Rothschild & Co

Climate Impact Report

November 2022

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Introduction

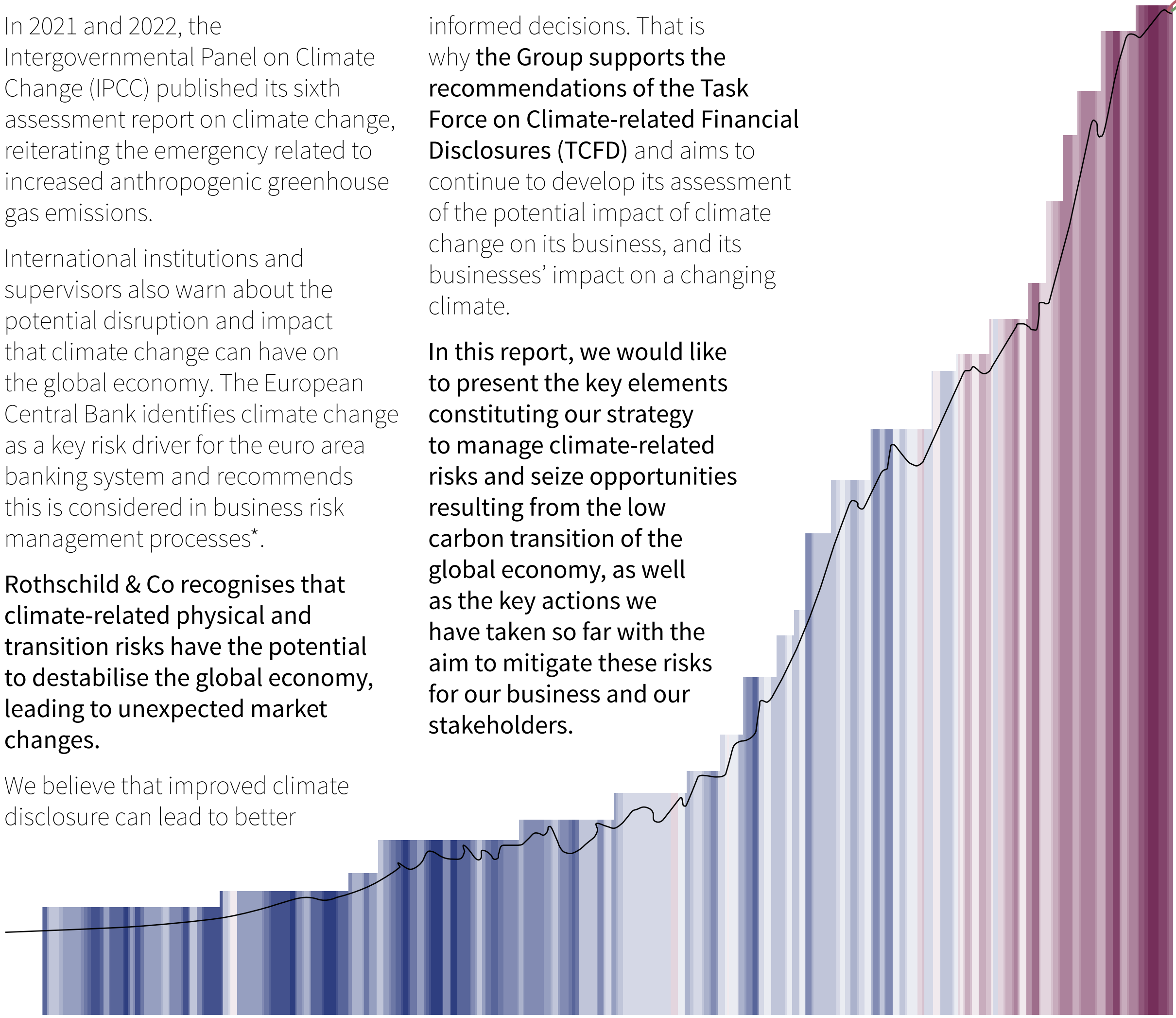
In 2021 and 2022, the Intergovernmental Panel on Climate Change (IPCC) published its sixth assessment report on climate change, reiterating the emergency related to increased anthropogenic greenhouse gas emissions.

International institutions and supervisors also warn about the potential disruption and impact that climate change can have on the global economy. The European Central Bank identifies climate change as a key risk driver for the euro area banking system and recommends this is considered in business risk management processes*.

Rothschild & Co recognises that climate-related physical and transition risks have the potential to destabilise the global economy, leading to unexpected market changes.

We believe that improved climate disclosure can lead to better informed decisions. That is why **the Group supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)** and aims to continue to develop its assessment of the potential impact of climate change on its business, and its businesses' impact on a changing climate.

In this report, we would like to present the key elements constituting our strategy to manage climate-related risks and seize opportunities resulting from the low carbon transition of the global economy, as well as the key actions we have taken so far with the aim to mitigate these risks for our business and our stakeholders.



The risk of business as usual

According to the IPCC**, the current trajectory of economic activity will lead to an increase in temperature that will impact economic players in their operations and throughout their value chain.

Anticipating the consequences an increased temperature could have on our businesses and our clients will improve our resilience and our ability to service clients.

Global impact of the transition to a low carbon economy

Achieving the transformation of the global economy to reduce greenhouse gas emissions and their effect on the climate will require transformation of production and consumption patterns.

Identifying the impact on our clients' and investee companies' markets and their business models will be crucial in the coming decades.

* https://www.bankingsupervision.europa.eu/
** AR6, IPCC, 2022

1. Group vision

1.1. Sustainability commitment as a key pillar in our Group strategy

43 countries

64 locations

3,816 employees

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 business model.

Supporting the sustainability transition is key to our 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

1.2. Transition to a low carbon economy as a sustainability priority

A common set of strategic priorities provides our Group with a clear focus and joint ambition when integrating sustainability considerations 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, including dedicated ESG advisory expertise;
- client and mandate onboarding;
- engagement of other operational supply chain partners; and
- approach to support for charities and social enterprises.

For Rothschild & Co, managing climate-related risks and implementing actions contributing to the transition to a low-carbon economy is both an operational and a long-term strategic challenge.

Across the Group, we have started to identify the key levers to optimise the business' contribution to the low-carbon transition of the economy. We have a continued focus on building the teams, the tools and the processes to implement these plans.

This report describes the key actions taken so far by Rothschild & Co to support the transition.

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

Rothschild & Co ESG priority framework

Strategic priorities

Environment (E)

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

People and Society (S)

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

Business Practices (G)

- Safeguard **responsible business conduct**

Opperational 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 implementation

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

2. Governance

2.1. Sustainability addressed across all relevant governance bodies

Rothschild & Co takes into account sustainability risks and opportunities, including related to climate change both in its operations and its business activities. The Group's governance set-up has assigned responsibility for sustainability matters at different levels of the organisation and has defined policy frameworks to ensure a comprehensive understanding and management of their potential impacts on our activity.

We aim to integrate climate risk and opportunity considerations as one of the key strategic sustainability priorities at every level of our organisation and into the existing risk management framework.

A number of group policies define areas with direct and/or indirect exposure to potential environmental risks.

Rothschild & Co's sustainability governance (1/2)

Board supervision

Involvement: independent and non-independent directors

- **A dedicated Sustainability Committee of the Supervisory Board meets at least twice a year and assists the Supervisory Board in ensuring that the Group is positioned to best identify, and address opportunities and risks associated with climate change, including but not limited to the identification of non-financial risks, the monitoring and reviewing of strategic priorities, and progress made against targets set**
- The sustainability strategy is presented to the Supervisory Board and discussed as part of the meetings of the Audit and Risk Committee of the Board

Top management direction

Involvement: Managing Partner (R&CoG), Members of the Group Executive Committee (GEC)

- **The Managing Partner (R&CoG) determines the Group's sustainability strategy, defines group-wide strategic priorities, including those related to climate change, as well as the Group's ambition for sustainability integration into Group strategy**
- The GEC assists the Managing Partner in overseeing the implementation of group-wide strategic sustainability priorities across the businesses, including those related to climate change, to ensure appropriate consideration of risks and opportunities in the business lines

Rothschild & Co's sustainability governance (2/2)

Expert support teams

Involvement: Group Sustainability, Responsible Investment, Risk, Legal and Compliance Functions

- The Group Responsible Investment Committee (RIC) advises the GEC on the development and oversight of the group-wide ESG investment integration
- A dedicated TCFD steering group, reporting to the RIC, focuses on the materiality of climate risks, with particular attention given to investment activities
- The Environment, Health & Safety Committee advises the GEC on the development of group-wide policies aimed at limiting and reducing the impact of our business operations

Businesses integration

Involvement: Risk, Compliance, Responsible Investment and Sustainability contacts at entity level, divisional management

- Divisional Management Committees are responsible for defining an ESG strategy aligned with group-wide priorities, including climate-related risks and opportunities
- Business entities implemented processes to consider climate matters within their activities (e.g., integration in client onboarding procedures, exclusion policies for investment activities, monitoring of ESG KPIs), with the involvement of all relevant expert support teams

3. Risk assessment

3.1. Material climate-related risks and opportunities

The Group undergoes an annual operational and strategic risk assessment process, which provides senior management with an objective assessment of the risks to which the Group is exposed and the measures to control them.

The relevance and impact of our business on a changing climate is, amongst other risks, considered in the **Group's annual review of material non-financial risks.**

To assess, in particular, the effect of climate change on our operations and activities, the Group conducted several **climate workshops with key stakeholders within our businesses and support functions.** This approach led to the identification of the most material risks resulting from a changing climate that have an effect on our business, and for which the deployment of mitigation actions are needed.

In its climate risk assessment, the Group considers both physical and climate-related risks.

Physical climate risks and opportunities

Source: gradual changes or natural disasters related to perturbated global natural cycles that could affect the Group's operations or activities

Time horizon: medium to long term

Rothschild & Co approach:

- **Operations:** physical risks resulting from a changing climate are considered as part of the group's ongoing Business Continuity assessments and planning
- **Activities:** physical risk is one of the elements taken directly or indirectly into account in the ESG investment framework in the Wealth & Asset Management and Merchant Banking business

Transition climate risks and opportunities

Source: socio-economic, regulatory or technological changes generated by the transition to a low-carbon economy that could affect the Group's operations or activities

Time horizon: short to long term

Rothschild & Co approach:

- **Operations:** transition risks are mainly related to the climate impact of our operations and increased disclosure obligations
- **Activities:** transition risks are relevant and considered in business planning and product & service development

Climate change integration in the Group risk management framework

The Group has adopted a **risk governance model that is applied across the Group's businesses** and requires that all of the business lines and functions establish processes for **identifying, evaluating and managing the key risks faced by the Group, including climate-related ones.** It is based on the concept of 'three lines of defence'. This model distinguishes between functions owning and managing risks, functions overseeing risks and functions providing independent assurance.

Transition climate risks and opportunities that could impact an entity's business model and strategy over the short, medium and long term

The approach to climate-related risks and opportunities could have a material impact on the Group's market position and reputation. The strategies developed in the different elements of our business model take this into consideration. To better understand the impact of and expectations around its climate-related risks and opportunities, the Group (i) conducts an **annual review of its third party ESG ratings**, (ii) implements **ad-hoc analyses of investment portfolios** it holds on behalf of its clients as part of the Group's approach to Responsible Investment and, (iii) conducts an **annual stakeholder relevance assessment** of sustainability issues.

From our point of view, climate risks are not deemed to have a material impact on credit, liquidity and market risk relating to the Group's balance sheet activities.

	Horizon of materiality	Identified risks	Identified opportunities
Technological risks & opportunities	Medium to long term	• Challenges and increasing costs related to the access to robust climate impact data • Increasing data reporting requirements	• Business and investment opportunities created by emerging technologies • Improved services to our clients based on more adequate data
Market risks & opportunities	Medium term	• Poor management of climate-related investment risks in portfolio could lead to unanticipated losses • Speculative bubbles can emerge from the redirection of financial flows	• Additional investment performance and resilience of "climate-supporting" investments • Development of offerings and services to support the low carbon transition
Policy and litigation risks & opportunities	Short to medium term	• Increasing costs related to compliance with future disclosure regulations • Legal actions intended by investors or regulators for potential non-compliance with regulation	• Regulations will improve climate disclosure and create level playing field • Business opportunities relating to supporting our clients in adapting to new regulations
Reputational risks & opportunities	Short to medium term	• Perceived lack of ambition and / or credibility can lead to client losses and challenges in talent retention • Insufficient controls around ESG claims could lead to accusations that can jeopardise the Group's reputation	• Opportunity to support the businesses' value proposition and enhance relationships with clients • Reinforcement of positioning: long term perspective

Increasing perceived level of materiality

4. Strategy

4.1. Playing an active role as a "transition player"

In order to support the low-carbon transition of the global economy, we can share our expertise and use our influence as an investor and adviser to our clients, and lead by example in our own operations.

Our approach to the low-carbon transition

Business line integration

Defining the "red lines"

Identifying business practices that are not compatible with the low carbon transition

- Our investment teams implement investment policies linked to recognised databases and exposure thresholds
- Our Global Advisory business integrates climate risk considerations in its client- and mandate-onboarding processes

Integration in offering

Defining processes and identifying tools to support the Group's priorities

- All our business lines integrate considerations on how to support the sustainability transition (incl. low-carbon transition) into their offering either as an additional element of analysis, or in the form of bespoke services and/or products
- Our investment businesses integrate climate metrics in their investment decisions and reporting through scoring

Engaging with counterparts

Promoting the low-carbon transition through discussions with our business partners

- Direct and collective engagement with companies to enhance the development of climate best practices investor advocacy (e.g. Climate 100+, NZAMI)

Walk the talk

Operational impact

In our own practices, the Group is aiming to lead by example through:

- Operational GHG reduction pathway in line with a net-zero trajectory by 2030, including investment in carbon removal projects
- Engaging with supply chain partners

Philanthropic impact

R&Co4Generations provides philanthropic support in the fight against the effects of climate change:

- Support to organisations working to combat the effects of inequalities and climate change through donations, investments and pro-bono advisory

Empowering our employees

Developing our employees' climate knowledge to better serve our clients:

- The Rothschild & Co Sustainability Academy provides basic climate training to all employees
- Dedicated training sessions and climate workshops are organised to ensure a correct understanding of climate-related challenges

Integration in our global frameworks

- Climate risk management is embedded in the Group's Global Risk Framework and is reviewed alongside other risks in line with the group's sustainability and risk governance
- Climate change is considered within the materiality assessment of non-financial risks on an annual basis
- Ambition to "Act for climate and preserve our planet" embedded in the Group Responsible Investment Roadmap for 2025
- Operational impact of the Group on climate change is considered in its Environment Policy
- The physical risks of climate change could pose for our business operations are considered in the Group's Business Continuity assessments and plans

4.2. Integration of climate considerations in our business lines

Climate change integration in our Responsible Investment approach

A new Responsible Investment Roadmap for 2025

In 2022, Rothschild & Co's investment businesses have developed and validated a new Responsible Investment Roadmap, including objectives and actions for how the business lines' product and service offering could evolve further to serve the Group's long-term ambition to support the sustainability transition of the global economy. Organised around three key pillars, this roadmap aims at setting a common direction and a minimum calendar that each entity can use to build its own action plan.

1. Act for climate and preserve our planet
2. Contribute to a more inclusive economy
3. Facilitate the orientation of financial flows towards sustainable investments

The first pillar of this roadmap is central to our climate-risk management approach. The main anticipated actions will be:

- **Support the transition** through the selection of methodologies, tools and the implementation of investment and engagement policies with the potential to gradually bring our investment solutions in line with the emission reduction trajectory envisaged in the Paris Agreement, including a focus on the impact of the most carbon intensive players in our portfolios
- Improve **climate transparency disclosures** at product and entity-level reporting

These objectives reinforce the existing framework that our investment businesses have implemented such as the investment principles related to the thermal coal sector*, or the best-in-class investment approach followed by most of our entities. The investment business lines' reporting obligations and the indicators chosen internally as part of the implementation of MiFID ESG will enable us to better assess the performance of our investment solutions in terms of alignment with the trajectory of the Paris Agreement.

Engagement at collective and direct levels

We are convinced that the transition to a low carbon economy and the mitigation of the most significant climate-related risks cannot be driven only by individual actions. That is why **our investment businesses have developed direct and collective engagement actions to support investee companies in their transition pathway.**

- **Direct engagement:** Voting policy and discussions with companies in which the business invests are initiated to raise awareness for the Group's expectations. For instance, in 2021 our Asset Management entity in Europe initiated a discussion on ESG considerations with 94 issuers**
- **Collective engagement:** the investment businesses partner with other players to reinforce the promotion of an integrated ESG approach, or to take common commitment regarding sustainable practices (Climate 100+, Net Zero Asset Managers Initiative, IC International)

An enhanced offering

Our investment activities are integrating climate change considerations in their offering and follow key performance metrics:

- **Asset Management Europe** manages two "Net Zero" funds with an investment strategy focused on the low carbon transition. Furthermore, the carbon footprint is monitored and disclosed for all their funds. Asset Management Europe is preparing its climate action plan and objective in line with their commitment to the framework of the Net Zero Asset Manager Initiative
- In 2021, **Merchant Banking** launched its impact fund "Five Arrows Sustainable Investments", aiming at financing the transition to a low-carbon economy. Merchant Banking is currently working on the definition of a climate strategy relevant to their offering
- **Our Wealth Management business in the UK** developed its "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
- On its "Mosaique" funds, **Rothschild & Co Bank AG** monitors the "transition score" of the companies they invest in

* R&Co Investment principles related to thermal coal AM Europe, Engagement report 2021

** R&Co Asset Management Europe, Engagement and Voting Report 2021

Climate change integration in our Global Advisory activities

Rothschild & Co recognizes the opportunity to **optimise its value proposition and enhance relationships with its clients** by proactively addressing climate-related risks and opportunities in our Global Advisory services.

Approach and offering

M&A can be a catalyst in the transition to a low carbon economy. Clean energy, such as that generated by wind and solar, plays a major role in the energy transition and efforts to limit greenhouse gas (GHG) emissions globally and clean electricity, such as that generated by 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 renewables, other low carbon technologies and wider energy transition solutions,** making the firm one of the leading advisers on global sustainable M&A 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 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.

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.

Managing environmental and social risks in relation to clients and transactions

We are actively **managing risks related to 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.

Processes for the identification and assessment of environmental and social risks relating to a proposed transaction or service are integrated into the businesses' procedures at the point of onboarding a new client and/or mandate.

Climate change integration in our Banking activities

The majority of the Group's loan book is Lombard lending, loans against portfolios of financial assets held by clients which are managed by the Group's Wealth & Asset Management businesses, which are **integrating climate change considerations as set out above.**

The other (non-Lombard) lending is predominantly secured on real estate, where **various ESG metrics are considered.** For example, the UK commercial property lending team has been collecting data in relation to energy performance and flood risk for each property financed and ESG risks are considered as part of each credit proposal.

* Source: Refinitiv, Sustainable Finance Review, Sustainable Target or Acquiror M&A: Financial Advisor League Table, by number of deals, Q1/2022

4.3. Integration of climate considerations in our operations

In November 2021, **the Group set a reduction target for its operational GHG emissions of 30% by 2030** (from a 2018 baseline), which is **aligned with the trajectory of the Paris Agreement**. This commitment builds on previous commitments to reduce operational GHG emissions and presents an ambitious update to the first targets set in 2019.

The pledge requires the Group to make changes to the way it operates and **reduce its GHG emissions by more than 80% of absolute scope 1 + 2 emissions, and 24% per FTE of operational scope 3 emissions**. In parallel the Group is committed to remove all its residual operational emissions by 2030 through the financing of carbon sequestration projects. This target puts the Group on a pathway to net-zero operations.

To support these targets, we have set an internal price on carbon, which is charged to all business units annually. In 2021 we 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. We recognise that meeting with clients is an integral part of our service and one that we recognise can increase the amount of GHG emissions released through business-related activities. We carefully monitor business travel and report business travel emissions in our scope 3 reporting. 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. To help reduce emissions, employees have access to video conferencing systems and c.120 dedicated video conferencing rooms are available across the Group.

We also improve continuously our operational environmental management practices to limit the direct and indirect impact of our business operations by implementing initiatives such as minimising materials use and promoting circular economy practices. In 2020, we implemented the Group Responsible Materials Use guidance document to help the procurement and use of sustainable materials is embedded in the business. We have committed to procuring renewable and sustainable energy to meet 100% of our electricity requirements by 2025. In 2021, we have procured 91% renewable electricity.

Operational management priorities

Clear emission reduction pathway

- -30% operational GHG emissions by 2030 (vs 2018)
- 100% electricity from renewable sources by 2025

From compensation to neutralisation of our GHG emissions

- Compensation for scope 1, 2 and 3 emissions through a balanced portfolio of certified carbon offsets
- Shift from offsetting operational GHG emissions with avoidance credits towards active carbon removal

Physical risks management

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.

Transition risks management

Operational transition effects are likely to affect the Group's operations in the form of, amongst others: expanded legal and compliance requirements, change in costs for energy and carbon offsetting, as well as reputational considerations. As a result of these climate-related impacts on its operations, the Group has implemented actions to monitor operational legal and regulatory requirements for all its offices; and minimise / neutralise its operational impact on a changing climate and proactively pursue operational adaptation opportunities.

Supporting the low carbon transition in our supply chain

The Group has formalised its expectations in a dedicated Supplier Code of Conduct, applicable to third parties who supply goods or services to the Group. The Code clarifies for its suppliers its expectations, including the requirement to conduct operations in a manner that is mindful of and proactively addresses their environmental impact. The Group has also implemented a group-wide Responsible Material Use guidance document aimed at reducing consumables, tracking their use and sourcing them responsibly.

5. Metrics and targets

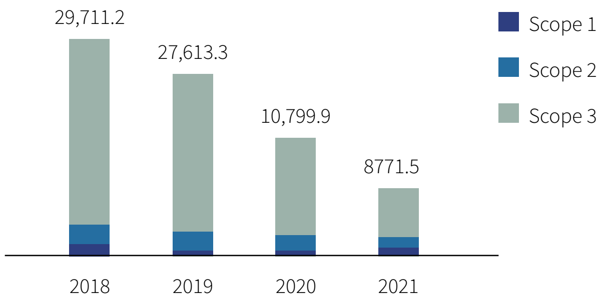
5.1. Operational impact metrics

The most material climate-related risk is related to the Group's reputation. A set of key impact metrics demonstrating our efforts related to climate change are closely monitored by relevant governing bodies. Responding to arising risks, additional metrics will be added to this framework in the coming months to ensure the Group is able to react to climate-related challenges in a timely and appropriate manner.

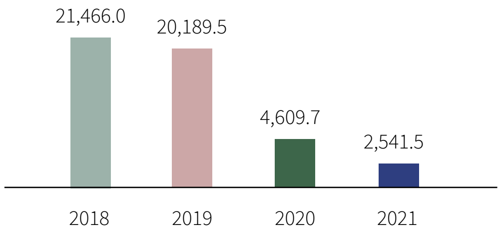
- **Operations –** as part of the ESG Management Reporting, key operational metrics are reported quarterly to the Managing Partner, the Group Executive Committee as well as the divisional Committees, and bi-annually to the Sustainability Committee of the Board

Climate metrics for our operations [1]

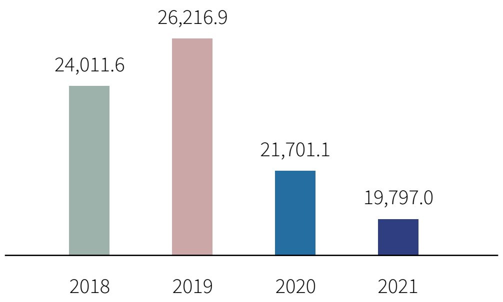
Total GHG emissions (tCO_2 eq)[2]



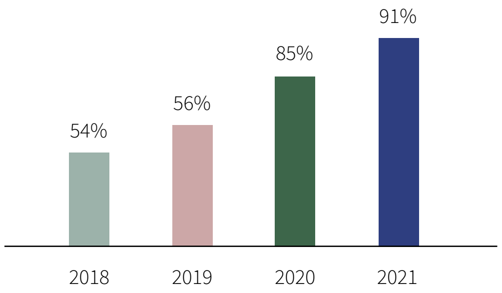
Thereof business travel-related emissions (tCO_2 eq)[2]



Total energy consumption (MWh)[3]



Share of 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.

5.2 Climate metrics for investment activities

The Group defined a selection of key metrics on which investment business lines report internally (see table). Aggregated results will be consolidated, and reported as part of the regular ESG performance reporting to management in the future, when interannual comparison is allowing for comments on trends at Group level.

On top of the reporting requirements set at Group level, each business has identified key ESG metrics to report on (e.g., AM Europe discloses the carbon footprint of its products).

In the coming months, the utility of additional metrics, such as the climate risk indicators and temperature tools, will be further investigated.

Identified list of climate and biodiversity-related investment impact indicators will be reported bi-annually to the Responsible Investment Committee in 2022 and on a quarterly basis from 2023 onwards. These indicators will also be integrated into the ESG Management Reporting.

Environment	GHG emissions (absolute value)
	Carbon footprint
	GHG intensity of investee companies
	Exposure to the fossil fuel industry
	Activities negatively affecting biodiversity sensitive areas
Social / Governance	Violations of UN Global Compact principles and OECD guidelines
	Board gender diversity
	Exposure to controversial weapons

List of metrics to be monitored at Group level

5.3 Climate metrics for investment activities - case study

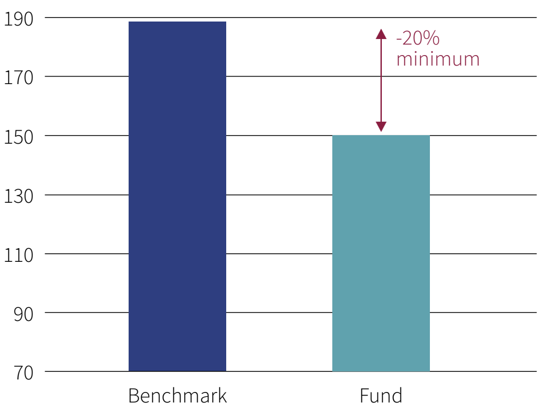
Rothschild & Co investment businesses are progressively developing their climate reporting capabilities and are gradually introducing new metrics to monitor climate change impact and / or exposure of their strategies. Whilst this is not yet implemented across the entire AUM scope, some entities have already developed tools and strategies providing examples and best practices to replicate in the future.

As an example, Asset Management Europe has launched two of the first transition funds in 2019 with an impact strategy: R-co 4Change Net Zero Equity Euro and R-co 4Change Net Zero Credit Euro. While investing in all sectors, the investment teams of these two funds are monitoring the portfolios' carbon intensities in accordance with the Paris Agreement through a decreasing trajectory of an average 7% on an annual basis. The fund **R-co 4Change Net Zero Equity Euro** follows the following objectives:

SFDR 9

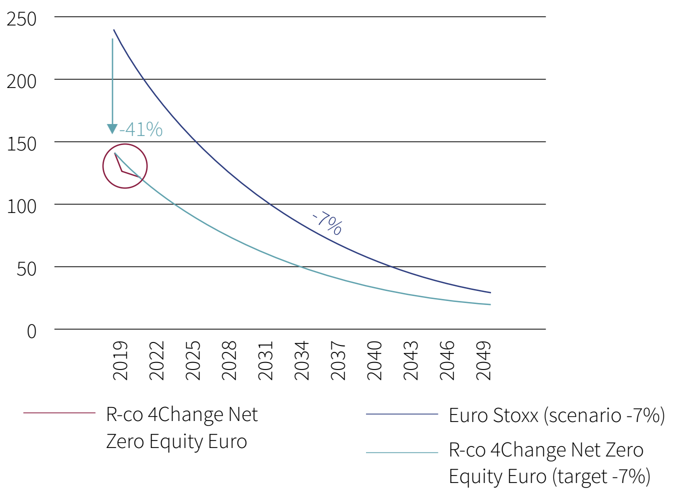
1 Intensity 20% below benchmark

Carbon intensity (scopes 1 and 2) (tCO_2e / MEUR of revenues)



2 Reduction of the carbon intensity of the portfolio by an average of 7% per year

Carbon intensity (scopes 1 and 2) (tCO_2e / MEUR of revenues)



3 Encourage companies to have their environmental targets audited (90% by 2030)

55%

of companies with SBTi validated targets in portfolio in 2021

90%

Target of companies with SBTi validated targets in portfolio by 2030

Source: Bloomberg, SBTi, MSCI ESG Research, Rothschild & Co Asset Management Europe - 31/08/2022

For illustrative purposes only. Figures quoted relate to past years. Past performance is not a reliable indicator of future performance and is not constant over time. Furthermore, given the subjective nature of certain analyses, it should be stressed that the information, projections, estimates, expectations, assumptions and/or opinions are not necessarily put into practice by the management teams of Rothschild & Co Asset Management Europe.

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