingly becoming an important part of the day-to-day job for most investment teams, we reinforced our expertise and internal capacity for the coordination of ESG-related topics through recruitment at both Group and entity level. An active ESG coordination network is aimed to ensure consistency within our Group as well as strong operational execution of the Responsible Investment strategy among businesses.

Strong commitment for sustainable product offering and SFDR classification

The SFDR regulation proved to be an opportunity to set ambitious targets to better align entities' product offering to the Responsible Investment strategy.

Expanded engagement scope

Engagement in initiatives increased in 2021, incl. Wealth Management UK (Wealth Management UK) as a Climate 100+ signatory, and Asset Management Europe (AM Europe) joining the Net Zero Asset Managers Initiative.

The Group's investment business lines now use the SFDR framework[(1)] as a guide to develop their product offering with the following SFDR classification objectives[(2)]:

85%
of Wealth Management discretionary assets[(3)] to be classified as Article 8 or 9;

95%
of Asset Management Europe's open-ended funds to be classified as Article 8 or 9;

2
Merchant Banking funds to be classified as Article 8 and one fund to be classified as Article 9.

Supporting this objective, new sustainable strategies were launched throughout the year and the number of funds with an external sustainable finance certification significantly increased from four funds to 10 funds.

(1) SFDR framework: according to available information and the businesses' own analysis.
(2) 2020 baseline.
(3) Excluding UK and dedicated funds, which represent c. 50% of total WM discretionary assets.

Approach

Group-wide ESG investment framework

While business lines are responsible for the deployment of their specific ESG integration strategies and operational roadmaps considerate of their business constraints and specificities, our entities have agreed on a common ESG investment framework:

Responsible Investment roadmap 2019-2022; almost entirely achieved in 2021

Pillar	Objective	Progress made 2021	KPIs
100% ESG integration	Same investment policies among the Group	▪ Common investment policies on thermal coal, fundamental principles and controversial weapons adopted ▪ Thermal coal investment principles reviewed and updated	>90% of consolidated WAM AuM[1] covered by thermal coal investment principles
	Common ESG data provider	▪ ESG integration part of entities' investment process: where applicable, businesses share common tools, data sources and best practice to increase ESG integration	All Wealth & Asset Management entities and investment teams use the same ESG data provider
	Report on a common minimum set of ESG / impact data	▪ Consolidation plan for reporting of ESG data at Group level ▪ Improved ESG reporting at entity level	100% of Asset Management Europe's funds covered by a carbon intensity measurement
	Creation of a permanent Responsible Investment Committee	▪ Chaired by a member of the GEC and gathering representatives of all business lines, the Investment Committee meets on a monthly basis	7 Responsible Investment Committee meetings held in 2021
Be an active and engaged investor	Join International Initiatives	▪ All investment entities were UNPRI signatories at year end 2020 ▪ Asset Management Europe, Merchant Banking, Rothschild and Co Bank AG and Wealth Management UK submitted a UNPRI questionnaire in 2021	Wealth Management UK and Merchant Banking received UNPRI A score in 2020, AM Europe A+
	Voting	▪ Stewardship and voting policies have been developed by business lines.	Voting coverage reached almost 100% on the eligible perimeter for Asset Management Europe, AM US, and Wealth Management UK (discretionary assets)
	Promote and support sustainable investing practices	▪ Participation in multi-stakeholder initiatives (please refer to Section 1.3 of this report)	Nine ESG-related initiatives joined by entities in 2021
	Regular publications and conferences on ESG and Impact	▪ Entities released thematic publications to clients and via web channels	59 ESG dedicated publications over 2021
Offer innovative sustainable investment products	Flagship sustainable products	▪ Each eligible entity has SFDR Article 8/9 products ▪ New "impact" products developed by Merchant Banking and AM Europe	10 labelled funds (AM Europe) in 2021 (French ISR/Towards Sustainability labels)
	Donation shares	▪ Asset Management Europe started to develop profit-sharing offering	Three funds offering a donation share in 2021

(1) Eligible assets, excluding derivatives for all entities, excluding hedge funds for Wealth Management UK.

Business lines adapt the integration of ESG factors and analyses across the spectrum of capital to meet the different investment needs and profiles of institutional and private clients.

Integration

Investment exclusion policies for the Wealth & Asset Management and Merchant Banking activities:

- Controversial Weapons Investment Policy: exclusion of investments in companies that design and produce cluster munitions and/or land mines in accordance with the Oslo Treaty (2008) and the Ottawa Convention (1997);
- Fundamental Principles Investment Policies: exclusion of investments 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; and
- Thermal Coal Investment Policy: exclusion and engagement of companies involved directly in thermal coal production as well as exploration, mining & processing and power generation using thermal coal.

These investment policies help identify and manage the sustainability-related risks in the investment portfolios of our business lines, including climate-related risks. Continuous work is conducted to update these policies and extend their scope of application. As an example, thresholds used by the investment teams to limit the Group's exposure to thermal coal have been lowered in 2021, in line with the Group's commitment to respect the international calendar for industry exit.

Investment teams also apply these investment principles on their activities related to external managers or indexed securities, for example for third-party long-only active funds, Rothschild & Co Bank AG asks managers to have a thermal coal investment policy equivalent to ours, or alternatively a commitment to introduce a policy by mid-2022. If this is not the case, the entity commits to exit the fund position. Similarly, new fund investments are allowed only if the fund manager commits to implement a policy by mid–2022.

The exclusion policies are guiding decisions taken by the investment teams. ESG dimensions are directly integrated in the pre-trade systems of some of the entities and investment managers can monitor the performance of their portfolios. Exclusion policies may also be integrated in the definition of the investment universe, either by restriction or through red-flag notifications.

ESG integration tools help the investment teams to assess a security or portfolio's overall profile, risk and opportunity exposure, and any quantifiable impact. Tools considered across the Group include:

- ESG ratings and KPIs provided by third parties;
- ESG indicators provided by companies;
- in-house ESG analyses, and
- reliable open-source data.

In addition to the group-wide investment principles, all investment business lines have developed Responsible Investment Policies and solutions reflecting the needs of the markets and clients they serve, in line with their investment philosophies.

Most of the investment business lines adopt a "double-materiality" approach in line with the latest regulatory developments and disclosure expectations (TCFD/SFDR). It involves the monitoring and managing not only of the impact the businesses' investments can have on planet and society, but also taking into account how global social and environmental challenges can affect their business model.

In addition to ESG investment integration policies, individual entities have published Sustainability Risk Policies to disclose their approach in managing these risks as required by the Sustainable Finance Disclosure Regulation (SFDR).

Governance: To ensure consistency and progress on ESG integration in investment approaches, Responsible Investment is addressed at different levels in the Group's formal governance arrangements, including governance with regards to sustainability matters (see Section 1.2 of this report):

(1) The Sustainability Committee of the **Supervisory Board** is regularly updated on Responsible Investment initiatives.

(2) The Group **Responsible Investment Committee** is chaired by one of the Managing Partners and Co-Chairman of the GEC and aims to ensure accountability for the creation and implementation of policies across the investment businesses, as well as ensuring that Responsible Investment priorities are reflective of the Group's strategic ESG pillars. The Committee draws on management and subject-matter experts from its investment businesses and is supported by the Group Responsible Investment team to ensure effective coordination across business lines.

Dedicated working groups are created to work on transversal topics, such as coordinating activities with regards to the recommendations on climate risk integration and disclosure by the TCFD and ensuring consistency in the understanding and implementation of SFDR requirements.

(3) **Individual investment entities** set up their own ESG governance, with management regularly involved in approvals and delegation of a key representative to the Group Responsible Investment Committee. In order to further integrate ESG-related risks and opportunities as part of its strategies, some of the entities' remuneration policies have been updated to integrate ESG criteria.

The dedicated **Group Responsible Investment team** supports the work of the Group Responsible Investment Committee to further the investing business lines' roadmap for integration of ESG considerations in their approaches, including the development of consistent investment policies and assisting investment business lines in their ESG integration developments. The Group Head of Responsible Investment reports directly to the Co-Chairman of the Group Executive Committee and works closely with the Group Head of Sustainability.

Integrating ESG in the investment parameter is a process that requires the collaboration of different teams within the Group. Support functions play a key role in this process and second-level controls are applied when relevant by the entities' compliance and risk functions.

Engagement

The implementation of reliable ESG investment frameworks fosters value creation, contributes to a better ESG risk monitoring, and creates positive impact on the priorities defined in the Group's ESG strategy framework. As a responsible investor, we support the development of sustainable business practices via dialogue with corporates, or other financial players (asset managers/Private Equity funds), and communication of our sustainable action plans to clients.

Active engagement actions are implemented in two ways:

(1) **Direct engagement:** discussion with companies in which the business invests are initiated to better understand their ESG practices and raise awareness for the Group's position. Our business lines have developed structured engagement policies to ensure consistency and positive outcomes.

(2) **Collective engagement:** as integrating sustainable practices is often a market-wide challenge, the investment businesses partner with other players to reinforce the promotion of an integrated ESG approach, or to take common commitment regarding sustainable practices.

Recent examples of direct engagement initiatives

Business line	Direct engagement initiative
Asset Management Europe	▪ Redefined engagement policy to maximise the impact of activities on listed companies ▪ Engagement policy implies questionnaires sent to issuers, ESG-related discussion with companies, and/or pre-AGM meetings ▪ Divided into three core pillars: targeted, generalist and thematic ▪ Engaged with 94 companies
Wealth Management UK	▪ Specific topics are targeted on case-by-case basis and regular discussions organised with companies in portfolio ▪ Engaged with companies from various sectors on ESG-related challenges
Rothschild & Co Bank AG	▪ Formalised an ESG-specific engagement policy including a voting policy, and individual and collective engagement
Rothschild Martin Maurel	▪ Published an engagement policy framing actions for promoting ESG with its stakeholders
Merchant Banking	▪ Three recently acquired portfolio companies to conduct an ESG review and define an action plan of improvements to be implemented ▪ Two General Partners to share ESG-related knowledge and good practices in the industry ▪ Out of 99 portfolio companies and General Partners, 79% have completed an ESG questionnaire in 2021

Recent examples of collective engagement initiatives

UN PRI
All investment business entities of the Group

CLIMATE ACTION 100+
Asset Management Europe, Wealth Management UK

FINANCE FOR TOMORROW
Asset Management Europe

NET ZERO ASSET MANAGER INITIATIVE
Asset Management Europe

CERCLE ROBECO POUR UNE BANQUE PRIVÉE DURABLE
Rothschild Martin Maurel

UK STEWARDSHIP CODE (FRC)
Wealth Management UK

THE INVESTOR FORUM
Wealth Management UK

SWISS SUSTAINABLE FINANCE
Rothschild & Co Bank AG

ESG COMMISSION AT FRANCE INVEST
Merchant Banking

GLOBAL IMPACT INVESTING NETWORK (GIIN)
Merchant Banking

For the investing business lines, AGMs of listed companies present the opportunity to express their views and support to top management. In 2021, high **voting coverage** targets have been reached: Rothschild & Co Bank AG (on its Mosaique portfolios), Wealth Management UK[1], and AM Europe[2] achieved almost a 100% coverage ratio thanks to the use of proxy voting advisors and the work of analysts.

Key voting figures 2021

Investment entities	Number of voted resolutions	Voting coverage *(%)*	Perimeter
Asset Management Europe	7,866	93	Total eligible AuM (excl. legacy funds)
Asset Management US	3,725	100	Total eligible AuM
Rothschild & Co Bank AG	630	92	Mosaique funds (eligible AuM)
Wealth Management UK	322	99	Eligible discretionary assets

(1) Equities included in discretionary assets.
(2) On eligible perimeter.

Disclosure, reporting and measurement

The investment business lines made important efforts to increase transparency on their practices in the past couple of years. A number of policies and reports have been published, describing activities to further integrate ESG parameters in the investment practices of individual entities.

Recent examples of Responsible Investment disclosures

Business line	Public reports
Asset Management Europe	▪ Sustainability risk and ESG policy ▪ Engagement policy and engagement report ▪ Combined TCFD/Article 173 report ▪ Portfolio-level transparency reports (Climate range, R-co 4Change Human Values) ▪ ESG reporting for almost all products, providing information on the ESG scoring, the carbon footprint and the transition profiles of companies in portfolio
Rothschild Martin Maurel	▪ Sustainability risk and ESG policy
Wealth Management UK	▪ Responsible Investment policy
Rothschild & Co Bank AG	▪ ESG approach
Asset Management US	▪ Responsible Investment policy

Some of the entities published ESG data related to the performance of their funds.

Each of the investment businesses is responsible for the management of the ESG integration in its activities, and the reporting on a set of ESG metrics that have been defined at Group level. This will be followed by the aggregation of a consolidated ESG performance reporting covering a number of key KPIs representative of the Group's ESG priorities across its investment activities. A global monitoring of the impact of the investments could help identify opportunities for collective action across the different entities, enabling synergies in addressing transversal issues such as the management of climate-related risks and opportunities.

Product offering: from integration to impact

Product offering expansion is key to meet the objectives of institutional and private wealth clients that are looking to invest in line with their environmental, social and governance preferences, and to allow us to have a positive impact on the sustainability transition of the global economy.

Overview product spectrum

Business line	Examples of product developments 2021	Exclusion	Integration	Impact
Asset Management Europe	▪ 10 labelled products (French ISR and Towards Sustainability labels) ▪ Launch of R-Co Valor 4Change Global Equity, aiming at actively contributing to the development of ESG practices ▪ Development of products dedicated to environmental or social impact (please refer to Sections 3.2 and 4.3 of this report)	✓	✓	✓
Rothschild Martin Maurel	▪ Further development of the 4Change mandates, reinforcing best-in-class selection ▪ Strengthening of ESG integration process in standard discretionary mandates	✓	✓	
Wealth Management UK	▪ Further development of the Exbury strategy, which in addition to its return objective, actively invests in assets that support the goals of the Paris agreement (net zero global emissions by 2050) and the fair transition to a lower carbon world ▪ 2020 ESG Report *(Rapport Exbury)*	✓	✓	
Rothschild & Co Bank AG	▪ Strengthening of ESG integration process of the funds and discretionary mandates – specific best-in-class ESG approach and assessment of the low-carbon transition profile of companies in the portfolio	✓	✓	
Asset Management US	▪ Gender equality lens strategy aiming at promoting gender equality across investment practices based on data provided by Equileap	✓	✓	✓
Merchant Banking	▪ Two strategies promoting ESG dimensions, categorised as Article 8 according to SFDR (FAGC and FAPI) ▪ Launch of a new impact fund in 2021 (FASI), categorised as Article 9 according to SFDR	✓	✓	✓

The requirements of the EU Sustainable Finance Disclosure Regulation (SFDR) marked an important opportunity for the investment businesses to align and develop investment strategies with global sustainable objectives while competing on equal terms with other market players. The Group's investment business lines (except for Asset Management US) now use the SFDR framework to develop their product offerings in accordance with the above-mentioned targets.

Sections 3.2 and 4.3 of this report provide examples of how different investment products and strategies support our strategic ESG priorities. The business lines will continue to develop their offering to integrate sustainability at the heart of their strategy.

ESG integration in treasury and lending activities

Over the course of 2021, ESG policies were defined for the Group's treasury activities, which follow the established group investment policies on exclusions. In addition, investments and exposures are monitored using MSCI ESG ratings and no limits are approved for any entity rated B or below (or equivalent where no MSCI rating available).

Our lending activities mainly assist private clients in the Wealth Management businesses. These clients undergo a thorough new client acceptance process designed to protect the group from any potential reputational risk. The assets that act as security for the Lombard lending activities are inherently guided by the Group's investment policy on Wealth Management assets, which integrate ESG principles, and borrowers are encouraged to consider ESG criteria in their investments. A policy for integration of ESG considerations in the Group's real estate loan business has been designed in 2020, and in 2021 there are ongoing discussions to develop ways to measure the ESG impact on the Group's real estate loan portfolios.

2.2 ESG in Global Advisory

Aligned to our position as one of the leading independent financial advisory houses, our Global Advisory business has established a leading ESG Advisory practice which combines experienced and dedicated ESG expertise, with the ongoing development of sector specific integrated ESG knowledge. The business advises large, mid and small-cap corporates on their M&A, strategic and financing goals. Supporting public and private corporate clients consolidate a full spectrum of ESG risks and opportunities is aligned with the long-term approach to providing advice and leverages our ability to influence ESG issues at scale. With our expertise, we are well-placed to support clients through the energy transition and the definition and implementation of ESG strategies.

Using the skills and expertise at the heart of its business model to integrate dedicated ESG practice, Global Advisory is:

- supporting clients in determining their strategic responses to the energy transition, and to adapt to the risks, opportunities and evolving demand for disclosure;
- supporting clients in identifying and addressing ESG-related risks and opportunities for growth and capital in transactions including activist challenges; and
- promoting the flow of capital towards sustainable outcomes for clients, shareholders, and society.

Approach and offering

M&A is a catalyst in the transition to a low carbon economy. Clean energy plays a major role in the energy transition and efforts to limit greenhouse gas (GHG) emissions globally and clean electricity, such as wind and solar, are increasingly providing a greater percentage of energy to grids. We continue to take a leading role as an advisor on transactions relating to innovative energy technology and energy management, making the firm one of the top three advisers on global sustainable M&A transactions. Growing ESG trends are affecting businesses in all sectors and regions and we continue to advise on transactions which realise the significant potential for integration of ESG considerations as part of business strategy.

Sustainable finance transactions. 2021 was an important year for the sustainable finance market and we were able to sustain a leading position in raising financing for renewable projects and making green and social projects investible. Investors are reassigning large amounts of money towards ESG transactions and ESG ratings are increasingly in focus for businesses seeking sustainable finance which meet the relevant criteria and objectives. Our debt and financing advisory practice works with clients on innovative sustainable financing products, such as sustainability linked loans and bonds, education bonds and green bonds, correlating to the ambitions and net-zero targets of the client's business.

ESG credentials are increasingly critical in retaining and attracting capital to deliver optimal outcomes for clients. **Investor Advisory** and **Investor Marketing** utilise investor insights around ESG matters, enabling them to advise on climate strategy, responses to climate related shareholder activism and say-on-climate resolutions. The Investor Advisory team continues to work closely with the **Equity Advisory** and **Private Capital** teams across the regions, integrating ESG considerations in the IPO and earlier funding processes to help companies best position themselves to access sustainable capital with an integrated sustainable strategy.

Our teams provide high quality strategic advice on attracting capital and engaging with investors around various environmental, social and governance matters, including:

- ESG framework and governance, sustainability strategy, key messaging and response to challenges and externally proposed change;
- engagement preparation and defence relating to governance, remuneration and board change with AGM voting support;
- shareholder analytics, perception studies, market intelligence, identifying ESG topics most important for the business and board;
- advice on positioning and engagement for improved communication with investors, including capital markets days, results and reports;
- ESG ratings advice for companies seeking to validate their sustainability credentials and narrative, as well as improve external perceptions of third party scorers;
- identifying and targeting investors with relevant ESG investments; and
- ESG activist related challenges and shareholder resolutions.

Sections 3.3 and 4.4 of this report provide examples of how different advisory mandates reflect and support the Group's strategic ESG priorities.

Managing environmental and social risks in relation to clients and transactions

We are actively managing risks that could arise from our business activities. The Group's Client Due Diligence Policy provides for potential reputational risks that may arise from various sources, including, but not limited to, the nature or purpose of a proposed transaction or service, the identity, location or activities of a potential client and the regulatory or political context in which the business will be transacted (including any potentially controversial environmental or social impact of a client's business activities, or a transaction).

Processes for the identification and assessment of environmental and social risks are integrated into the businesses' risk compliance procedures at the point of onboarding a new client and/or mandate. This involves:

- reputational screening designed to identify any potential issues in relation to the ESG profile of a company or transaction. Where a potential issue is identified, it is followed up by enhanced due diligence designed to better understand risk mitigating factors, countermeasures and ESG initiatives put in place by the client; and
- potential ESG related concerns are discussed at the relevant senior client acceptance committee and may be escalated to the Global Risk Committee for consideration before proceeding.

In order to provide internally consistent guidance, we have identified a number of areas of potential environmental and social concerns that could represent a source of conflict with the Group's strategic ESG priorities, and as such represent material risks to our firm's reputation and to our stakeholders.

We will on a regular basis assess our policies and practices, based on an accurate monitoring of relevant topics that could represent reputational risks for our firm.

2.3 ESG considerations in supply chain engagement

Whilst procurement decisions are made on a decentralised basis in our business lines and functions, we are committed to encouraging responsible business practices throughout our operational supply chain. When working with supply chain partners, all parties are expected 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 aim to treat all parties equally and with fairness, providing the same opportunities. The Group is committed to follow fair and reasonable payment practices and to pay suppliers in accordance with agreed deadlines.

We have formalised our expectations in a dedicated Supplier Code of Conduct applicable to third parties who supply goods or services to the Group, as of July 2021. The Code reflects our ESG priorities and clarifies for our suppliers the expectation for respect of fundamental ethical, social and environmental principles in doing business, including the commitments we have made as a signatory to the United Nations Global Compact. These expectations extend to the suppliers' relations with their own employees and subcontractors or any other related third parties of supplier entities and organisations forming part of the engagement.

We aim to ensure that:

Suppliers are made aware of the **Supplier Code of Conduct** as part of the RFP/contract renewal process;

at contracting stage:

- accept its principles as a fundamental requirement for doing business with Rothschild & Co, and/or
- provide reassuring proof of their own policies and public commitments that are reflective of the principles of the Group's Supplier Code of Conduct;

should concerns arise, the contract owners should engage with the potential supplier to understand issues and a plan to address these in the future; and

in addition, where possible, provisions allow for an immediate right of termination at the Group's sole discretion, when a breach of the Supplier Code of Conduct is reported.

A number of Group policies specify additional requirements related to potential risks of association with third party suppliers, following a proportionate and risk-based approach:

- the *Group Anti-Bribery and Corruption Policy* includes risk grading "qualifying" third party relationships in order to determine the level of due diligence required, including the frequency of review as part of ongoing monitoring as well as potential consequences of failure to live up to the standards set;
- the Group's Outsourcing Policy outlines the approach to managing risks associated to outsourcing and outlines principles with regards to due diligence required for entering into an outsourcing agreement as well as necessary assessments of risk and criticality;
- the Group's Information Security Policy defines core principles for information security and the protection of information assets, including for third parties and outsourced service providers;
- the Group *Cloud Security Standard* sets minimum requirements for cloud-based technology services consumed by Rothschild & Co , applicable to technology services provided by third party suppliers;
- the Third-Party Security Standard lays out standard control requirements for engaging with a new third party such as a security tiering assessment or penetration tests; and
- the UK Modern Slavery Statement includes principles for identifying suppliers that are likely to pose a modern slavery risk and includes a risk grading of top suppliers.

The Group Operating Committee has initiated a project involving the development of a comprehensive, end-to-end, procurement process for selecting, evaluating and managing Third Party Relationships, including risk-based due diligence. Implementation is expected for 2022.

2.4 Philanthropic partnerships: R&Co4Generations

In 2021, we announced the launch of R&Co4Generations as a platform to further build on our long philanthropic tradition of supporting charities and social enterprises. R&Co4Generations is a dedicated philanthropic fund and programme to organise and manage associated activities across the Group.

R&Co4Generations' key objective is to **support future generations** by giving them the means to face and adapt to the social and environmental changes that they will encounter during their lifetimes. It supports organisations working to **combat the effects of inequalities and climate change**, with a special focus on projects which:

- develop skills and talents;
- cultivate entrepreneurial mindsets in young people; and
- promote innovation in response to inequalities and climate change.

R&Co4Generations' primary focus lies on supporting local charities that are operating in the geographies in which we have a presence. In addition, each year R&Co4Generations will support a number of global flagship projects, providing an increased level of support to selected initiatives working across geographies on issues of global significance.

In supporting such initiatives, R&Co4Generations aims to make full use of the tools at our at its disposal, including:

- **grant funding** for innovative charities and social enterprises working in the chosen fields;
- targeted **fundraising campaigns** with company matching to support the projects;
- **pro-bono advisory** support where the Group can share its professional knowledge and skills to strengthen resilience and sustainability of high impact and promising organisations;
- targeted, purposeful **volunteering programmes** which allow colleagues to contribute directly and tangibly to causes which share the Group's objectives; and
- ultimately, **social impact investing and loans** to support changemakers who are developing cutting-edge solutions to some of the most pressing social and environmental challenges the world faces.

The R&Co4Generations fund is managed under the umbrella of the King Baudouin Foundation (KBF), a public utility foundation registered in Belgium. Our entities contribute to the fund either directly or via KBF's global network of subsidiaries and partner foundations.

The fund is governed by a Management Committee comprised of Rothschild & Co executives and independent subject matter experts. The Management Committee selects projects for support on the basis of objective criteria and tools specially designed to assist with this process. Selection criteria include alignment with the R&Co4Generations mission; likelihood of contributing to long term, sustainable change; scalability or replicability; employee engagement opportunities including fundraising, volunteering and pro-bono advisory.

Engaging employees is central to the R&Co4Generations mission. All of our colleagues are encouraged to put forward their proposals for causes to support, and to get involved in selected projects through volunteering or by joining a pro-bono advisory team. Regular updates on project selection, activities and progress are shared with employees on the Group intranet or via email.

Sections 3.5 and 4.5 of this report provide examples of how different philanthropic initiatives support our defined environmental and social priorities.

R&Co4 Generations

26%
of employees globally engaged with R&Co4Generations/ Community Investment activities(1).

More than **50 charities**
supported by the business across
20 countries

with an
average partnership duration of two years.

(1) Includes volunteering, giving, and attending virtual events.

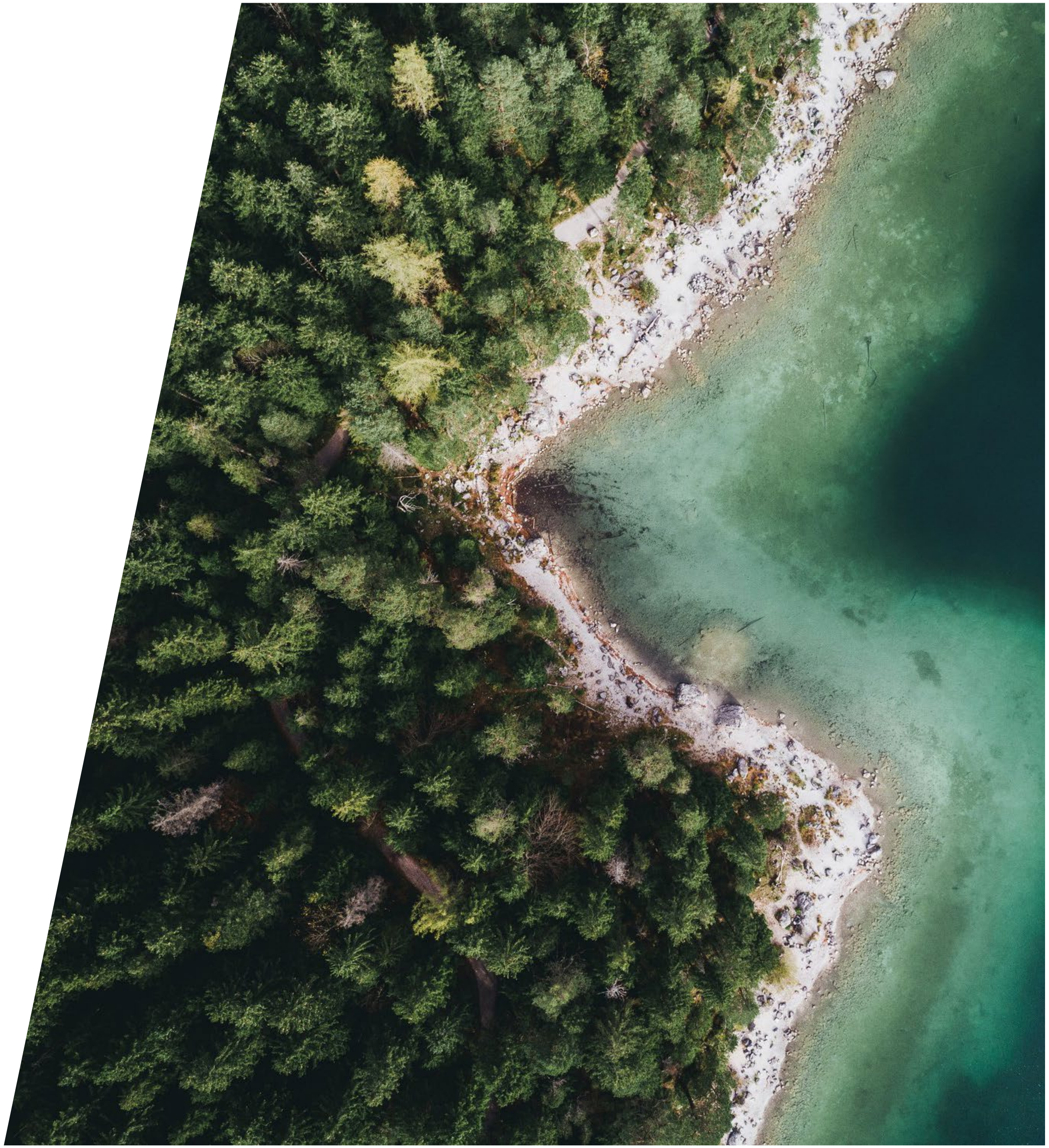
3. Environmental impact

-70%
operational GHG emissions vs. 2018

91%
electricity from renewable sources

Net-zero
operations 2030 commitment

79%
of offices single use plastic free



3.1 Strategic priorities

We are committed to contributing to a more environmentally sustainable economy and limiting the Group's environmental impact. This chapter aims to present group-wide initiatives, policies, products and services that support these objectives and are designed to help mitigate risks for stakeholders and influence opportunities for the business in these areas

Overview

Priorities	Supporting the transition to a low-carbon economy	Preserving and protecting of biodiversity
Objective	Limiting and reducing the impact of our operations, products and services on a changing climate, and act as a catalyst in support of the transition towards a low carbon economy	Preserving, protecting and enhancing the resilience of our planet's ecosystem services and the societies that rely on them
Operational focus	Reducing and mitigating the direct and indirect climate impact of our operations; climate change adaptation	A nature-positive approach that supports regeneration, resilience and circularity as part of our environmental management practices
Business line focus	Integration of environmental considerations in product and service offering, including investment approaches and advisory services aimed at influencing capital allocation in support of a just transition to a low carbon economy and towards nature-positive solutions	
Philanthropy focus	Supporting environmental initiatives with focus on climate change	
Group-wide commitments	▪ Net-zero operational impact by 2030[1] ▪ 100% renewable energy by 2025 ▪ 100% electricity from renewable sources by 2025 ▪ Reduce energy consumption in offices by 25% per FTE by 2025[1] ▪ Business-level exclusion policies for the thermal coal sector ▪ Compensation for unavoidable operational GHG emissions	▪ Zero waste to landfill by 2030 ▪ Reduce paper use by 25% per FTE by 2025 ▪ Group recycling rate of 80% by 2025 ▪ Business-level exclusion policies/due diligence requirements for activities related to severe, irreversible environmental damage
2021 impact highlights	▪ -70% operational GHG emissions vs. 2018 (baseline) ▪ 91% electricity from renewable sources ▪ Initiation of carbon-removal project selection ▪ New Five Arrows Sustainable Investment fund (Merchant Banking) ▪ Net Zero funds managed by Asset Management Europe ▪ Asset Management Europe signatory to the Net Zero Asset Manager Initiative ▪ Debt Advisory services on substantial number of transactions including an ESG angle ▪ M&A advisory services leading on transactions relating to energy innovation and management	▪ 27 offices USUP[2] free (+35% vs. 2019) ▪ Strategic partnership with World Land Trust which supports projects aimed at helping to stop deforestation ▪ New Five Arrows Sustainable Investment impact fund (Merchant Banking)
Outlook	▪ Ongoing monitoring and minimizing of operational emissions ▪ Building of carbon-removal portfolio to phase out carbon avoidance offsets by 2030 ▪ Advising and supporting companies in their strategies to expand and meet their ESG targets and attract relevant ESG capital ▪ Continuation of climate risk assessment ▪ Training of investment teams about climate change and its consequences	▪ Increase recycling and promotion of circular economic practices ▪ Initiation of biodiversity risk assessment

(1) vs. 2018 baseline.
(2) Unnecessary single-use plastic.

3.2 Products and services: investment approach

Limiting the environmental impact of our activities is a key consideration in the ESG investment frameworks and policies and constitutes an ongoing objective for our investment teams.

Policies and frameworks detailed in Section 2.1 of this report constitute the basis for monitoring the environmental impact related to our investment activities, and the management of sustainability risks likely to significantly impact clients' best interests.

We have implemented **investment policies** aimed at limiting the environmental impact of investment activities, that apply to all investment business lines within the Group:

- Fundamental Principles Investment Policy: Rothschild & Co will not invest in companies which are related to "…severe environmental damage, including unacceptable levels of greenhouse gas emissions …"; and
- Thermal Coal Investment Principles: identify thresholds with regards to a highly impacting sector that has a significant contribution to environmental challenges such as climate change.

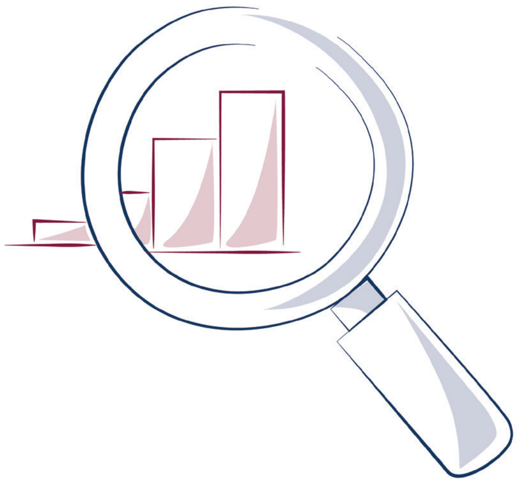
Investment teams monitor the performance of investee companies regarding **environmental criteria** (environmental scores, carbon intensity, transition profile). In addition, some entities have implemented further practices, such as:

- active monitoring of environment-related controversies to ensure clarity on the impact of an investee company's practices (Wealth & Asset Management activities);
- assessment and public disclosure on the climate performance of Asset Management Europe's discretionary funds, comparing them with the performances of their respective investment universe, integration of other key indicators in the reporting of specific funds (e.g., R-Co Valor 4Change Global Equity reports information on the impact related to water consumption); and
- Merchant Banking investment teams use specific environmental metrics to directly monitor the performance of the portfolio companies in some of its strategies (data differs between strategies).

As part of their Responsible Investment approach, our investment businesses aim to offer clients the opportunity to contribute to the sustainability transition of the global economy through a **specialised offering targeting environmental objectives.**

Investment product developments with an environmental theme

Entity	Product developments 2021	Theme
Asset Management Europe	▪ 4Change funds (equity, fixed-income and diversified) focused on ESG dimensions: • two of these funds became "Net-Zero", with ambitious climate targets in 2021; • launch of Valor 4Change Global Equity in 2021, aligning the expertise of flagship fund Valor and the monitoring of specific environmental KPIs ▪ Green Bonds fund: contributing to the environmental transition	▪ Climate ▪ Water scarcity ▪ Biodiversity
Rothschild Martin Maurel	▪ Dedicated products centred on green transition opportunities	▪ Climate
Wealth Management UK	▪ Exbury strategy, which in addition to its return objective, actively invests in assets that support the goals of the Paris Agreement (net zero global emissions by 2050) and the fair transition to a lower carbon world	▪ Climate
Rothschild & Co Bank AG	▪ Funds and discretionary mandates: monitoring the low-carbon transition score of companies in portfolio (provided by MSCI ESG Research) and exclusion of worst-in-class, so-called stranded assets, players	▪ Climate
Merchant Banking	▪ Five Arrows Sustainable Investment: an impact fund aimed at investing in companies actively contributing to the low-carbon transition	▪ Climate ▪ Sustainable agriculture



The development of environmental partnerships with NGOs contributes to the funding of initiatives aimed at improving the Group's knowledge about ecosystems or reducing the impact of human activities on them:

- Asset Management Europe signed a five-year partnership with the association **"Océan Polaire"** to finance their work on Antarctic ecosystems and the Polar Pod expedition; and
- in 2021, Merchant Banking partnered with **Solar Impulse Foundation** to launch its first Impact fund dedicated to the transition to a low-carbon economy (Five Arrows Sustainable Investment).

Our investment entities defined and implemented ambitious stewardship policies driving active **engagement** with companies in which they invest. In addition, the entities are involved in collective initiatives aiming at promoting environmental best practices:

Overview of environmental collective engagement initiatives & commitments

Climate Action 100+

Rothschild & Co Asset Management Europe and WM UK are signatories

INITIATIVE CLIMAT INTERNATIONAL

Five Arrows Managers SAS is a signatory since 2018

NET ZERO ASSET MANAGERS INITIATIVE

Rothschild & Co Asset Management Europe became a signatory in 2021

INVESTOR COALITION FOR A JUST TRANSITION

Rothschild & Co Asset Management Europe is founding member

Climate-related risks in investments

We recognise that climate-related physical and transition risks have the potential to destabilise the global economy, leading to unexpected market changes.

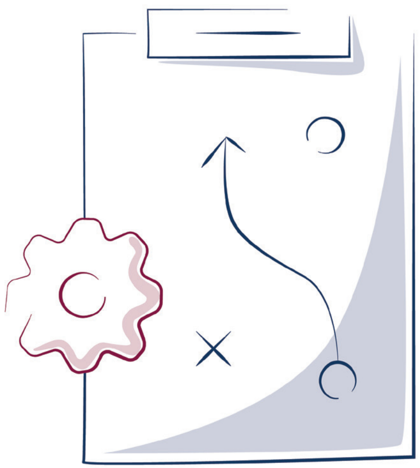
As a Group, we support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

A number of Group and business-level policies are aimed at managing environmental risks, including climate-related risks, and the environmental impact of its products and services.

A dedicated TCFD Working Group reporting into the Group Responsible Investment Committee has further progressed the consideration of materiality of climate risks, with a focus on investment activities, including amongst others:

- identification of the nature of climate-related risks and opportunities, and mitigation action plans in the different business lines through a series of workshops;
- evaluation of options for external data provision supporting the disclosures the Group would like to initiate regarding climate impact of investments and climate-related risks; and
- initiation of training of investment teams about climate change and its consequences aimed at empowerment and knowledge building.

As a Group, we aim to disclose in 2022 a stand-alone report dedicated to our strategy for reducing identified climate-related risks and managing our contribution to climate change.



3.3 Products and services: Global Advisory

The energy transition creates opportunities for coordinated and competitive action by businesses with a dynamic impact on the allocation of capital and the entire operating context for some companies.

The ability to identify these opportunities and the associated risks forms part of the tailored **M&A** advisory services. For example, clean energy plays a major role in the energy transition and efforts to limit GHG emissions globally: clean electricity, such as wind and solar, are increasingly providing a greater percentage of energy to grids. Over the last year, we have again taken a leading role in facilitating green M&A transactions.

Advice to Equinor and SSE on the sale of a 20% interest in the third phase of Dogger Bank, the world's largest offshore wind farm, to Eni

The transaction follows Global Advisory's role advising **Equinor** and **SSE** on the successful sale of a similar stake in the first two phases of Dogger Bank to Eni in 2020. Once the three phases are complete in 2026, Dogger Bank will generate around 18 TWh of green electricity each year, enough to supply 5% of the UK's demand or 6 million UK homes. In addition to its environmental benefits, Dogger Bank will also have a number of social benefits and has resulted in the announcement of almost 3,000 new UK jobs to support the construction and operations of the wind farm.

In 2021, the debt advisory team has advised on a substantial number of transactions including an ESG angle. A particular focus was given to assisting clients with sustainability-linked financing and debut green bonds. Green bonds as the most common "use of proceeds" bond, are used to finance or refinance green projects, such as sustainable agriculture, renewable energy and green buildings and encourage investment in green projects.

Advice to Whitbread on inaugural green bonds

Rothschild & Co provided debt advice to **Whitbread plc** on its inaugural £300 million long six-year 2.375% and £250 million long 10 year 3.000% "green" bonds rated BBB-. The Bonds were issued pursuant to the company's newly established Green Bond Framework. The proceeds will be used to finance and/or refinance eligible green projects as described in Whitbread's Green Bond Framework. The orderbook was >10x oversubscribed versus the initial launch size, representing significant oversubscription, particularly for the sterling market.

Sustainability-linked financing is gaining considerable momentum for all corporate issuers. By linking a coupon/margin step up to a Sustainability Performance Indicator, corporates are incentivised to meet the ESG goals they set out. Sustainability-linked financing holds companies to account and enhances transparency, by requiring disclosure around ESG goals. Furthermore, these instruments help set a best-in-class industry standard and promote competitive tension by challenging corporates to outperform their peers' ESG performance metrics. Investors are increasingly looking to understand and track progress on KPIs. We provide expert support and guidance to clients interested in sustainability-linked financing. Common KPIs include, but are not limited to, reducing carbon emissions, cutting water waste, and increasing energy efficiency.

Advice to Accor on sustainability-linked bond

In November 2021, Rothschild & Co acted as Financial Advisor to **Accor SA** on its inaugural €700m 7-year sustainability-linked bond. Issued pursuant to Accor's Sustainability-Linked Bond Framework, the bonds are indexed to the Accor's greenhouse gas emission reduction targets of -25.2% for Scopes 1 and 2 and -15.0% for Scope 3 by 2025 versus 2019, in line with the below 1.5°C and 2°C SBTi scenarios. Strong demand demonstrated investors' commitment to sustainable finance and recognised Accor's sustainable development ambition.

Advice to FirstGroup on sustainability-linked RCF

Rothschild & Co advised **FirstGroup plc** on the refinancing of its bank facility with a new £300m Sustainability Linked Revolving Credit Facility. The facility, which is aligned with the Loan Market Association Sustainability Linked Loan Principles, incorporates two sustainability key performance indicators: the level of Scope 1,2 and 3 emissions per £m of revenue from its First Bus and First Rail operations and the relative growth of its zero-emissions bus fleet in the UK.

A dedicated **Investor Advisory** team supports clients in optimising climate-related disclosures as part of the impact of their ESG agenda.

Advice to Foresight Group on the retail offering in relation to the £130 million IPO of Foresight Sustainable Forestry Company

Foresight Sustainable Forestry Company plc offers a unique direct investment opportunity (and liquid access) to the attractive sustainable (investment) characteristics of the UK forestry industry and afforestation projects, with scope for upside via the carbon and timber markets. Rothschild & Co advised in relation to the retail offer and managed the company's engagement with the retail investor platforms and brokers throughout the transaction, which was strongly supported by retail investors.

In addition, our policies and procedures for **client and mandate on-boarding** take into consideration the risks associated with the environmental profile and impact of the transactions we advise on. For more detail, please refer to Section 2.2 of this report.

3.4 Operational environmental footprint

Our operational environmental management strategy focuses on minimising environmental risks resulting from operational activity, and is aimed at:

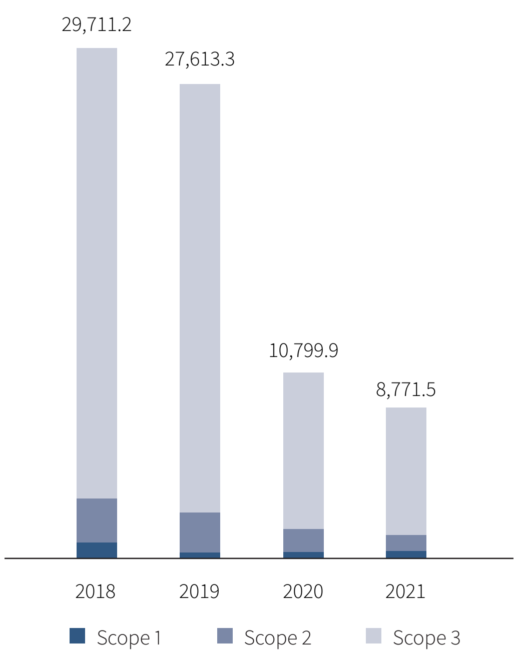
- supporting the transition to a low-carbon economy by reducing and compensating for operational GHG emissions; and
- preserving and protecting biodiversity by making conscious, sustainable resource choices, maximising recycling and promoting circular economic practices.

Governance: The Group's environmental management priorities are defined as part of the Group's sustainability strategy (Section 1.1 of this report) driven by the Managing Partner, advised by the Group's Sustainability function. The implementation of the Group's operational environmental management strategy is governed by the Group Environment, Health and Safety Committee, a committee consisting of senior representatives from business lines and support functions, that meets quarterly and reports directly to the Group Executive Committee.

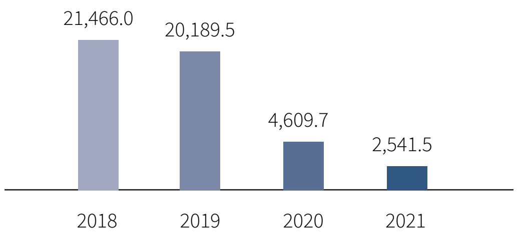
In 2021, our operational environmental footprint continued to be significantly influenced by the impact of the Covid-19 pandemic on global business activity, most notably with regards to our reported GHG emissions. Local and national government approaches aimed at minimising the Covid-19 impact have led to, for example, significant reductions in office energy use in offices such as Mumbai, Hong Kong and Johannesburg, all reporting a decrease in energy consumption of more than 45%, whereas in Sydney, Milan and Sao Paulo energy use has remained relatively stable. We separately record employee commuting emissions, which for 2021 are calculated as 385 tCO_2eq.

Overview market-based operational footprint – facts and figures[1]

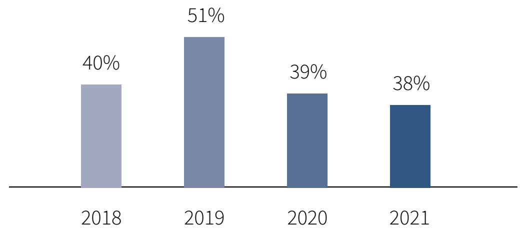
Total GHG emissions (tCO_2eq)[2]



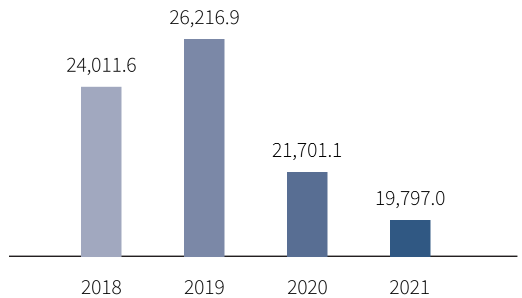
Thereof business travel-related emissions (tCO_2eq)



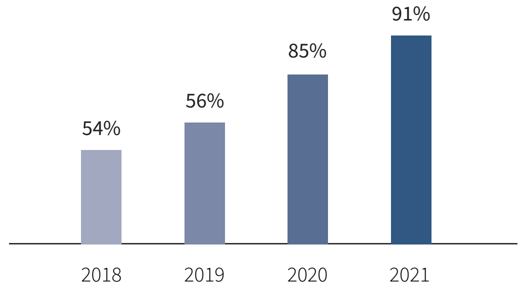
Recycling rate (%)



Total energy consumption (MWh)[3]



Renewable electricity (%)



(1) Extrapolated data.

(2) All GHG emissions presented as market-based emissions.

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

Supporting the transition to a low-carbon economy

Climate-related physical effects, such as those resulting from extreme weather events, have the potential to operationally disrupt business activities and impact livelihoods. An exercise aimed at identifying exposure of individual offices to the physical effects of extreme weather, the frequency of which is increasing due to a rapidly changing climate, is ongoing as part of the Group's Business Continuity programme.

Operational transition effects are likely to affect the Group in the form of, amongst others: expanded legal and compliance requirements, change in costs for energy and carbon offsetting, as well as reputational considerations. Considerate of these climate-related impacts on our operations, we have implemented actions to:

- monitor operational legal and regulatory requirements for all our offices; and
- minimise/neutralise our operational impact on a changing climate and proactively pursue operational adaptation opportunities.

Whilst we expect a rebound in GHG emissions caused by a likely uptake in travel routines and use of office space once the pandemic impact on business activities decreases, we are conscious of limiting this rebound effect by seeking to capitalise on longer term changes to working patterns and travel behaviour compared to pre-pandemic environment. The further expansion of video conferencing (VC) facilities is aimed at facilitating this change. The number of dedicated VC units increased by 39% from 85 to 118 units in 2021.

In addition, in 2021 we have decided to raise our **Internal Carbon Price (ICP)** to €50 per tonne of CO2e. This mechanism places a monetary value on operational greenhouse gases and is a way to responsibly influence emissions, including those linked to travel. The funds allocated through the ICP are used to develop further small and medium-scale carbon-reduction opportunities, and to procure verified compensation credits for unavoidable emissions.

In November 2021, we announced our **commitment to achieve net zero emissions in our operations by 2030.** This commitment builds on our previous commitments to reduce operational GHG emissions and presents an ambitious update to the first targets set in 2019.

The pledge requires us to make changes to the way we operate and bring the climate change impact of GHG emissions of our operations to effectively zero within the next decade. This requires a reduction in market-based emissions from a 2018 baseline of:

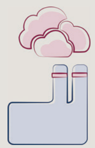
- more than 80% of absolute scope 1 + 2 emissions; and
- 24% per FTE of operational scope 3 emissions.

For our remaining footprint, we aim to begin removing carbon dioxide (CO_2) from the atmosphere through a mix of nature- and technology-based solutions, to be in a position in 2030 to effectively remove the equivalent amount of any residual operational emissions from the atmosphere. This approach aims to both help address the climate crisis and, through the investment in nature-based solutions, help avert the rapid loss of biodiversity. Throughout this transition, we will continue to offset our residual emissions through carbon avoidance credits certified by internationally recognised standards. The compensation approach for our 2021 residual operational emissions is reflective of this commitment, including for the first time certificates supporting nature-based and technology-enhanced carbon removal projects in South and Central America, and Europe.

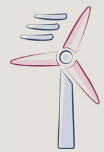
In order to support this change, we will continue to:

- monitor operational GHG emissions by office and division;
- embrace alternative working models, and switch to more sustainable transport options where appropriate;
- conduct office energy assessments to identify and implement energy saving opportunities and procure low energy equipment to reduce consumption by 25% per FTE by 2025; and
- procure 100% renewable electricity for all offices by 2025, and where applicable, biogas.

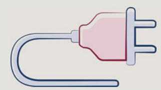
Over the past 12 months, we have seen:



Decrease in total GHG emissions



Expansion of renewable electricity procurement



Decrease in energy use

Reduction in travel-related GHG emissions

Contribution to biodiversity protection and preservation

In line with a heightened awareness of the risks associated with 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.

Responsible management of **materials use** continued to be in focus in 2021, including:

- implementation of a group-wide Responsible Material Use Standard aimed at reducing consumables and tracking their use, and ensuring that printing paper, the Group's main consumable, is from sustainable sources[1]; and
- expansion of programme to eliminate Unnecessary Single-Use Plastic (USUP) in 2021. By the end of 2021, 27 offices were unnecessary single-use plastic free, an increase of 35% from 20 offices in 2019.

The Covid-19 environment continued to have a significant impact on our **waste and recycling** footprint. Total material disposed in 2021 decreased by 43% from 2019. Contributing factors to this trend include a significant decrease in recyclable material, landfill waste and incinerated waste produced in some of the larger offices as employees continued to work remotely.

Progress against targets in 2021 (against a 2018 baseline)

All printing paper from sustainable sources	99% of printing paper from sustainable sources in 2021
25% reduction of paper use per FTE by 2025	Decrease of total paper use per FTE by 64% from the baseline year[1], exceeding the -25% target. The Group recognises this decrease was significantly affected by Covid-19 related restrictions
80% recycling rate by 2025	38% of material disposed was recycled
Zero waste to landfill by 2030	103.5t reduction of material sent to landfill from baseline (17% reduction from 2020). Landfill accounts for 7% of 2021 total disposed, compared to 19% in baseline

(1) 2018 baseline number accounts for all materials use. It is assumed paper consumptions is approximately 90% of total materials use.

Supply chain engagement

We are conscious of identification of potential risks of association with, or indirect complicity in negative environmental practices through our **supply chain.** In 2021, we published our expectations with regards to respect for basic environmental management principles in a dedicated Supplier Code of Conduct, applicable to third parties who supply goods or services to the Group. The Code extends to the supplier's relations with its own employees and subcontractors, or any other related third parties of supplier entities and organisations forming part of the engagement.

As part of this engagement effort, we use our influence to increase disclosure and commitment to responsible environmental management practices in our supply chain.

Electric vehicle for waste collection in London

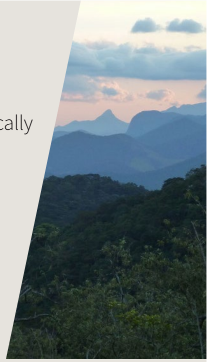
In 2021 the London office team engaged with its recycling company regarding the implementation of a fully electric vehicle to collect its recycling and other materials for disposal. The switch to electric, which started in January 2022, will eliminate the use of diesel vehicles, helping improve air quality and reduce noise pollution on its routes in and around London. The vehicle is charged by renewable electricity, which helps ensure emissions from the vehicles use phase are minimised.

(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.

3.5 Philanthropic partnerships: R&Co4Generations

R&Co4Generations' approach to supporting environmental initiatives is to focus on high impact and sustainable solutions to problems created by climate change. The fund places a particular emphasis on innovation achieved through education.

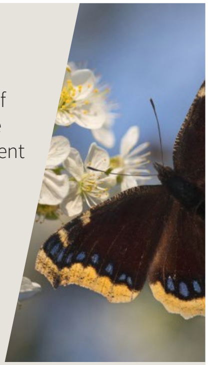
World Land Trust



World Land Trust is an international conservation charity which is protecting the world's most biologically and significant habitats, acre by acre. It does this through land acquisition, tree planting and reserve management.

Support from R&Co4Generations will contribute to the purchase of 25,000 acres of land in Brazil, leading to the permanent protection of threatened habitats from deforestation. The funding will also support the training of local people to become employed as rangers or 'Keepers of the Wild'. Their work includes patrolling protected areas, monitoring wildlife, assisting researchers, and guiding visitors. They will also spread the message of environmentalism amongst their communities, running workshops for schools and encouraging children early on to focus their thinking towards environmental conservation.

Noe



Noe exists to safeguard biodiversity for the benefit of all living species, implementing programmes for the conservation of endangered species, the management of protected natural areas, and the support of economic activities which support the protection of biodiversity.

R&Co4Generations is supporting the Lepinoc project; a pilot of the automated monitoring of moths. Moths represent 95% of butterfly species in France. They are essential links in the food chain and also play a major role in plant pollination. However, these species are not well understood, and it is not known how to quantify the harmful effects of anthropogenic pressures such as soil artificialisation or light pollution on them. The Lepinoc project will be crucial in helping us to better understand these issues, and to adapt our practices and limit our impacts.

Young People's Trust for the Environment

Young People's Trust for the Environment (YPTE) exists to encourage young people's understanding of the environment and of the need for sustainability. It aims to inspire young people to live more sustainably and take leading roles in tackling environmental issues to ensure that future generations live in greater harmony with the natural world.

R&Co4Generations is supporting The Primary Awards for Green Education in Schools: a competition opened to all primary schools in the UK which aims to assist and encourage environmental education for young people aged 5-11. The awards are designed to promote cross-curricular work on the environment and to inspire young people in taking action.

The Garden School Foundation

Garden School Foundation (GSF) provides in-depth garden-based education to young people attending at Title I schools* in Los Angeles, strengthening connections between food justice, environmental stewardship, and community health. By using the full transformative potential of school gardens as teaching sites, GSF aims to nurture a healthy and mindful generation of children who care for their bodies, their communities, and the earth.

R&Co4Generations will support the cost of a garden educator who will provide garden-based STEM lessons to students.

*Title 1 schools are those with more than 40% of their students coming from low-income families.

R&Co4 Generations

4. People and social impact

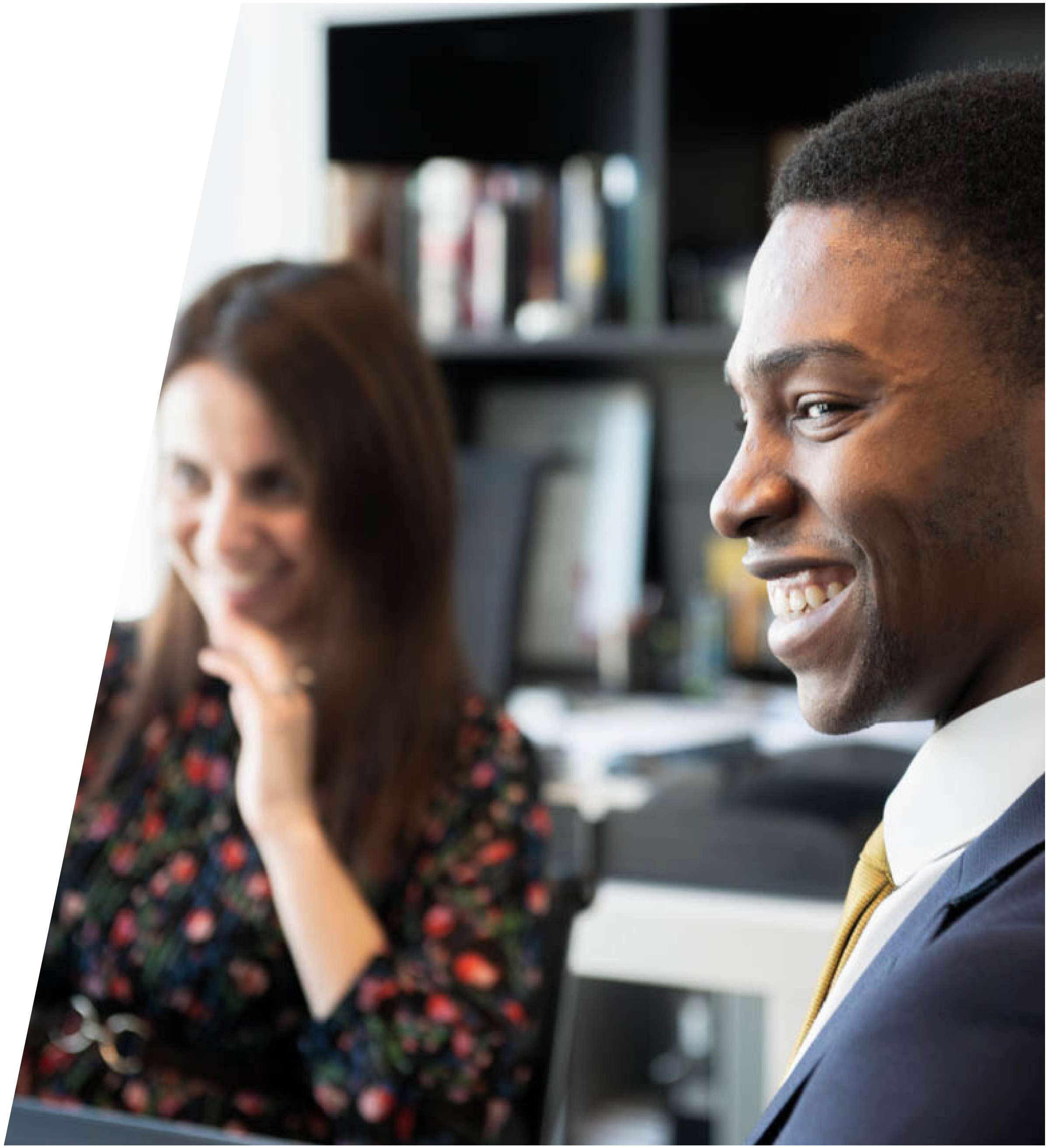
25.4%
female AD and above

40%
female Board Members

39%
average tenure > 5 years

16%
employee turnover

c. 1,300
participants in D&I training programmes



4.1 Strategic priorities

As a Group, we are committed to cultivating a culture of partnership, inclusivity, and respect for the individual, and contributing to a society where everybody can have the opportunity to thrive. This chapter aims to present group-wide initiatives, policies, as well as products and services, in support of these objectives, that are designed to help mitigate risks for our stakeholders and influence opportunities for the business in these areas.

Overview

Priorities	Championing diversity of thought	Ensuring employee wellbeing	Working against inequality
Objective	▪ Attracting and retaining the most talented people from a diverse range of backgrounds ▪ Creating an environment of equal opportunity and partnership ▪ Developing the best talent	▪ Safeguarding employee wellbeing and providing a sound support framework	▪ Equal opportunities for candidates from traditionally underrepresented groups ▪ Respect for international Human Rights
Operational focus	▪ Inclusive culture ▪ Equal opportunities ▪ Balanced representation ▪ Targeted development, incl. technical, personal and leadership capability	▪ Physical, mental and emotional health ▪ Workplace flexibility and balanced approach to work ▪ Health & Safety	▪ Early career opportunities for young people from underrepresented groups ▪ Human rights risk management in supply chain
Business line focus	Integration of social impact considerations in product and service offering, including investment policy and advisory mandates		
Philanthropic focus	Supporting enhanced opportunities for disadvantaged young people		
Public commitments	▪ Women in Finance Charter: 30% AD+ by 2024 (Group) ▪ 30% female members on GEC by 2027 ▪ France Invest Charter for Gender Equality (France) ▪ Advance – gender equality in business (Switzerland)		▪ International Labour Organisation Convention fundamental principles ▪ Modern Slavery statement (UK) ▪ Business-level exclusions/due diligence for activities related to Human Rights controversies
2021 impact highlights	▪ 25.4% AD+ female ▪ 13% women on GEC ▪ Refresh of graduate and early careers hiring ▪ >50 female AD/D in Global Sponsorship Programme ▪ c. 1,300 participants in D&I training programmes ▪ Personal data campaign to support underrepresented groups ▪ >150 participants in Graduate Programme ▪ >230 participants in Promotion Programme ▪ Balance & Inclusion survey	▪ Mobile and collaborative working technologies ▪ Agile Working Charters ▪ Pulse surveys to monitor employees' experiences ▪ Project to design "Workplace of the Future" ▪ 16 wellbeing seminars online ▪ 98% of Health & Safety training assignments completed	▪ Competency-based interview framework ▪ Partnerships with UpReach and Bright Network, #10000BlackInterns or Sponsors for Educational Opportunity ▪ New Supplier Code of Conduct aimed at managing risk of unknown complicity in Human Rights abuses
Outlook	▪ Leadership engagement and accountability ▪ Equip managers with skills to foster inclusive team cultures ▪ Active talent management and succession planning ▪ Embed and evolve approach to early careers recruitment and lateral hires ▪ Mapping of opportunities across businesses to identify diverse talent ▪ Increased digital learning opportunities with access for all employees	▪ Expand availability of learning opportunities and practical tools ▪ Mental Health awareness, focus on the role of managers in safeguarding mental and emotional health	▪ Expand recruitment reach, including socioeconomic considerations ▪ Embed Human Rights risk screening in the evolution of third-party supplier risk assessment process

4.2 Operational impact and people culture

The commitment and expertise of our diverse workforce in over 40 locations, is essential in delivering our business model and creating long-term value for all stakeholders. We are committed to:

- enabling employees to achieve their personal and professional aspirations and providing long-term opportunities for growth; and
- providing an inclusive and supportive environment where diversity and different perspectives are valued.

Governance: Our people strategy is governed by the Managing Partner. The Group Executive Committee, divisional management and support functions are advised by a group-wide HR function and business-level experts in implementing people practices in their businesses. The Group Head of HR is a member of the Group Executive Committee and the Group Operating Committee. In addition, the Global Balance & Inclusion Committee, co-chaired by one of the Managing Partners of Rothschild & Co Gestion, advises the Group Executive Committee and divisional management on group-wide initiatives.

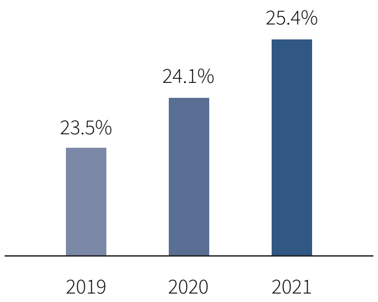
Diversity & Inclusion

We advocate an inclusive and supportive environment where diversity and different perspectives are valued.

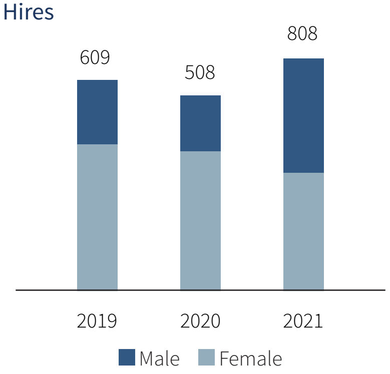
This effort is underpinned by policies and benefits (and set out in local employee handbooks, where applicable), which are designed to provide **equal opportunities** for everyone as the business seeks to recruit and reward based on experience and talent, ensuring the best candidate for a position is found and appropriately supported in their personal development by the business.

Key indicators over time

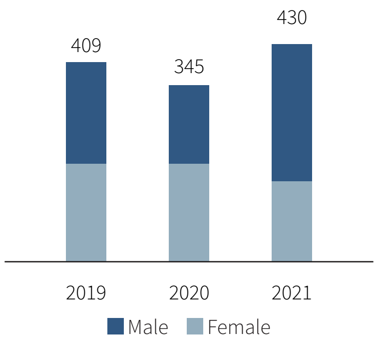
Female Assistant Director and above



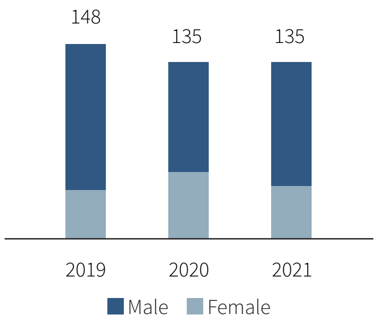
New Hires



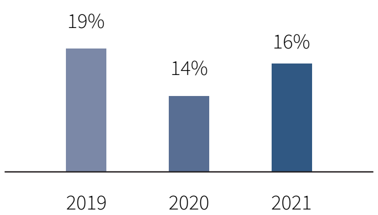
Promotions



Graduates



Employee Turnover



In 2021, the Global Balance & Inclusion Committee initiated the launch of several new initiatives aimed at nurturing an **inclusive culture:**

- a pilot workshop for leaders and senior influencers focused on building active allyship and exploring the spectrum of advantage (or lack thereof) individuals may experience and the impact this can have;
- an “inclusion fundamentals” workshop attended by 50% of all global colleagues at Senior Associate grade and below to learn about similarity, bystander, and stereotype biases and discover conscious techniques to remove biases from decisions and contribute to a culture of inclusion;
- a module for managers outlining the value of difference (perspectives, experiences, styles) to the creativity and performance of a team and the role of managers in creating the conditions for optimal performance in all team members;
- the launch of a competency-based interview framework for all levels as well as an “inclusive interview skills” training, which piloted in the UK and will be adopted in the US, Switzerland, Germany, Middle East and Spain in 2022; and
- the continuation of a pilot of the reverse mentoring programme where members of the Global Balance & Inclusion Committee act as the mentees, and Associates from across the firm act as the mentors helping to inform the firm's future direction by openly sharing their perspectives and experiences, providing input to help address the evolution of the culture across the firm.

Employee **networks,** such as the UK Embrace or LGBT network, represent different groups of employees in the business and are sponsored by the Global Balance and Inclusion Committee. These are an important part of our culture and are critical in strengthening the Balance & Inclusion strategy, providing 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.

An employee **survey** on balance and inclusion conducted in May 2021 provided a baseline measure to gauge how effective the actions being taken are in creating a balanced and inclusive workplace, as well as valuable insights and ideas from colleagues. The results in the 2021 survey highlighted that a large majority of employees experience an inclusive working environment and identify particular areas for focus in the coming years.

We have the ambition to ensure a **balanced representation** and to increase diversity of thought and experience at all levels across the organisation and specifically at the most senior levels, where the impact on decision making is more direct.

Reflecting this ambition, we signed the Women in Finance Charter with a commitment to have women represent 30% of the group-wide Assistant Director and above population globally by 2024. This commitment is broken down into aspirational goals for each business line, which have in turn accelerated the focus on talent attraction, retention, and development.

As of 31 December 2021, 25.4% of Assistant Directors and above globally were women (up from 24.1% in 2020).

In addition, the Managing Partner has set the objective to have women represent 30% of the members of the Group Executive Committee by 2027. As of 31 December 2021, 13% of the members of the Group Executive Committee were women.

Continued progress in this area is critical for our future success, both in terms of retaining talent, but also in attracting top performing talent in the future and delivering the best outcomes for our clients.

Our 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.

A new **recruitment** workstream initiated in 2021 aims to make significant and long-term changes to support our focus on attracting diverse talent, diversifying our talent pool, and ensuring enhanced diversity of background, thought and experience in the people it attracts.

This includes:

- a pilot of new global interview and assessment materials for a fair and inclusive selection process; to be rolled out in 2022; building on a consistent approach, testing key competencies fairly throughout the process; and
- increased focus on direct sourcing for experienced hires allowing to tailor the approach to recruitment on behalf of the business and to ensure consideration of a diverse set of candidates. In 2021, 36% of direct hires were women.

Public partnerships and commitments

WOMEN IN FINANCE CHARTER

N.M. Rothschild & Sons Limited is a signatory since 2019 – expanded commitment to the Group

THE MENTORING FOUNDATION, FTSE 100®CROSS-COMPANY MENTORING PROGRAMME

N.M. Rothschild & Sons Limited is a longstanding supporter

THE DIVERSITY PROJECT

N. M. Rothschild & Sons Limited became a member in 2021

FRANCE INVEST CHARTER FOR GENDER EQUALITY

Rothschild Martin Maurel SCS and Five Arrows Managers SAS are signatories since 2020

ADVANCE – GENDER EQUALITY IN BUSINESS

Rothschild & Co Bank AG is a signatory since 2020

We focus on a number of initiatives globally to support balanced representation, across all the early careers recruitment programmes.

Sponsors for Educational Opportunity (SEO)

The debate around racial and ethnic inequality has led Rothschild & Co to increase its commitment to address these challenges by taking meaningful action to provide support to broaden horizons, raise aspirations and enable early careers students from underrepresented backgrounds to develop the skills, networks and experiences to succeed on merit. N.M. Rothschild & Sons Limited worked together with SEO, a charity which prepares talented students from ethnic minority or low socio-economic backgrounds for career success, to engage with students from Black heritage backgrounds and to make the industry more accessible. A dedicated event for female students on International Women's Day was aimed at highlighting the importance of gender diversity and equality for independent advisory firms when looking to attract early careers talent, and the proactive steps being taken to encourage this.

A review of our **Global Sponsorship Programme** in 2021, which is aimed at providing advocacy and career guidance to high performing, talented women at Assistant Director and Director grade with the potential to progress within the organisation, identified opportunities for further evolution over the course of 2022.

We have continued our efforts with regards to **data collection** 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, including consideration of ethnicity and socio-economic background.

Only qualifications and skills important to a role will be a selection criterion in **promotion and 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. The business is mindful of a balanced representation at these committees as well as at the Benchmarking Committees during the performance evaluation process.

Overview of initiatives and partnerships for early career recruitment

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 transaction, as well as improve technical and presentation skills

UPREACH

UpReach supports over 2,000 students to secure top graduate jobs, in partnership with City firms, helping to broaden horizons, raise aspirations and enable students with socio-economically challenged backgrounds to develop the skills, networks and experiences to succeed on merit

#10000BLACKINTERNS

#10000BlackInterns is an initiative designed to increase Black talent in the British investment management industry. The initiative aims to help transform the horizons and prospects of young Black people by offering training and development opportunities, as well as paid work experience

BRIGHT NETWORK

Bright Network helps companies attract a diverse range of candidates from traditionally underrepresented groups

GTI TARGET JOBS

The largest employer and university network in the UK and Ireland for employer profiles, internships, placements and graduate opportunities, supporting students with self-discovery, career guidance, skills and finding roles

Talent attraction and development

Identifying and nurturing talent and encouraging people to get the best out of their careers, is a key focus of our people strategy. 2021 saw an intake of more than 800 new joiners across the Group, and a staff turnover rate of 16% (vs. 14% in 2020). We are committed to attracting and retaining high-potential, team-oriented and self-motivated individuals and provide all employees with training and development opportunities which support them to maximise their performance and potential by developing the skills required to meet business goals and progress in their careers.

Graduates, interns and apprentices play a crucial part in shaping the business from their first day and throughout their career with us. When **recruiting** experienced professionals, the focus is on 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 over the last 18 months has altered our approach to early careers recruitment and programme management, requiring creative and virtual solutions to attract the best early career talent. The introduction of a new virtual assessment centre platform allows to create an in-person experience with a fair and inclusive selection process. A hybrid summer internship programme in London and global graduate training programmes, are both virtual and classroom based.

We offer a number of **structured training** programmes:

- the Graduate and Internship Programmes in the Global Advisory, Wealth & Asset Management, and Merchant Banking businesses, for both students in their final year of university and those who have already graduated. More than 250 paid internships were offered in 2021, with a conversion rate of over 40% from these programmes to graduate positions;
- Promotion Programmes designed to ensure that colleagues at key promotion stages receive specific training to enable them to be successful leaders. 238 newly promoted Associates and ADs/VPs were invited in 2021; and
- newly promoted Managing Directors are offered one to one executive coaching over a number of months, focusing on both their career and their leadership capability.

New Management Development Programme

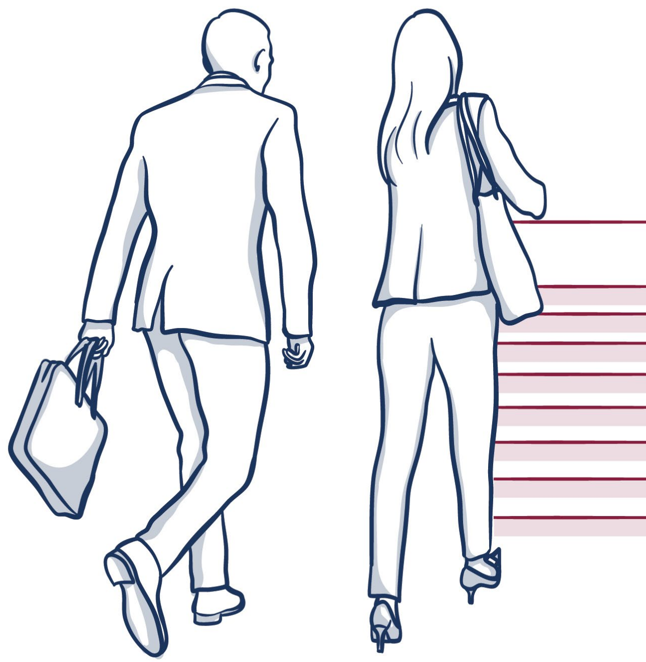
In 2021, a new Management Development Programme consisting of 4 modules has been launched: Managing Self, Managing Others, Managing Inclusively and Embedding Change. Over 100 newly promoted managers were invited to the programme and in total attended over 2.200 hours of management training and one to one coaching. Manager evaluation of the programme has been very positive with 93% of participants feeling confident they have the range of tools and techniques to help them delegate, set goals and coach their team effectively. 93% also feel they have the skills required to be an effective manager.

All employees have access to division-specific career development programmes at all stages of their careers. Relevant technical and personal skills-based development programmes for Analysts and Associates are building upon training provided in our Graduate Programme. Regular feedback on career progression allows Analysts and Associates to focus on their development. In 2021, all training has been offered virtually which has provided greater access to training for colleagues across the world, recording an aggregate number of training hours of 64,177 hours (covering 100% of headcount). Training covered topics such as Legal & Compliance, Information Security, Commercial Awareness, Management & Leadership, Personal Effectiveness, Communications, Wellbeing, Technical skills, Diversity & Inclusion, Health & Safety, Business Continuity, Security and Crisis Management as well as Client Relationship Management.

Talent identification and succession planning was a key priority for all businesses in 2021 and was aided by the launch of the Workday Talent module. The succession plans for senior management roles in all divisions have been reviewed and updated, and career plans, development initiatives and recruitment plans for key individuals as appropriate have also been put in place.

Managing performance is critical to the ongoing success of our people strategy. Feedback on the individual's 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 2021, 88%(1) of Group employees benefited from a performance review. 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.

In recognition of the challenges for teams to integrate and grow this year due to the impact of remote working, additional support has been provided for team building training, such as use of psychometric tools, coaching and problem-solving workshops.



(1) Employees starting after 1 October of the respective year are not included in the performance review process.

Employee wellbeing

We are committed to safeguarding and enhancing the health and wellbeing of all employees and provide a sound framework supporting employees to ensure their wellbeing in life and at work in today's demanding work environment.

We aim to ensure all employees are supported and well informed to manage their own health proactively through our wellbeing strategy, which covers concerns around Family, Mental, Physical and Financial Wellbeing. To further support the internal programme, employees are provided with a range of healthcare services and benefits, such as the Employee Assistance Programme in the UK, and Occupational Health and Healthcare providers in different offices, that aim to support their overall wellbeing.

Employee Assistance Programme

Rothschild & Co provides the Employee Assistance Programme to employees and their immediate family in the UK. It provides access to confidential counselling, advice and information from qualified counsellors and advisers who can help with a wide range of concerns, for example debt issues, emotional or relationship problems, if someone is involved in an accident or affected by crime. Qualified counsellors or advisers help to clarify issues employees may face and provide the support they need including practical steps and sources of further help

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

Global offices work together to focus on the topics that are relevant and unifying around the world. In 2021, the firm ran 16 virtual sessions on physical and mental health and wellbeing topics (e.g., Cancer prevention, Sleep disorders, Mental Health, Menopause in the Workplace, or Health Habits) for the benefit of all employees and made the recordings available to all colleagues globally. A regular wellbeing newsletter is circulated globally with insights on nutrition, physical and mental wellbeing.

The global pandemic provided a catalyst for change in attitudes and agile working practices. As employees in offices around the world started to return to the office during 2021, the opportunity for the incorporation for more agile ways of working into regular working patterns for the long-term was embraced. While some people do their best work in the office, there are times when employees feel most productive when working remotely. We believe that remaining agile and flexible in working patterns is good for our employees and will allow everyone to be efficient and dynamic in delivering exceptional client service.

Agile Working Approach

In 2021, a global Agile Working approach was launched including a set of principles establishing that:

(1) offices remain the primary place of work for a number of important reasons, including teamworking, collaboration and development. However, working patterns should allow sufficient flexibility to work remotely or flexibly;

(2) maintaining exceptional client service is paramount, however where employees work on any given day should be based on where they are most productive and effective whilst recognising the value they place on in-person contact;

(3) everyone can choose and everyone has the right to ask, to incorporate agile working principles into their working week or working day;

(4) remote working should be discussed and agreed with management to ensure efficiency and productivity; and

(5) individual countries and divisions develop their own charters to help guide their people.

Workplace of the Future

A dedicated "Workplace of the Future" project aims to review the design of the physical future workplace, to ensure that offices meet the needs of our workforce of today and the future. This will include a Group approach for the development of a blueprint for workplace design principles and parameters, that can be applied flexibly based on regional and cultural considerations and incorporates global design principles that link employees together. Pilot studies will be undertaken to prove workplace design principles in 2022.

A number of policies are aimed at promoting work-life balance and increasing performance and productivity. The Group's Flexible Working Policy allows for discussions around accommodating variable work schedules, reducing working days and job sharing. A number of policies are supportive of occasions where employees need to be away from the office, such as for a period of sabbatical leave, to care for dependents or to take compassionate leave.

An employee survey in May 2021 provided a baseline measure to gauge how effective the actions being taken are in creating a balanced and inclusive workplace, as well as valuable insights and ideas from colleagues. This was supplemented with pulse surveys in the Global Advisory business to be able to assess working practices on a more ongoing basis.

Health and safety

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

Governance: The Group Environment, Health and Safety Committee reports directly to the Group Executive Committee and advises the businesses on policy and initiatives. 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.

The Group Health and Safety Policy defines the conformance standard for offices worldwide, to further strengthen and improve Health & Safety conformance requirements across all offices. More details on the policy and Health & Safety initiatives can be found in Section 6.

International Human Rights

It is our goal to provide a working environment free from **harassment, intimidation, discrimination,** and behaviours that are considered unacceptable. This 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. Our 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. The firm fosters a culture of openness, thereby enabling employees to raise any legal, compliance or ethical concerns, including those related to any breach of human rights. Grievance policies are set by office according to local employment law.

The Group's policies are reflective of the main provisions of the **International Labour Organisation Convention's (ILO) fundamental principles,** including 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.

Outside its direct operational sphere, we are conscious of potential risks of association, or indirect complicity in Human Rights abuses through its **supply chain.** In 2021, the Group published its expectations with regards to respect for fundamental human rights in a dedicated Supplier Code of Conduct, applicable to third parties who supply goods or services to the Group. These expectations are aligned with the commitments made to the United Nations Global Compact to avoid complicity in human rights abuses via its supply chain. The Code extends to the supplier's relations with its own employees and subcontractors, or any other related third parties of supplier entities and organisations forming part of the engagement. As part of this engagement effort, we use our influence to increase disclosure and commitment to responsible management practices in our supply chain.

Modern Slavery

Rothschild & Co is committed to countering modern slavery in all its forms and is taking proportionate measures to ensure that slavery and human trafficking are not taking place in the business or manage the risk in its supply chains. This includes the formation of a Modern Slavery Working Group in the UK that is tasked to consider modern slavery risks and the ways in which the business can seek to mitigate them on a risk-assessed basis.

We have previously determined that our highest risk of operational exposure to modern slavery within our supply chains was in relation to the hotel industry in certain jurisdictions where modern slavery is particularly prevalent. In 2020 and 2021, the exposure to business travel has decreased significantly and, with it, the 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. Typically, criteria are used in appraising the risk of modern slavery in suppliers depending on the sector they operate, and the jurisdiction in which they operate or are incorporated, and the list of high-risk jurisdictions are collated with reference to the Global Slavery Index. Additionally, we look at alternative sources so that our reference points remain up to date.

4.3 Products and services: investment approach

The consideration of social impact is part of the common Responsible Investment framework agreed by the investment entities and further integrated in each entity's Responsible Investment strategy as detailed in Section 2.1 of this report.

A number of investment policies agreed at Group level integrate social considerations:

- Fundamental Principles Investment Policy: Rothschild & Co will not invest in companies which are related to:
  - serious human rights violations;
  - serious violations of the rights of individuals in situations of war or conflict;
  - gross corruption; and
  - other particularly serious violations of fundamental ethical norms identified by credible third-party sources.
- Controversial Weapons Investment Policy: Rothschild & Co will not invest in companies involved in the production of weapons prohibited by the Oslo Convention on Cluster Munitions (2008) and the Ottawa Treaty on Anti-Personnel Mines (1999); and
- Thermal Coal Investment Principles: when engaging with companies above the authorised thresholds, investment teams request quantitative underlying data demonstrating the credibility of the exit strategy, including the consideration of social aspects.

The investment teams pay specific attention to **social controversies** and certain **social KPIs.**

For listed issuers, the monitoring of controversy and social scores or indicators is used to strengthen the engagement process and ultimately manage the exposure to companies.

For non-listed investments, the Merchant Banking teams support the implementation of strong social and governance practices among invested companies through their privileged access to management teams.

Most of our entities have included social KPIs in their standard funds report, supporting the diffusion of practices among investment teams and clients and stimulating the generation of social engagement themes.

Most entities identify topics for discussion with invested companies. During regular **engagement** meetings or in discussions pre and post AGM, some business lines' investment teams are able to push specific subjects, identified as particularly important for the invested company.

In addition, the Group's entities engage in collective initiatives addressing social or governance challenges, e.g.:

- Rothschild & Co Bank AG and "Advanced Gender Equality in Business";
- Rothschild Martin Maurel is member of the "*Cercle Robeco pour une Banque Privée durable*"; and
- Asset Management Europe is a founding member of the "Investors for a just transition" coalition launched by Finance for Tomorrow.

Overview of investment products with social themes

A number of investment entities have launched **specific investment products,** targeting a greater social impact by proposing a dedicated offering:

Entity	Product	Theme
Asset Management Europe	The R-Co 4Change Inclusion and Handicap Equity fund defines specific impact metrics which are taken into consideration in the investment process. The fund includes a "donation share", a part of the management fee is distributed to the association *"Émeraude Solidaire"* and its project *"Café Joyeux"* which trains and employs workers suffering from a mental or cognitive disability	• Diversity • Women • Safety • Communities • Disabled people
Asset Management US	Gender Lens strategy since 2018, with the mission to invest in companies that support gender diversity in the Board rooms, across senior management, and through their corporate policies	• Gender equality

4.4 Products and services: Global Advisory

We increasingly support our clients in their ambition to integrate sustainability principles into their strategy. Through our financing advisory practice, we support **sustainable financing** for a range of causes from access to housing, education to sovereign states. We facilitate M&A opportunities to accelerate inclusive growth.

In addition, our policies and procedures for client and mandate on-boarding take into consideration the risks associated with the social profile and impact of the transactions we advise on. For more detail, please refer to Section 2.2 of this report.

Sole advisor to the Republic of Benin on its €500 million inaugural SDG bond offering

Rothschild & Co acted as sole financial advisor to the **Republic of Benin** in connection with the country's €500 million inaugural Sustainable Development Goals bond offering. With this transaction, Benin becomes the first African country to issue an SDG bond and one of the first in the world. The funds raised will be exclusively used to finance various social and environmental projects that contribute to Benin's commitments to achieve the United Nations SDGs. Simultaneously to the transaction, the Republic has secured a unique partnership with the United Nations Sustainable Development Solution Network, which will provide technical assistance in evaluating and monitoring progress and efforts by Benin to achieve the SDGs. The strong investors' interest for this innovative instrument allowed for the realisation of a negative new issue premium ("greenium") of 20 basis points, the highest greenium ever achieved by a Sovereign.

Debt advice to Stonewater Housing on its debut £250m sustainable bond

Rothschild & Co acted as debt adviser to leading housing association **Stonewater Limited** on its debut sustainable £250m 15-year 1.625% bond. Stonewater manages c.33,000 homes for over 70,000 residents. The proceeds will be used for sustainable purposes in line with Stonewater's Sustainable Finance Framework ("SFF"), the Second Party Opinion verifies alignment of the SFF to the International Capital Market Association Green, Social & Sustainability Bond Principles.

Adviser to Waterland Private Equity and MEDIAN & Priory Group on €920m covenant-lite financing

Rothschild & Co acted as sole financial advisor to **Waterland Private Equity** and the combined MEDIAN & Priory Group on the €920m financing package, consisting of a €800m covenant-lite TLB and €120m revolving credit facility. The facility incorporates an ESG-linked margin ratchet consisting of two social key performance indicators: maintain and further improve the quality of care levels in Germany and UK and a third sustainability key performance indicator: the reduction of carbon dioxide emissions.

4.5 Philanthropic partnerships: R&Co4Generations

Through R&Co4Generations, we support a range of organisations working to help address and alleviate inequalities, with a focus on enhanced educational opportunities for young people. The fund supports projects which provide young people with opportunities to develop a wide range of skills and talent, and the entrepreneurial mindsets and resilience that they will need in order to face the challenges of the 21st century confidently and effectively. In 2021, R&Co4Generations supported over 50 organisations working to achieve greater equality for disadvantaged groups.

Bibliothèques Sans Frontières

Bibliothèques Sans Frontières (BSF) works internationally to facilitate access to education, culture and information for people living in precarious situations, empowering them and enabling them to make choices for a better future.

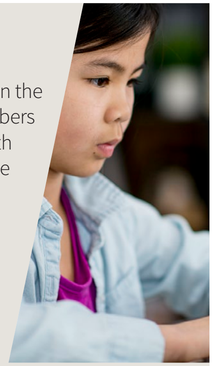
R&Co4Generations supported three BSF projects in 2021:

Developing the Offline Internet Platform: a free and open-source technological environment which recreates a local internet network enabling users to connect via phone, tablet or computer, and navigate BSF's offline content & apps library. It is now the "digital library platform" running in all of BSF's projects, reporting more than 150,000 connections per year, primarily in the Great Lakes Region of Africa, in Bangladesh, Jordan and the Australian remote territories.

Safe spaces for women and girls in Bangladesh: R&Co4Generations' support will enable more than 400 Rohingya refugee women and girls to access programmes that directly address their needs, giving them spaces to learn and feel empowered.

Motorcycle libraries in Cameroon: This project will provide more than 4,000 young people with access to books, comics, films and games, with a focus on local Cameroonian artists, in order to help them access information, education and learn about their cultural heritage.

Powercoders



Believing in equal opportunities for diverse talents in the IT industry, Powercoders saw the issue of high numbers of out-of-work refugees and migrants combined with high numbers of vacancies in the IT sector and came up with a solution.

R&Co4Generations is funding a programme called Futurecoders which takes the form of a week-long camp during school holidays, or regular training over a ten-week period, giving young people the chance to get to know the digital world and to learn programming. The target beneficiaries are 13- to 18-year-olds from disadvantaged backgrounds, many of them migrants and asylum seekers. The goal is to inspire as many young people as possible to consider a career in digital technology, whilst also building the 21st century skills that all young people will need in order to flourish in their futures.

EMpower

Empower supports young people in emerging markets who were living at the margins long before the Covid-19 pandemic. The barriers that these young people, particularly girls, face to securing education and decent employment have now multiplied many times over. There is an urgent need to help marginalised girls and young women to overcome barriers and develop their skills and talents.

R&Co4Generations will support a curated portfolio of grassroots organisations in India to provide meaningful support to girls and women, enhancing their skills, providing training and creating space for them to generate ideas and pursue solutions to the barriers that hold them back.

Entreprendre Pour Apprendre

Entreprendre Pour Apprendre, a member of Junior Achievement Worldwide, exists to foster entrepreneurial spirit in young people across France. Through mini-enterprise programmes Entreprendre pour Apprendre helps young people to develop a spirit of enquiry and initiative, in order to be able to become active participants in their professional, social and environmental futures. With support from R&Co4Generations Entrepreprendre Pour Apprendre will be able to finance ten mini-enterprise programmes, supporting more than 100 young people. R&Co4Generations has additionally provide volunteer and pro-bono advisory support.

R&Co4 Generations

5. Business practices

96%
data protection training completion

97%
information security training completion

All business lines
assessed for ABC risk

100%
of clients subject to financial crime risk

5.1 Strategic priorities

As a Group, we place great emphasis on responsible business conduct, based on personal accountability and commitment in the way employees work with each other, our clients and partners. Our approach to responsible business practices focuses on managing identified non-financial risks that are most material to our operations and for our stakeholders.

Overview

Priorities	Compliance culture & systems	Data & Cybersecurity
Objective	Setting standards for all individuals working for the Group to mitigate risks and reputational damage	Managing data privacy and confidentiality risks and preserving the integrity of clients' and partners' data to uphold the trust of our stakeholders
Operational focus	Addressing risks related to: ▪ Conflicts of interest ▪ Money laundering ▪ Bribery and corruption ▪ Sanctions or counter-terrorist financing ▪ Market abuse ▪ Political lobbying and donations	Addressing risks related to: ▪ Data privacy ▪ Confidentiality ▪ IT and Information Security
Public commitments	▪ Group Code of Conduct ▪ Supplier Code of Conduct	
Relevant policies	▪ Group Anti-Bribery and Corruption Policy ▪ Group Financial Crime Policy ▪ Group Sanctions Policy ▪ Group Market Abuse Policy ▪ Whistleblowing Statement ▪ Group Policy on Reporting Concerns or Irregularities ▪ Group Client Due Diligence Policy ▪ Group Conflicts of Interest Policy ▪ Group Tax Policy	▪ Group Information Security Policy ▪ Group Acceptable Use Policy ▪ Group Information Security Standard ▪ Group Data Protection Policy
2021 highlights	▪ All business lines assessed for ABC risk ▪ 100% of clients subject to financial crime risk assessment ▪ Launch of new employee compliance system ▪ Financial Crime Prevention training rolled out (Anti-Money Laundering; Counter Terrorist Financing; Sanctions, Tax Evasion)	▪ Cybersecurity Awareness campaigns ▪ Updated Annual Employee Information Security and Data Protection Training ▪ Improved Security Schedule contract clauses for supplier contracts ▪ Technical Security Control Improvements ▪ Formation of Cloud Steering Committee
Outlook	▪ Publish updated Conflicts of Interest policy and training ▪ Publish updated Market Abuse policy and training ▪ Publish updated Whistleblowing policy and training ▪ ESG training for Legal and Compliance teams	▪ Information Security Governance review ▪ More targeted Information Security trainings for particular departments ▪ Technical Security Control improvements

5.2 Compliance culture and systems

Our 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 money laundering, bribery and corruption, sanctions, counter-terrorist financing and conflicts of interest, among many others.

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 4 of the Rothschild & Co Annual Report 2021). The Group Head of Legal & Compliance is a member of the Group Executive Committee and the Group Operating Committee.

Policies, procedures and guidelines

The Group Code of Conduct sets out the Group's standards and expected behaviours and is published on the Rothschild & Co website to ensure the expectations are visible to all partners and external stakeholders.

Expectations are clearly communicated in the Group's policies. The Financial Crime Policy Statement provides an overview of the Group's related policy commitments.

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.

Failure to participate in the mandatory trainings or to adhere to the Group Code of Conduct or policies and procedures can result in referrals to Human Resources as a part of the employee performance review and remuneration process.

Well embedded processes and policies for dealing with such risks across the Group include the Group Client Due Diligence Policy and New Client Acceptance and Review Committees, as well as Group, regional and business line Risk Committees, which meet frequently to consider relevant risks and other reputational matters. For more details on embedding ESG risk considerations in these procedures and policies, please refer to Section 2 of this report.

We operate compliance monitoring and permanent control programmes to provide assurance to senior management that our processes and systems are operating effectively. We have also launched a new system in 2021 designed to enhance several compliance processes related to employee behaviour (e.g., personal account dealing, outside business activities, and gifts & entertainment).

Market abuse

We have implemented specific procedures relating to market abuse and dealing with confidential and price sensitive information, which must be followed at all times. These procedures are reinforced by training and education and compliance monitoring programmes.

Conflicts of interest

Independence is a cornerstone of our proposition across all businesses. Policies and procedures are designed to ensure that our businesses are capable of identifying and managing conflicts, or potential conflicts, at an early stage. The overriding principle of our Conflicts of Interest Policy is that we will provide objective advice, unaffected by conflicts and in the best interests of our clients.

The policy and related procedures are regularly reviewed and updated as appropriate to reflect law and practice, and business developments around us, most recently in 2021.

Group tax policy

The Group's tax policy applies to all entities ultimately controlled 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 intranet.

The Group Tax Department is only responsible for corporate tax affairs. We organise our affairs to manage taxation efficiently, consistent with commercial needs and with a conservative approach to tax risk, in line with the 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 the Group's risk appetite, or in conflict with the intention of parliamentary legislation.

The Transfer Pricing Policy applied to intercompany transactions within the Group has been determined in accordance with the arm's length principle, as set out by the OECD Guidelines, and relies upon appropriate and updated functional and economic analyses for each type of transaction. Transfer Pricing local files are prepared in accordance with the various domestic legislations and reflect the fair remuneration to be paid or received by the intra-Group companies based on the functions performed, risks assumed, and assets used.

The Group Tax department 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 the 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.

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

Governance: Ultimate responsibility for oversight of the Group's tax policy rests with the Group Executive Committee. In its role, the GEC participates in the overall management and the definition of the policy of the Group, including tax policy. The Group Chief Financial Officer is the executive GEC member ultimately responsible for oversight of the tax affairs of the entities within the Group. Management and oversight of Group's tax affairs rest with the Group Head of Tax who reports to the CFO of Rothschild & Co. The Group Head of Tax reports to the Rothschild & Co Audit Committee on at least an annual basis on key tax matters concerning the Group.

Tax transparency

Tax transparency is a strategic issue for companies due to the reputational risk arising from tax evasion. Tax transparency policies (e.g., CRS, FATCA and DAC 6) have been implemented within Rothschild & Co Group and apply to all the Group's entities. The Group Compliance & Tax Transparency team proactively identifies and monitors key tax transparency risks across the Group.

5.3 Financial crime

Anti-Money-Laundering and "Know Your Client"

As summarised in Rothschild & Co's public Financial Crime Policy Statement, we have 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 or funds, and reputation of individual clients, to the ownership and governance structure of corporate bodies and other legal structures.

Client due diligence forms a core part of the Group's approach to fighting financial crime (including money laundering, corruption, tax evasion and terrorist financing). The policies in place are consistent with the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) requirements, which must be met by all Group entities, except where compliance would breach local legislative or regulatory obligations.

We have specific new client acceptance processes, including committees which look at all matters relevant to the acceptance of new clients considered higher risk. Information relating to all existing clients is periodically 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 we face. For more details on embedding ESG risk considerations in these procedures and policies, please refer to Section 2 of this report.

We also maintain appropriate systems, controls, and processes for sanction screening; we adhere to applicable sanctions regimes (US, UK, EU & UN), and if there is a positive sanction hit or match, this is investigated, escalated and dealt with accordingly per the Group Sanctions Policy. A range of systems are in place across the Wealth Management business for transaction monitoring. The tools are designed to monitor transactional activity to ensure behaviour is consistent with our knowledge and risk profile of the client. Transaction monitoring is a key control within the Anti-Money Laundering (AML) framework and plays a vital role in the businesses' ability to identify and report suspicious activity. The Group's transaction monitoring standards, as defined in the Group's Client Due Diligence Policy, are driven by the requirements of the Group's lead regulator, the ACPR.

The Group has comprehensive policies and processes aimed at reducing the risk of exposure to financial crime, including money laundering, terrorist financing and fraud. Regular reports of key financial crime metrics are shared with appropriate governing bodies (e.g., the Group Operating Committee). The Group Policy on Intra-Group Information Sharing enables information relating to Anti-Money Laundering/Counter-Terrorist Financing (CTF) matters to be shared more easily and effectively between the regions.

Group Financial Crime Compliance has in place an established Oversight and Assurance (O&A) Programme to review the design and performance of key financial crime compliance controls operated by first line functions. This includes testing of AML controls and client due diligence processes. Through a series of testing and thematic assurance reviews the O&A Programme aims to provide suitable assurance by examining financial crime controls across the Group for control and operational effectiveness. Local procedures are also assessed against Group policy requirements to ensure they are applied consistently and correctly across the Group. The programme is applicable to all compliance functions in all regions and seeks to provide second line functions (e.g., regional Compliance teams) with the necessary framework for independently examining the effectiveness of first and second line financial crime controls.

Financial Crime Prevention training (AML, CTF, Sanctions, Tax Evasion) has been rolled out to employees globally in two tranches December 2021 and early 2022.

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 (ABC) Policy, which was updated in 2020 and approved by senior management. The 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 expected from employees. Training 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. A global ABC risk assessment is carried out by the Group Financial Crime Compliance team each year, which gathers regional and business line-specific ABC risk assessments and collates the results into one group-wide risk assessment. This exercise ensures that ABC risks are understood and reviewed and that they are suitably mitigated through robust and effective controls globally. The findings of the global ABC risk assessment help inform Rothschild & Co's ABC programme.

Tax evasion prevention

We place the utmost importance on our legal and regulatory obligations to prevent tax evasion. A set of principles and standards provide guidance on practices and behaviour, set out in dedicated Group policies and associated Practice Notes (e.g., Group Client Due Diligence Policy, Group Tax Compliance Practice Note. All businesses within the Group must ensure that they have policies and/or procedures in place consistent with these principles.

Tax evasion and related offences are considered a crime (*délit* in France) and typically represent a predicate offence to money laundering. This means that any funds connected to tax evasion should, in the absence of evidence to the contrary, be considered the proceeds of crime. Due to this, the same obligations with regards to reporting suspicious activity of money laundering and/or terrorist financing would apply and where tax evasion is suspected or known about, a report must be made, without delay, to local compliance, Money Laundering Reporting Officer (or equivalent) or Group Financial Crime.

As summarised in the public Financial Crime Policy Statement, all Rothschild & Co entities and employees must comply with standards, including:

- conducting client due diligence, where applicable, to mitigate the risk that the Group is handling or dealing with the proceeds of crime;
- identification and reporting of 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).

Political lobbying activity and donations

As summarised in the 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.

Rothschild & Co does 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).

Whistleblowing

We are committed to conducting our business fairly, honestly and with integrity. The Group expects all employees to maintain the highest standards of professionalism and personal conduct, reflective of the Group Code of Conduct, policies, and other applicable rules.

We encourage individuals to raise reportable concerns as soon as possible and 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). This policy has been updated in 2021 and approved by senior management, with associated training and communications planned for employees. Various whistleblowing channels are available, and individuals may choose to remain completely anonymous by reporting to an 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.

5.4 Data and cybersecurity

Confidentiality is of paramount importance to our Group. 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 our clients. These expectations are clearly communicated in the Group Code of Conduct.

The businesses communicate openly with their clients in relation to how they use confidential information, including personal data. The Group Data Protection Policy defines the core principles for protecting personal data processed by or on behalf of the Group and helps facilitate compliance with relevant legal and regulatory data protection obligations that the Group must adhere to globally.

In 2021, 96% of employees have successfully completed Data Protection training.

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 we possess and hold in relation to our clients, employees, businesses and our business partners is vital to our continued success. The Group's 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.

Throughout the year, the Information Security Risk team will report Key Risk Indicator Dashboards and the progress of the Information Security Programme Delivery to the Risk and Audit Committee and Group Operating Committee.

As technology becomes more complex and sophisticated, so do the cyber risks that businesses face.

The Rothschild & Co Information Security Programme is guided by the Group Information Security Policy and outlines core principles, activities, governance and resources that collectively provide information on security services to the Group and our 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 the Group's information security strategy as supported by the Group Executive:

- 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 2021, we have invested in enabling new technology for the migration of certain services to the cloud. This includes Endpoint Detection and Response, centralised log sources and Security Incident Event Monitoring. Other cyber technology initiatives include privileged access management and operating system hardening.

A Governance, Risk & Compliance platform allows to formally document cyber risks, demonstrate compliance with security control objectives and perform trend analyses of security incidents.

Lessons learned reviews are completed to understand if procedures and controls were effective when dealing with an incident.

The Information Security Team takes a risk-based approach in assessing and monitoring new suppliers. This includes adding information security clauses into applicable supplier contractors, in order for suppliers to understand their obligations when processing or storing our data on our behalf.

From the beginning of the Covid-19 pandemic, there has been no significant impact to the Group's cybersecurity protection measures relating to the change in the 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.

The Information Security team delivers online Information Security and Data Protection training to all new joiners and annually to all employees.
The completion rate of the Information Security training conducted within Skillcast in 2021 was 97%. In addition, Information Security run education campaigns as well as regular phishing tests to all employees. Individuals who fail two or more phishing tests within the year (by either clicking on the link or attachment) receive additional targeted training. Additional resources are also provided to all employees on our intranet.

The Rothschild & Co IT Security and Information Security Risk departments continuously control and govern 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 function 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 event 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
- a global data centre facility is ISO 27001-certified and covered by ISAE 3402 assurance report;
- due diligence processes to assess security control maturity of third parties who are managing or storing data on our behalf; and
- adding appropriate contract clauses in relation to data protection and information security.

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.

6. Appendices

6.1 Universal reference table

The following table references sustainability disclosures presented in this report, mapping them against the Global Reporting Initiative Standards (GRI), the group's commitment to the 10 principles of the United Nations Global Compact (UNGC), the UN Sustainable Development Goals (SDG), and the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD).

	Ref.	UN GC	SDG	GRI[1]	TCFD[2]
Group-wide purpose statement, guiding principles and sustainability ambition as part of Rothschild & Co's business model	S. 1.1	1-10		102-1; 102-2; 102-4; 102-5 102-7	
Sustainability core to Group strategy					
Ambition to support the sustainability transition of the global economy anchored in group strategy	S.1.1				
Common set of strategic priorities defined in group-wide ESG priority framework	S.1.1	1-10	16	102-15	
Non-financial risks and opportunities identified in materiality assessment	S.1.4	1-10		102-47	Strategy a)
Clear governance of sustainability matters, taken to the highest level in the organisation	S.1.2		16	102-19; 102-20; 102-22; 102-23; 102-29; 102-31; 102-32	Governance a), b)
Ongoing stakeholder dialogue: approach and engagement activities	S.1.3 S.6.1	1-10	16	102-21; 102-40 102-42; 102-43 102-44	
Continuous engagement though external partnerships and public commitments	S.1.3		5, 10, 12, 13, 15, 16	102-12; 102-13	
ESG integration across the business model					
Group-wide responsible investment framework covering exclusions, engagement and stewardship, and dedicated investment products	S.2.1	1, 2, 6, 7, 9, 10	7, 10, 11, 13, 16	103-1; 103-2	Governance b)Strategy a) Risk management a), b)
ESG consideration in corporate client on-boarding	S.2.2	2, 5, 7, 10			
ESG considerations (incl. human rights) in selection of other supply chain partners	S.2.3	1- 10		102-9	Risk management a)
R&Co4Generations as dedicated philanthropic platform	S.2.4 S.3.6 S.4.6	6, 8, 9	5, 10, 13, 15	413-1	

(1) This 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.
(2) Standalone report to be published in 2022

Universal reference table (continued)

	Ref.	UN GC	SDG	GRI[1]	TCFD[2]
Environmental impact					
Impact of climate change on our operations, products & services	S.3.2 S.3.3 S.3.4	7, 8, 9	13	201-2	Governance a), b) Risk management a), b)
Strategy to invest in assets which support the transition to a low carbon economy and/or aim to protect or preserve biodiversity	S.2.1 S.3.2	7, 8, 9	13, 15	302-5; 304-2	Risk Management a), b)
Managing operational GHG emissions	S.3.4	7, 8, 9	7, 12, 13, 15	302-1; 302-3 302-4; 304-3 305-1; 305-2 305-3; 305-4 305-5	Governance b) Risk management a), b) Metrics + targets a), b), c)
Responsible consumption and resource use contributing to biodiversity protection and preservation	S.3.4	7, 8, 9	10, 12, 15	301-1; 301-2 304-3; 306-3 306-4; 306-5	
Philanthropic support for protection of biodiversity and avoidance of climate change	S.3.6	7, 8	13, 15	304-3	
People and social impact					
Philanthropic support to help address and alleviate inequalities	S.2.4 S.3.6 S.4.6	6	5, 10	413-1	
Policies and initiatives to encourage diversity and inclusion and create an environment of equal opportunity and partnership	S.4.2	3, 6	5, 10	405-1	
Developing the best talent / training opportunities	S.4.2	6	5, 10	404-1; 404-2; 404-3	
Fostering quality social dialogue and collective bargaining agreements	S.4.2	3, 6	5, 10	102-41	
Safeguarding physical, mental and emotional health, safety and wellbeing of employees	S.4.2 S.6.2			403-1; 403-2; 403-3 403-5; 403-6; 403-8	
Policies implemented in line with the main provisions of the International Labour Organisation's fundamental conventions on Human Rights	S.4.1 S.4.2	1, 2, 3, 4, 5, 6	5, 10, 16	407-1; 408-1; 409-1 412-1	

(1) This 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.
(2) Standalone report to be published in 2022

Universal reference table (continued)

	Ref.	UN GC	SDG	GRI[1]	TCFD[2]
Business practices					
Group Code of Conduct sets out standards and expected behaviours	S.5.1	1, 2, 6, 7, 10		102-16	
Zero tolerance approach to all forms of corruption and bribery: standards and policies	S.5.3	10	16	205-1; 205-2	
Tax transparency backed up by a strong tax governance	S.5.2	10	16	207-1; 207-2	
No engagement in political lobbying activity and donations	S.5.3	10	16	415-1	
Managing data privacy and confidentiality risks and preserving the integrity of clients' and partners' data	S.5.4		16		
Additional information disclosed					
Other disclosures on employee headcount distribution and relating to diversity and inclusion, hiring and development	S.6.2	6	10	102-8	
Reporting period for the information provided	Section 2.1 of the Consolidated Financial Statement of the Rothschild & Co Annual Report 2021			102-50	
General governance structure of the organisation	Chapter "Overview" of the Rothschild & Co Annual Report 2021		5, 16	102-18; 102-22	Governance
Effect of any restatements of information given in previous reports, and the reasons for such restatements	S.6			102-48	
Statutory Auditors' opinion: external assurance	S.6			102-56	

(1) This 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.
(2) Standalone report to be published in 2022

6.2 Stakeholder dialogue

Maintaining ongoing dialogue with our stakeholders enables us to take their interests into account, identify changes in expectations and ensure relevant information is shared transparently. 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 our Organisation to successfully implement our strategies or achieve our objectives. The below table provides an overview of all potential stakeholder groups, the key topics covered through engagement[1] (in particular sustainability matters), as well as the channels used to foster constructive dialogue each time. We have identified as key stakeholders our shareholders, potential investors and analysts, clients, employees and future talent.

Key stakeholder group	Key topic and concerns	Engagement approach
Employees Transparent and direct communication between employees and the leadership team is an important part of the firm's culture. These opportunities provide employees with updates on latest developments, priorities and initiatives, and employees are given the chance to raise questions about the Group, in person or anonymously.	▪ Employee wellbeing & workplace flexibility ▪ Talent attraction, development and retention ▪ Diversity, Balance & Inclusion ▪ Cybersecurity ▪ Climate Change ▪ Biodiversity ▪ Human Rights ▪ Socio-economic equality ▪ Philanthropic activities	▪ All-staff, or departmental Townhall meetings with Senior Management (virtual/ in person) ▪ Internal email, and/or intranet articles (authored by senior representatives) ▪ Thematic awareness and engagement campaigns, including voluntary workshops and expert talks (climate action; cybersecurity; World Environment Day; Pride month; Black History month) ▪ Volunteering opportunities for local philanthropic activities ▪ Surveys and other feedback mechanisms ▪ Breakfast meetings and luncheons with senior management
Rothschild & Co shareholders and potential investors and analysts As a listed company, Rothschild & Co places highest importance in complying with applicable listing rules regarding transparency. Accordingly, it discloses the information that is necessary to investors and shareholders to assess the Group's situation and outlook in both French and English language.	▪ Financial performance ▪ Sustainability approach and key metrics ▪ Group strategy and outlook ▪ Transparency	▪ Annual shareholder meetings ▪ Quarterly results ▪ Results communication and press releases ▪ Annual Report and Sustainability Report ▪ Voting ▪ Shareholder resolution proposal ▪ Questions & answers sessions ▪ Executive management (virtual) meetings with financial investors and analysts ▪ Investor roadshow ▪ Corporate announcements and reportage via the Group's web and social media channels ▪ Investor Relations section of the website
Clients and business partners A close dialogue with clients and business partners is essential to building the lasting relationships and network that underpin the business' success. Regular events help clients understand the business and engage in discussions about industry trends and challenges. Communication focuses on knowledge sharing and offers opportunities for outside inspiration.	▪ Service excellence ▪ Thought leadership ▪ Quality of advice ▪ Transparency ▪ Data protection ▪ Confidentiality ▪ Climate change and biodiversity ▪ Responsible investment and stewardship ▪ ESG integration	▪ Event organisation and sponsorship ▪ Corporate announcements and reportage via the Group's web and social media channels ▪ ESG reports, thought leadership publications (incl. editorials, podcasts, videos) ▪ Direct meetings ▪ Organisation and/or participation in round tables ▪ Survey

(1) Activities in this table exclude mandatory trainings to focus on highlighting the key mechanisms through which the Group encouraged proactive and constructive two-way dialogue.

Stakeholder dialogue (continued)

Key stakeholder group	Key topic and concerns	Engagement approach
Future talent 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.	▪ Talent development opportunities ▪ Employee wellbeing & workplace flexibility ▪ Diversity, Balance & Inclusion	▪ Career fairs ▪ Networking luncheons and dinners ▪ Events ▪ Corporate announcements and reportage via the Group's web and social media channels
Social dialogue (trade unions, France only) Employee representatives are given access to a comprehensive economic and social database, including comparative data on employees by gender and age on all aspects of working life. This gives employee representatives an informed view, on which to form their opinion each year during the consultation on social policy.	▪ Employee wellbeing & workplace flexibility ▪ Talent attraction, development and retention ▪ Socio-economic equality ▪ Diversity, Balance & Inclusion ▪ Equal opportunities ▪ Health & Safety ▪ Collective bargaining ▪ Transparency	▪ At least monthly social dialogue between employee representatives in France and a member of management, including procedures for information, consultation and negotiation with employees
Social enterprises and charities Through R&Co4Generations, a dedicated platform for philanthropic partnerships, we maintain a close dialogue with social enterprises and charities, discussing opportunities for partnership, knowledge sharing or other collaborations.	▪ Socio-economic equality ▪ Community support ▪ Partnership and collaboration ▪ Human Rights ▪ Diversity, Balance & Inclusion ▪ Climate Change ▪ Biodiversity	▪ Sponsored activities, competition, awards ▪ New global flagship project selection process ▪ Sponsorship applications and donations ▪ Pro-bono advisory projects ▪ Matched-giving initiatives ▪ Volunteering activities
Suppliers and third-party contractors We are committed to encouraging responsible business practices throughout our operational supply chain, aiming to ensure all parties are working with each other to build a relationship of respect, trust and transparency.	▪ Responsible business practices ▪ Fundamental ethical, social and environmental principles ▪ Fair payment conditions	▪ Supplier Code of Conduct ▪ Direct engagement as part of contract negotiations
Financial market authorities and regulators Our dedicated functions have a collaborative and transparent dialogue with regulators. This aims to ensure the Group meets prudential and regulatory compliance standards.	▪ Transparency & public accountability ▪ Compliance with regulation	▪ Annual Report disclosures ▪ Various filings with regulators on a periodic basis
International organisations, local and international networks, think tanks Through the support of multistakeholder initiatives, the Group's dedicated functions interact with the wider society and the international organisations, networks and alliances aiming to represent their interests.	▪ Transparency ▪ Diversity, Balance & Inclusion ▪ Climate change ▪ Partnership ▪ Knowledge exchange	▪ Rothschild & Co is an active member of signatory of/contributor to a few selected multistakeholder initiatives and keeps an open dialogue with these ▪ Group-wide public commitments and the partnerships through which the Group and its businesses publicly advocate for and engage with its stakeholders in sustainable development initiatives (Please refer to Section 1.3 of this report for more detailed information)
Extra-financial rating agencies We are committed to providing transparent and quality information on our extra-financial performance and hold regular dialogue with non-financial analysts to ensure our activities can be evaluated against ESG criteria.	▪ Transparency ▪ Sustainability approach and key metrics ▪ ESG integration and governance	▪ Annual Report ▪ Public policies and commitments on website ▪ Sustainability Report disclosures

As part of our communication with **other market participants** about ESG concerns and priorities, we aim to ensure an ongoing dialogue on how our services can add value and help support the sustainability transition of our clients' businesses and / or investment approaches.

Overview of selected client engagement & market communications

Business area	Communication theme & focus
Group	▪ CDP COP 26 event: sponsorship ▪ Announcement of Corporate Responsibility Report 2020 publication (April) ▪ Announcement of focused biodiversity and climate change campaigns (June, November) ▪ Announcement operational net zero 2030 ambition (November)
Wealth Management (WM)	▪ Wealth Management UK Meet the Manager event – investing in the transition to a low carbon economy (January) ▪ Wealth Management UK Spring Conference – The future of food and farming (March) ▪ Wealth Management UK Annual ESG Report 2020 (April) ▪ Wealth Management UK Annual Stewardship Report 2020 (April + October) ▪ Wealth Management UK client survey (November) ▪ WM CH Responsible Investing thought leadership series (June, November)
Asset Management (AM)	▪ Editorial: AM EU partnership with “Océan Polaire” to finance their work on Artic ecosystems and the Polar Pod expedition (March) ▪ Video: Towards a more sustainable world – Regulatory challenges (April) ▪ Editorial: Rothschild & Co Asset Management Europe’s responsible investment approach (October) ▪ Podcast: AM EU’s sustainable approach to the R-co 4Change Convertibles Europe fund (October) ▪ Editorial: ESGnomics – Tomorrow can’t wait ▪ Video: Polar Pod – The four chapters of an extraordinary expedition (December)
Merchant Banking (MB)	▪ Lunchtime roundtable as part of the launch of Five Arrows Sustainable Investments fund: “How to reconcile environmental preservation and performance in private equity?” with the Solar Impulse Foundation, Air Liquide and LVMH (October) ▪ ESG focus in annual reports on different strategies (Corporate Private Equity, Multi-Strategy and Direct Lending)
Global Advisory (GA)	▪ Sponsor of Dublin Climate Dialogues (May) ▪ ESG conference with Redburn (September) ▪ Panel on Climate Litigation and Activism Summit 2021 hosted by City & Financial Global ▪ Breakfast roundtable “What is the difference between ESG and impact?”

Overview of employee engagement initiatives in 2021 (continued)

In 2021, the Group took the opportunity to increase employee information, education and engagement with regards to relevant topics across our ESG priority framework environmental best practices as highlighted below.

	Focus	Initiatives
Environmental topics	Supporting the transition to a low-carbon economy	▪ Climate Action Weeks: engagement campaign, aimed at education and raising awareness for climate change risks. The initiative included: • an expert scientist talk aimed at demystifying climate science • a panel discussion with internal experts on how climate change affects and can be addressed in the Group's different business divisions • in-depth Climate Freskque workshops aimed at training on the drivers behind climate change • announcement of net-zero operations commitment and new philanthropic project in support of fighting the effects of climate change (Sections 3.4 and 3.5 of this report) ▪ Understanding employee travel-to-work (all staff survey) ▪ Climate change workshops with c. 270 participants
	Preserving and protecting biodiversity	▪ Targeted information via intranet aimed at influencing employee behaviour to limit the Group's environmental impact ▪ World Environment Day: engagement campaign with focus on biodiversity risk, including expert talks from WWF and Cool Earth ▪ All Americas unnecessary single-use plastic free (intranet article)
	Influencing employee behaviour to limit the Group's environmental impact	▪ Awareness communication campaigns around: • the drivers of the Group's environmental footprint • encouraging utilisation of technology for collaboration and interaction • how to avoid unnecessary single-use plastic and reconsider printing habits • test and tips to reduce individual carbon footprint • corporate operational environmental footprint training

Overview of employee engagement initiatives in 2021 (continued)

	Focus	Initiatives
Social topics	Diversity & Inclusion	▪ International Women's Day (#choosetochallenge): events ranging from celebrating the contribution of women in the business, hearing from external role models and thought leaders and workshops to explore how to call out bias ▪ Global Balance & Inclusion survey and results communication ▪ Pride month engagement campaign ▪ Balance & Inclusion principles communication ▪ Integration of regular Balance & Inclusion updates into Managing Partner Townhall updates ▪ Celebration of Black History Month ▪ Ongoing encouragement for employees to update their self-identification data to enable focus on strategy, report and track progress ▪ "Improving our work culture" in Global Advisory (email, Townhall, monthly surveys) ▪ Annual Group Health & Safety training
	Wellbeing	▪ Smart working from home resources on intranet ▪ Mental health, women's health and healthy habits (live seminars and recorded videos) ▪ Wellbeing (newsletters, articles) ▪ Updates on agile working best practices (Managing Partner Townhall, June)
	Health & Safety	▪ Covid-19 secure office environment intranet page and resources ▪ Return to work surveys and divisional follow-ups ▪ Health & Safety training
	Workplace of the Future	▪ All staff survey regarding Workplace of the Future ▪ Focus groups to understand needs, expectations for agile working practices and potential new office layout
Business practices topics	Cybersecurity	▪ Importance of cybersecurity (Townhall) ▪ Cybersecurity awareness month (engagement campaign) ▪ Phishing tests (engagement campaign, regular email) ▪ Information Security training ▪ Data Protection training
	Compliance	▪ Group-wide roll out of employee compliance system, designed to enhance several compliance processes related to colleague behaviour (intranet, email communication)
	Legal & Compliance	▪ Introduction of Rothschild & Co Supplier Code of Conduct (Group intranet) ▪ Financial Crime Prevention training launched

6.3 Operational impact and people culture

Diversity and inclusion

Headcount by geography[1]	2019	2020	2021
France	1,204	1,171	1,212
United Kingdom and Channel Islands	1,015	1,078	1,173
Switzerland	264	269	322
Other Continental Europe	462	446	480
North America	358	370	364
Rest of the world	256	253	265
TOTAL GROUP[2]	**3,559**	**3,587**	**3,816**
FTE TOTAL GROUP[3]	**3,468**	**3,512**	**3,744**
% of headcount located in the country of the Company's headquarter (France)			32%
Share of employees operating in at least one sensitive country in terms of fundamental rights at work[4]			0.7%

(1) A presentation of all the Group's office locations is set out in the Chapter "Overview" of this report.
(2) Data based on headcount (i.e. not FTE). Off Headcount workers are not in scope (e.g., consultants, contractors).
(3) Fulltime equivalent data.
(4) Ten worst countries for workers according to ITUC Global Rights Index 2020.

Headcount by business	2019	2020	2021
Global Advisory	1,481	1,491	1,554
Wealth & Asset Management	1,138	1,155	1,240
Merchant Banking	155	172	201
Central & Support	785	769	821
TOTAL	**3,559**	**3,587**	**3,816**

Employee age profile	2019	2020	2021
<30 years	24%	23%	25%
30 to 39 years	29%	29%	29%
40 to 49 years	25%	25%	25%
>50 years	22%	22%	22%
TOTAL	**100%**	**100%**	**100%**

Employee gender profile	2019	2020	2021
Male	60%	60%	60%
Female	40%	40%	40%
Not specified			0%
TOTAL	**100%**	**100%**	**100%**

Average tenure of employees	2019	2020	2021
Below 2 years	27%	25%	28%
2-5 years	32%	32%	33%
5-12 years	21%	22%	23%
Above 12 years	20%	21%	16%
TOTAL	**100%**	**100%**	**100%**

New hires by geography	2019	2020	2021
United Kingdom and Channel Islands	22%	30%	32%
France	38%	22%	23%
North America	13%	24%	13%
Other Continental Europe	15%	11%	13%
Switzerland	4%	4%	11%
Rest of the world	8%	9%	8%
TOTAL	**100%**	**100%**	**100%**

New hires by gender	2019	2020	2021
Male	59%	61%	65%
Female	41%	39%	33%
Not specified			2%
TOTAL	**100%**	**100%**	**100%**

Talent identification and development	2019	2020	2021
Number of paid internships	295	348	257
Graduates	148	135	135
Thereof female	*20%*	*28%*	*23%*
Promotions	409	345	430
Thereof female	*33%*	*33%*	*27%*

Additional information	2019	2020	2021
Non-permanent workforce[1]	431	398	467
Number of flexible working arrangements[2]	268	261	256

(1) Includes apprentices, contingent workers, fixed term contractors, interns and Non-Executive Directors on payroll.
(2) Includes employees with an FTE less than 1.

During the 2021 financial year, employee turnover was 16% (vs. 14% in 2020). Redundancies in 2021 were 1.8% (vs. 2.0% in 2020). The aggregate number of new joiners was 808.

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 specialised 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.

We reward our people at a total compensation level, paying fixed and variable compensation. We ensure 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. Annual variable compensation is awarded on a discretionary basis, driven by a combination of the consolidated results of the Group 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 those identified as Material Risk Takers, a proportion of variable compensation is deferred over four years, with part of this deferral 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 28, "Operating expenses".

Equal opportunities

Our 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.

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).

Training and development

In 2021, we recorded an aggregate number of training hours across the Group of 64,177 hours, covering 100% of headcount (vs. 34,270 in 2020).

In 2021, 1,376 training events were provided, and 3,121 employees participated in at least one training programme which amounts to 82% of headcount. The total number of hours organised by the Human Resources function was 41,440.

In addition, 22,737 training hours were completed across all categories of Group employees (incl. contingent workers) via the e-learning platform (Skillcast) in 2021.

Training covered topics such as Legal & Compliance, Information Security, Commercial Awareness, Management & leadership, Personal effectiveness, Communications, Wellbeing, Technical skills, Diversity & Inclusion, Health & Safety, Business Continuity, Security and Crisis Management as well as Client Relationship Management.

In 2021, Graduate Training has been included for the first time.

Social dialogue

In France, 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 93% of French employees (and 30% 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 2021, 10 agreements and unilateral decisions were signed. In addition, there are 54 ongoing agreements on gender equality, social protection, employee savings schemes (PEE/PERCO) and profit-sharing.

An agreement on telework was signed in 2019, opening three teleworking formulas (regular fixed, regular flexible and exceptional) to eligible employees. 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. An agreement on telework was signed in 2021 with the trade union delegates in order to envisage the future of telework. It was implemented in November 2021 and will allow maximum two days per week 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 gender equality agreement was signed in 2020, based on four pillars: recruitment, classification, the actual income and the balance between professional responsibility and family life:

- 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; and
- provide improved support for return from parenthood-related leave.

The agreement complements the gender equality index (75/100 points in 2021).

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; and
- 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 by line managers and is 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.

We are committed to minimising, where possible, the number of compulsory redundancies and operates responsible redundancy procedures and measures to mitigate the consequences for those employees made redundant.

Health and Safety

We are committed to providing a safe and healthy working environment in all locations and aims to continually improve occupational health and safety management and performance.

The Group Health and Safety Policy prescribes 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 continue to commit to implementing the conformance standards set within the requirements of the Policy whilst ensuring legal compliance is always met.

Rothschild & Co locations:

- seek to eliminate or reduce hazards in the workplace by implementing the Group Health & Safety requirements;
- measure performance and ensure continuous improvement by setting, auditing and reviewing occupational Health and Safety objectives and targets for individual offices;
- support all those with relevant management responsibilities to manage Health and Safety within their areas of responsibility;
- provide competent personnel and adequate resource to enable the implementation and management of the Policy and its arrangements;
- provide appropriate information, instruction and training as necessary; and
- provide suitable arrangements for employee consultation on matters relating to Health and Safety.

The Group Environment, Health and Safety Committee reviews and provides direction on Rothschild & Co's Health and Safety strategy.

Throughout the **Covid-19 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. In 2021, control measures varied across locations, government requirements determined what percentage of the office population could safely return to the office.

All offices were asked to provide information and share learnings using the same benchmark criteria, such as existence of Covid-19 risk assessment and review interval, office occupancy rates, adaptation of fire evacuation procedures and medical assistance, adaptation of building ventilation systems, Covid-19 testing, temperature testing, provision of ergonomic equipment for home office use.

Covid-19-secure office risk assessments were managed and updated at suitable intervals to ensure control measures remained relevant to the location and local government requirements.

All locations continue to support and enable a safe return to the physical office:

- social distancing remains in place where legally required;
- enhanced cleaning schedules in the office;
- increased communication with employees to ensure positive mental health and support;
- support for those who continue to work from home and the introduction to agile working; and
- safe access to the office with ongoing support to avoid busy commuter hours.

Whereas Health & Safety Awareness and Workstation Assessment **trainings** have always been completed in the UK due to legal requirements, two training modules were completed by other Group offices in 2021 to demonstrate conformance to the Group Health & Safety Policy[(1)] and to enable consistency of training across the Group. All new starters receive the same training in their first week of employment; current employees will receive a refresher every year. 98% of total assignments sent have been completed. Authorised absence accounts for offices not reaching 100%. Remaining offices will receive training in March 2022.

Offices in France operate a local Health & Safety Awareness Programme adhering to relevant legislation and have not completed the Health & Safety Awareness assignment.

(1) US & Canada offices manage all wellbeing requirements via Human Resources and have not completed the Workstation Assessment.

For the 2021 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 has been injured as the result of an accident when on work premises; and
- 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 2021, there have not been any Near Misses (2020: 2; 2019: 3) or Occupational Diseases.

	Accidents total – 2 (2020: 8; 2019: 5)				
Office	**Type of accident**	**Type of injury**	**Date of accident**	**Number of days missed work**	**Government notification required?**
London	Cut or stabbed by object	Laceration or cut	01/04/2021	0	No
New York	Ill health	Fainting	05/08/2021	2	No

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.

6.4 Operational environmental impact

Operational greenhouse gas emissions[1]

Greenhouse gas emissions in tCO_2eq[2] as reported		2019	2020	2021
Direct emissions (scope 1)	Natural gas	128.7	128.0	148.7
	Biogas	0.9	0.8	0.7
	Other fuel	37.9	33.5	52.7
	Owned vehicles	176.4	175.2	193.9
	Refrigerant gas loss / other fugitive emissions[3]	0.0	0.0	3.4
Total scope 1		**343.9**	**337.5**	**398.6**
Indirect emissions (scope 2)	Electricity consumption (location-based)	3,321.1	2,585.9	2,130,6
	Electricity consumption (market-based)	1,844.1	989.6	600.9
	Heat consumption	289.9	262.3	269.4
	District cooling[4]	0.0	0.0	9.2
	Company owned cars (electric cars)[5]	0.0	0.0	1.0
Total scope 2 (location-based)		**3,611.0**	**2,848.2**	**2,410.2**
Total scope 2 (market-based)		**2,134.0**	**1,251.9**	**880.5**
Indirect emissions from travel (scope 3)	Business travel – Flights	17,856.5	4,004.7	2,039.8
	Business travel – Rail	210.1	41.6	40.2
	Business travel – Taxis	325.0	139.5	198.8
	Hotel stays	289.2	85.5	92.0
	Employee-owned cars[6]	0.0	0.0	34.2
Total emissions – Travel		**18,680.9**	**4,271.3**	**2,405.0**

(1) Non-extrapolated, reporting offices only. In 2021, Rothschild & Co collected data for approximately 95% of the Group's FTE.
(2) Rothschild & Co's GHG emissions are calculated as tonnes of carbon dioxide equivalent (tCO_2eq), a universal unit of measurement expressing the impact of each of the Kyoto GHGs in terms of the amount of CO_2 that would create the same amount of warming. The Group calculates tCO_2eq 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) Refrigerant gas loss / other fugitive emissions has been added to the reporting scope for the first time in 2021.
(4) District cooling has been added to the reporting scope for the first time in 2021.
(5) Company owned cars (electric cars) has been added to the reporting scope for the first time in 2021.
(6) Employee-owned cars has been added to the reporting scope for the first time in 2021.

Greenhouse gas emissions in tCO_2eq[(1)] as reported		2019	2020	2021
Other emissions (scope 3)	Courier services	45.0	28.9	19.9
	Materials	201.7	98.8	89.0
	Recycling and disposal	22.0	18.3	16.9
	Remote working[(2)]	-	1,299.7	1,509.3
	Water	36.4	27.5	9.2
	Company leased vehicles	280.8	258.3	235.8
	IT equipment and server use (location-based)	594.8	1,083.4	1,431.6
	IT equipment and server use (market-based)	594.8	1,077.7	1,434.1
	Electricity Transmission and Distribution Losses (location-based)	327.2	249.4	170.0
	Electricity Transmission and Distribution Losses (market-based)	318.7	230.2	169.9
	Upstream emissions (WTT) (location-based)	2,914.8	1,138.5	1,135.0
	Upstream emissions (WTT) (market-based)	2,894.4	1,106.7	1,132.2
Total emissions – Other (location-based)		**4,422.6**	**4,202.8**	**4,616.7**
Total emissions – Other (market-based)		**4,393.7**	**4,146.3**	**4,616.3**
Total scope 3 (location-based)		**23,103.5**	**8,474.1**	**7,021.6**
Total scope 3 (market-based)		**23,074.5**	**8,417.6**	**7,021.3**
TOTAL SCOPE 1, 2 & 3 (LOCATION-BASED)		**27,058.4**	**11,659.8**	**9,830.4**
TOTAL SCOPE 1, 2 & 3 (MARKET-BASED)		**25,552.4**	**10,007.0**	**8,300.4**

(1) Rothschild & Co's GHG emissions are calculated as tonnes of carbon dioxide equivalent (tCO_2eq), a universal unit of measurement expressing the impact of each of the Kyoto GHGs in terms of the amount of CO_2 that would create the same amount of warming. The Group calculates tCO_2eq 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.

(2) 2019 data for remote working has not been calculated.

Scope 1 emission increased by 18% due to the increased scope of emissions reporting, specifically the inclusion of two new offices (London Lombard and Adam street), resulting in an increase of Natural gas use. Furthermore, there was an increase in company-owned vehicle use and the inclusion of "Refrigerant gas loss / other fugitive emissions" reporting. Scope 2 market-based emission decreased by 30% due mainly to the procurement of renewable electricity certificates for all North and South American offices. Renewable electricity procurement in the Americas resulted in a c. 180 tCO_2eq reduction from 2020 alone. Reduced energy consumption in Mumbai, Hong Kong and Johannesburg has also led to a significant decrease in Location-based emissions of c. 15% or 438 tCO_2eq.

Business travel was again significantly affected by Covid-19-related travel restrictions, as a result a c. 1,866 tCO_2eq reduction has been realised from 2020. This further supports the c. 16,276 tCO_2eq reduction from 2019.

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

Greenhouse gas emissions (non-extrapolated, reporting offices)

	Location-based			Market-based		
Emissions tCO_2eq/FTE	**2019**	**2020**	2021	**2019**	**2020**	2021
FTE	*3,208.9*	*3,254.2*	*3,543.0*	*3,208.9*	*3,254.2*	*3,543.0*
Scope 1	0.11	0.10	0.11	0.11	0.10	0.11
Scope 2	1.13	0.88	0.68	0.67	0.38	0.25
Scope 3 (All)	7.20	2.60	1.98	7.19	2.59	1.98
SCOPE 1 AND 2	**1.23**	**0.98**	**0.79**	**0.77**	**0.49**	**0.36**
SCOPE 1, 2 AND 3 (ALL)	**8.43**	**3.58**	**2.77**	**7.96**	**3.08**	**2.34**

Total greenhouse gas emissions for non-reporting offices (extrapolated to 100%)

	Location-based			Market-based		
Emissions tCO_2eq	**2019**	**2020**	2021	**2019**	**2020**	2021
FTE	*258.8*	*257.9*	*201.1*	*258.8*	*257.8*	*201.1*
Scope 1, 2 and 3 emissions of non-reporting offices	2,182.3	923.9	558.0	2,060.8	793.0	471.2
TOTAL GROUP EMISSIONS, ALL SCOPES	**29,240.7**	**12,583.8**	**10,388.4**	**27,613.3**	**10,799.9**	**8,771.5**
Total Group Emissions/FTE, all scopes	8.43	3.58	2.77	7.96	3.08	2.34

Emissions per FTE have seen a significant decrease mainly due to continued Covid-19 travel restrictions, but also due to renewable electricity procurement in the Americas.

Recycling and disposal

Resource disposal in tonnes *(extrapolated)*	**2019**	**2020**	2021
Anaerobic digestion	65.0	20.3	20.2
Composted	10.0	9.5	7.0
Incinerated energy recovery	247.1	176.3	188.6
Landfilled	53.8	29.5	24.4
Re-used	-	3.4	-
Recycled	230.3	100.3	103.4
TOTAL	**606.2**	**339.3**	**343.5**
Total/FTE	0.17	0.10	0.09

Total materials sent for disposal has remained relatively stable. Contributing factors to a slightly reduced recycling rate (38% in 2021 vs. 39% in 2020) was driven mainly by high levels of incineration from the Paris office. Other contributing factors include the reduction in high volume of 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 remain low due to further reduced occupancy levels.

Water use

Water consumption in m³ *(extrapolated)*	**2019**	**2020**	2021
TOTAL WATER CONSUMPTION	**55,481**	**45,210**	**39,837**
Total /FTE	16.00	12.87	10.64

Whilst we are not a large consumer of water, we recognise our responsibility in the countries where we operate. Again in 2021, water use decreased significantly, due mainly to reduced office occupancy levels across the Group

Materials use

Materials use in tonnes *(extrapolated)*	**2019**	**2020**	2021
Recycled content/sustainable sources	67.2	102.0	92.0
Non-recycled content/non-sustainable sources	166.2	12.5	11.5
TOTAL MATERIALS CONSUMPTION	**233.4**	**114.5**	**103.5**
Total/FTE	0.07	0.03	0.03

We understand 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. We measure the amount of 100% recycled and sustainably sourced paper we procure (certified sustainable paper from FSC or PEFC). Responsible management of materials use is embedded in our working practices.

In 2021, we maintained our commitment to reduce consumables and track their use and continued to procure new orders of printing paper from sustainable sources.

Material use remained relatively stable when compared to 2020, due mainly to the reduced office occupancy levels as a result of Covid-19 restrictions.

Energy use

Total energy use in MWh *(extrapolated)*	**2019**	**2020**	2021
Bioenergy	4,618.8	4,361.4	3,392.2
District cooling	-	-	79.0
Electricity	19,121.6	15,003.1	13,816.3
Heat/Steam	1,552.5	1,471.7	1,465.2
Natural gas	766.8	725.7	830.0
Other fuel	157.2	139.1	214.4
TOTAL ENERGY CONSUMED	**26,216.9**	**21,701.1**	**19,797.0**
Total/FTE	7.56	6.18	5.29

The reduction in energy use is mainly from biogas and electricity consumption decreases in offices due to reduced office occupancy levels across the Group, as a consequence of Covid-19-related restrictions.

We undertook a legal compliance and conformance assessment to understand the legal environmental responsibilities in each jurisdiction where we have an office. This assessment led to the development of a Group environmental conformance standard for offices worldwide, and which we regularly monitor and use 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 Streamlined Energy and Carbon Reporting (SERC) scheme.

As an office-based business, we do not actively engage in direct activities with material impact on air, water, soil or indeed noise pollution.

6.5 Reporting scope, reference and methodology

Reporting of sustainability information – process for the 2021 reporting period

The reporting period is 1 January 2021 to 31 December 2021. The preparation and coordination of the Sustainability Report involved members of Rothschild & Co and Group entities, taking key responsibilities in Legal, Compliance and Risk, Human Resources, Health and Safety, Responsible Investment, Group Sustainability and R&Co4Generations.

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.

In preparing this report, we aim to demonstrate our commitment to transparent disclosure and public accountability for our business' impact on its stakeholders, in respect of the following regulations and principles:

- L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code *(Code de commerce);*
- Global Reporting Initiative (GRI) principles (please refer to the universal reference table in Section 6 of this report);
- Principles of the United Nations Global Compact (please refer to the universal reference table in Section 6 of this report);
- Standard of the Greenhouse Gas Protocol initiative by the World Resources Institute; and
- United Nations Sustainable Development Goals.

The initiatives, policy references and data presented in this report aim to provide an accurate and complete reflection of the Group's sustainability strategy and performance on the most relevant topics as identified in the annual materiality assessment of non-financial risks (please refer to Section 1.4 of this report) and presented in the Group's ESG priority framework (please refer to Section 1.1 of this report).

Non-financial data and information for the reporting period is collected and reported utilising software solutions, sourced from the responsible business divisions and service providers.

In line with article R.225-105 of the French Commercial Code, the Managing Partner of the Group engaged KPMG to provide an **independent limited assurance** conclusion on the consolidated non-financial statement in compliance with the International Standard on Assurance Engagements (ISAE) 3000 (please refer to Section 6 of this report).

Governance for the content and accuracy of the report is covered by a dedicated sustainability governance as outlined in Section 1.2 of this report.

As a Group, we welcome the **EU action plan on sustainable finance** and its regulations as an opportunity to enhance transparency in corporate sustainability performance and recognises its potential to create a more level-playing field for sustainability disclosures and activities.

In the future, we will aim to provide meaningful consolidated data for taxonomy coverage from its different investment business lines on a voluntary basis, where available. As a financial holding company, at the time of publication of this report, Rothschild & Co is defined by article 1-(8) of the Commission Delegated Regulation (EU) 2021/2178 supplementing Taxonomy Regulation as a "non-financial undertaking".

Whilst all of our business lines share the ambition to use our influence and expertise to support the sustainability transition of the global economy, none of our divisions have business activities directly eligible to categories outlined in the Commission Delegated Regulation (EU) 2021/2139 supplementing Taxonomy Regulation, and accordingly the proportion of Rothschild & Co's consolidated turnover, capital expenditure and operating expenditure related to Taxonomy eligible economic activities for the financial year 2021 is 0%.

We have provided the sustainability 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

- Reporting offices: All locations employing staff only
- Headcount covered: 100%. All staff considered on headcount are included in the numbers provided.
- Data sources**:** Workday for Headcount figures. Training data aggregates data from Workday and Skillcast.
- Methodology: All data is based on headcount (i.e., not FTE) unless stated otherwise, off-headcount workers are not in scope (e.g. consultants, contractors, interns, advisors & non-executive directors).
- Effective date for headcount is a snapshot at 31st December of the year stated.
- Promotion data was updated to correct for an error identified in prior years (2019 revised down from 412 to 409, 2020 revised down from 353 to 345).

Environment, Health and Safety

- Reporting offices: Birmingham, Brussels, Dubai, Frankfurt, Geneva, Guernsey, Hong Kong, Johannesburg, Leeds, London, Los Angeles, Luxembourg, Lyon, Madrid, Manchester, Marseille, Milan, Monaco, Mumbai, New York, Paris, São Paulo, Singapore, Sydney, Warsaw, Washington, Wilmslow and Zurich.
- Headcount covered: 95%.
- Data sources:
  - The environment reporting software tool references a large database of over 100,000 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.
- Greenhouse gas emissions for energy consumption have been calculated using 2021 Department for Business, Energy and Industrial Strategy (BEIS) emissions factors and the resulting emissions are reported as tonnes of carbon dioxide equivalent (tCO_2eq) values.

- Methodology:
  - Refinements in data collection have resulted in an increased robustness of final data. Where assumptions, estimates or changes have been made, this is explained.
  - GHG emissions are extrapolated to cover 100% of the Rothschild & Co Group. This extrapolation provides a more complete synopsis of the Group's operational emissions.
  - Full-time equivalent (FTE) data is provided from Workday per 31 December 2021, with third party service providers or contractor employee headcount not captured. 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.
  - 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 CO_2e. In line with best practice, the Group produces a "dual report", reporting both location and market-based reporting instruments for scope 2.
  - A Rothschild & Co "Group average intensity" figure for electricity consumption has been used in 2021. This assumes an electricity consumption of 0.1621 MWh/m^2 of office space per year. In total, this figure was used by five offices this year: Dubai, Geneva, Leeds, London Adam St and London Lombard St.
  - In 2021, a Rothschild & Co Group "average energy intensity" figure was used to help offices estimate their annual natural gas consumption. This figure is 0.1092 MWh/m^2 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. Five offices (Birmingham, Leeds, Manchester, London Adam St and London Lombard St) used average intensity figure to estimate their natural gas consumption for 2021.
  - 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. 2021 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.
  - In 2021, refrigerant gas has been added as additional indicator.
  - Data for leased vehicles has been missing for Madrid in 2020, a correction has been made to WTT. The errors were less than 0.5%, total numbers have been restated.
  - Whilst emissions from employee commuting have been measured for the second time in 2021, they have not been included in the overall GHG emissions from the Group. These emissions have been calculated at 385 tCO2eq.

Responsible Investment

Voting Coverage

Asset Management Europe
- Reported: 93%
- Data sources: ISS
- Perimeter: all eligible discretionary assets (equity funds & mandates)/ diversified funds & mandates

Asset Management US
- Reported: 100%
- Data sources: ISS
- Perimeter: all eligible discretionary assets (equity funds & mandates)/ diversified funds & mandates

Wealth Management UK
- Reported: 99%
- Data sources: manual collection by Responsible Investment specialists
- Perimeter: all eligible discretionary assets across all strategies (Exbury, New Court and Halton)

Rothschild & Co Bank AG
- Reported: 92%
- Data sources: Avaloq
- Perimeter: 20% (until summer 2021, Rothschild & Co Bank AGvoted only for the funds, not for remaining discretionary portfolios)

Number of voted resolutions

Asset Management Europe
- Reported: 7,866
- Data sources: ISS

Asset Management US
- Reported: 3,725
- Data sources: ISS

Wealth Management UK
- Reported: 322
- Data sources: manual collection by Responsible Investment specialists

Rothschild & Co Bank AG
- Reported: 630
- Data sources: manual collection by ESG specialists

% of consolidated WAM AuM covered by thermal coal principles

Asset Management Europe
- Reported: 100%
- Perimeter: all asset classes except cash and excl. portfolios delegated to Rothschild Martin Maurel. For hedge funds and unlisted assets, implemented policies are detailed in Thermal Coal Investment Principles

Asset Management US

- Reported: 100%
- Perimeter: all asset classes

Wealth Management UK

- Reported: 86%
- Perimeter: all directly held equities and bond instruments and external equity managers; Thermal Coal Investment Principles do not cover hedge funds, derivatives or cash and cash equivalents

Rothschild & Co Bank AG

- Reported: 98.5%
- Perimeter: covers bonds and equities; long-only active fund managers to have an equivalent policy to Rothschild & Co Bank AG; third-party passive/index funds or hedge funds to be excluded if they hold >20% of bonds and equities that would otherwise be excluded; excl. real estate and private equity (account for 1.5% of assets under discretion); excl. cash and derivatives

Rothschild Martin Maurel

- Reported: 100%
- Perimeter: covers bonds and equities

% of funds covered by carbon intensity measurement

Asset Management Europe

- Reported: 100%
- Perimeter: 100% of AuM, excluding portfolios delegated to Rothschild Martin Maurel

Engagement

Asset Management Europe

- Reported: 94
- Individual dialogue with 94 issuers, of which 39% located in the US, 17% located in France, 8% located in China/HKSAR
- Number is monitored by ESG team through internal monitoring files

Merchant Banking

- Reported: 3
- “Engaging with companies” defined as conducting an ESG analysis (case study or review) and/or defining an action plan of improvements to be implemented
- Discussions are supervised by Head of ESG
- 79% of portfolio companies and General Partners having answered an ESG questionnaire

Wealth Management UK

- “Engaging with companies” defined as two-way interaction with company or investors
- Responsible investment specialists are either involved in or notified about any engagements

Number of ESG-related initiatives joined in 2021

Asset Management Europe

- Net Zero Asset Manager Initiative, Association Française de Gestion, 5 Working Groups of the initiative Finance for Tomorrow

Wealth Management UK

- Say on Climate, Climate 100+

Number of labelled products

Asset Management Europe

- French *ISR* label: R-co 4Change Equity Euro, R-co 4Change Convertibles Europe, R-co Opal 4Change Equity Europe, R-co Valor 4Change Global Equity, R-co 4Change Net Zero Equity, R-co 4Change Net Zero Credit, R-co 4Change Inclusion & Handicap
- Belgian Towards Sustainability label: R-co 4Change Green Bonds, R-co Opal 4Change Sustainable Trends, R-co Valor 4Change Global Equity, R-co 4Change Moderate Allocation

Number of funds with donation shares

Asset Management Europe

- R-co 4Change Net Zero Equity (Polar POD), R-co 4Change Net Zero Credit (Polar Pod), R-co 4Change Inclusion & Handicap Equity (Cafe Joyeux)

R&Co4Generations

- Reporting offices: all offices
- Headcount covered: 100%.
- Data sources: Workday (FTE data), Benevity, King Baudouin Foundation, Rothschild & Co Corporate Events, office contacts, partnership contracts.

Report by one of the Statutory Auditors, appointed as independent third party, on the Sustainability Report

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 2021

To the Shareholders,

As requested and in our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the COFRAC under number 3-1049[(1)] , we have undertaken a limited assurance engagement on the historical information (actual or extrapolated) of the Sustainability Report, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31st, 2021 (hereinafter, respectively, the "Information" and the "Report"), established voluntarily in accordance to the requirements of Articles L. 225102-1, R. 225-105 and- R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that causes us to believe that the 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.

Preparation of the non-financial Report

The absence of a commonly used generally accepted reporting framework or established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the main elements of which are presented in the Report.

Inherent limitations in preparing the Information

As discussed in the Report, the Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Report.

Responsibility of the entity

The Report was established under the responsibility of the Managing Partner. The Managing Partner is responsible for:

- Selecting or establishing suitable criteria for preparing the Information;
- Preparing a Report in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators, and the information provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- Implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Report was prepared by applying the entity's Guidelines as mentioned previously.

Responsibility of the Statutory Auditor, appointed as independent third party/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 historical information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by the Managing Partner, we are not authorised to help prepare said Information, as that could compromise our independence.

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular, the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation), the French anti-corruption and tax avoidance legislation);
- the fairness of the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidance

We performed our work described below in accordance with the provisions of Articles A. 225-1 and following of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and International Standard on Assurance Engagements 3000 (Revised)[(2)].

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

Means and resources

Our work was carried out by a team of five people between December 2021 and March 2022 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 some interviews with the people responsible for preparing the Report.

(1) Accreditation Cofrac Inspection, number 3-1049, scope available at www.cofrac.fr
(2) ISAE 3000 (Revised) - *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

Nature and scope of our work

Our work was based on the one we performed on the Report and constituted primarily in a reconciliation of the Information published in the Statement and in the Report. We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

- We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:
- 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 avoidance legislation;
- 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[(1)]. Concerning certain risks[(2)], 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[(3)].
- 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;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important[(4)], 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 20% and 44% 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.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, on 26 April 2022

KPMG S.A.

Anne Garans

Partner

Sustainability Services

Arnaud Bourdeille

Partner

(1) Adaptation of the recruitment workstream to attract diverse candidates; Employee performance review process; Survey conducted on employee Balance and Inclusion; Investment policies meant to limit the environmental impact of investment activities; Program to eliminate Unnecessary Single-Use Plastic; Supplier Code of Conduct; ABC assessment policy; Technology implemented to reinforce cybersecurity; R&Co4Generations actions for equality

(2) Human rights; Compliance culture, incl. financial crime; Data and cybersecurity; Socio-economic equality

(3) Rothschild & Co London; Rothschild & Co Milan; Rothschild & Co New York City

(4) Social indicators : Total training hours; Number of female AD and above; Number of promotions (wherein % female); New hires (wherein % female); Employee turnover. Environmental indicators : Total GHG emissions; Total energy consumption (wherein % electricity from renewable sources); Landfilled waste; Total waste (wherein % recovered); Paper consumption (wherein % sustainable paper used)

Glossary

Abbreviations	Term definition
ABC	Anti-bribery and corruption
ACPR	Autorité de Contrôle Prudentiel et de Résolution (French prudential and resolution authority)
AD	Assistant director
AM	Asset management
AML	Anti-money laundering
AuM	Assets under management
CO_2	Carbon dioxide
CO_2eq	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
CTF	Counter-terrorist financing
D&I	Diversity and inclusion
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 equivalent
GA	Global Advisory (business segment)
GEC	Group Executive Committee
General Partners	Rothschild & Co Gestion and Rothschild & Co Commandité, general partners of the Company
GHG	Greenhouse gas

Abbreviations	Term definition
Group	Rothschild & Co SCA and its consolidated subsidiaries
GW	Gigawatt
HR	Human resources
ICP	Internal carbon price
ILO	International Labour Organisation
LCR	Legal, compliance and risk
LGBT	Lesbian, gay, bisexual, transgender, queer
M&A	Mergers and acquisitions
Managing Partner	Rothschild & Co Gestion SAS, as manager (gérant) of Rothschild & Co SCA
MB	Merchant Banking (business segment)
MwH	Megawatt hour
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
R&Co	Rothschild & Co SCA
Revenue	Net banking income
RI	Responsible investment
RMM	Rothschild Martin Maurel SCS
SDGs	Sustainable development goals, as defined by the United Nations
SRI	Socially responsible investing
TCFD	Taskforce on Climate-Related Financial Disclosure
tCO_2eq	Tonnes of carbon dioxide equivalent
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

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