# Rothschild & Co - Climate Change 2022

## C0. Introduction

### C0.1

**(C0.1) Give a general description and introduction to your organization.**

Rothschild & Co is a global and family-controlled group. We provide M&A, strategy and financing advice, as well as investment and wealth management solutions to large institutions, families, individuals and governments, worldwide. Having been at the centre of the world's financial markets for over 200 years, we can rely on an unrivalled global network of trusted professionals and decision makers. This means that we have in-depth market intelligence, bringing us closer to current issues than any other global financial institution. Over 3,800 talented employees in over 40 countries around the world have a strong track record of outstanding execution in three business lines: Global Advisory, Wealth and Asset Management, and Merchant Banking. It is this combination of scale, local knowledge and intellectual capital that allows us to provide a distinct perspective and effective long-term solutions for our partners.

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. 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. We have anchored 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.

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 our direct operational impact; the 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.

We recognise that as a business we can create and enhance long-term value for our stakeholders by taking active responsibility for our planet. Our ambition for environmental management is to contribute to a more environmentally sustainable economy and limiting the Group's environmental impact, to conserve and protect the world's natural resources through our operations, products and services. We acknowledge that climate change is a serious risk to our environment, to society and the economy.

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. 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 to support clients through the energy transition and the definition and implementation of ESG strategies. 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.

We report scope 1 & 2 and scope 3 emissions annually in accordance with Article L. 225-102-1 of the French Commercial Code (Code de Commerce). Our reported emissions are associated with our office operations in respect of business travel, hotel stays, materials use, waste disposal, water and energy consumption, courier services and IT equipment. Our reported emissions are based on information collected regularly from offices across the group. Our reporting coverage is 100% of our operations.

### C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|---|---|---|---|---|
| Reporting year | January 1 2021 | December 31 2021 | Yes | 3 years |

### C0.3

**(C0.3) Select the countries/areas in which you operate.**

Australia
Belgium
Brazil
Canada
China
France
Germany
Greece
Guernsey
Hong Kong SAR, China
India
Indonesia
Israel
Italy
Japan
Luxembourg
Malaysia
Mexico
Monaco
Poland
Portugal
Qatar
Russian Federation
Singapore
South Africa
Spain
Sweden
Switzerland
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C-FS0.7

**(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?**

| | Does your organization undertake this activity? | Insurance types underwritten | Industry sectors your organization lends to, invests in, and/or insures |
|---|---|---|---|
| Banking (Bank) | Yes | <Not Applicable> | Exposed to all broad market sectors |
| Investing (Asset manager) | Yes | <Not Applicable> | Exposed to all broad market sectors |
| Investing (Asset owner) | Yes | <Not Applicable> | Exposed to all broad market sectors |
| Insurance underwriting (Insurance company) | No | <Not Applicable> | <Not Applicable> |

## C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|---|---|
| Yes, an ISIN code | FR0000031684 |

## C1. Governance

## C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

| Position of individual(s) | Please explain |
|---|---|
| Board-level committee | The Supervisory Board carries out the ongoing supervision of the Company's management. In this context, it considers Corporate Responsibility issues at the initiation of senior management unless the Supervisory Board itself identifies an opportunity to discuss. A dedicated Sustainability Committee composed of three members of the Supervisory Board meets at least twice a year and has the mission to assist the Supervisory Board in:<br>- ensuring the Group considers issues relating to Sustainability in line with strategic priorities for the business,<br>- ensuring the Group is in a position to best identify and address opportunities and risks associated therewith; and<br>- monitoring and reviewing (i) the strategic priorities, policies implemented, and objectives set by the Group and its entities relating to Sustainability matters, and the (ii) the Sustainability Report included in the Rothschild & Co Management Report.<br><br>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.<br><br>The Sustainability Committee consults the Audit Committee and the Risk Committee, whenever it deems it necessary on various subjects, including but not limited to subjects relating to (i) non-financial risks with the Risk Committee and (ii) the non-financial reporting with the Audit Committee. The Sustainability Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties.<br><br>Three members have responsibility for climate-related issues in particular:<br>1. The Vice-Chairwoman of the Supervisory Board is the Chairwoman of the Sustainability Committee<br>2. An Independent member of the Supervisory Board, also a member of the Remuneration and Nomination Committee<br>3. Another Member of the Supervisory Board |

## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Scope of board-level oversight | Please explain |
|---|---|---|---|
| Scheduled – some meetings | Reviewing and guiding strategy<br>Reviewing and guiding major plans of action<br>Reviewing and guiding risk management policies<br>Monitoring implementation and performance of objectives<br>Monitoring and overseeing progress against goals and targets for addressing climate-related issues | Climate-related risks and opportunities to our own operations<br>Climate-related risks and opportunities to our investment activities<br>The impact of our own operations on the climate | In 2020 the group completed its second materiality assessment encompassing the group corporate responsibility issues, and complimenting the assessments completed during 2018 and 2019. The Group Executive Committee (GEC) approved the initial corporate responsibility strategy platform including overall philosophy, business objectives and refocussing of priority activities for its strategic pillars, including plans to implement key milestones during the financial year. Environmental management and climate change are encompassed within this strategy.<br><br>The GEC has assigned responsibility for the development and ongoing management of the Environment Strategy to the Group Environment Health and Safety Committee, which reports to the GEC through the group corporate responsibility function and GEC CSR senior management representative.<br><br>The impact we can have as a business through the responsible management of our operations is fundamental in reaching our corporate responsibility objectives. In addition to this and in order to maximise our impact, we are implementing initiatives that use our business model and our unique expertise to address inherent corporate responsibility risks and opportunities for the group. |

## C1.1d

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

| | Board member(s) have competence on climate-related issues | Criteria used to assess competence of board member(s) on climate-related issues | Primary reason for no board-level competence on climate-related issues | Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future |
|---|---|---|---|---|
| Row 1 | Yes | One of the Supervisory Board members, and also a Member of the Sustainability Committee, is Lord Mark Sedwill. Lord Sedwill was Chairman of the G7 Panel on Global Economic Resilience (2020-2021; appointed as the authoritative experts by the UK government). The Panel's last report was focused on 'building back better', including an ambition for a just green transition supported through a focus on investment in green transition tech. The Vice-Chairwoman of the Supervisory Board acts also as the Chairwoman of the Sustainability Committee, and is in this capacity updated regularly on the Group's environmental strategy, including on climate-related matters. | <Not Applicable> | <Not Applicable> |

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

| Name of the position(s) and/or committee(s) | Reporting line | Responsibility | Coverage of responsibility | Frequency of reporting to the board on climate-related issues |
|---|---|---|---|---|
| Chief Sustainability Officer (CSO)<br>*Known in our business as Group Head of Sustainability* | Other, please specify (Co-chair of the Group-Executive Committee) | Both assessing and managing climate-related risks and opportunities | Risks and opportunities related to our own operations | Half-yearly |
| Safety, Health, Environment and Quality committee | Other, please specify (Group Executive Committee) | Both assessing and managing climate-related risks and opportunities | Risks and opportunities related to our own operations | Half-yearly |
| Responsible Investment committee | Other, please specify (Group Executive Committee) | Both assessing and managing climate-related risks and opportunities | Risks and opportunities related to our investing activities | Annually |
| Other C-Suite Officer, please specify (Managing Partners) | CEO reporting line | Both assessing and managing climate-related risks and opportunities | Risks and opportunities related to our investing activities<br>Risks and opportunities related to our own operations | Half-yearly |
| Chief Executive Officer (CEO) | Reports to the board directly | Both assessing and managing climate-related risks and opportunities | Risks and opportunities related to our investing activities<br>Risks and opportunities related to our own operations | Half-yearly |
| Other C-Suite Officer, please specify (Group Head of Responsible Investment) | Other, please specify (Deputy-chair of Wealth & Asset Management) | Both assessing and managing climate-related risks and opportunities | Risks and opportunities related to our investing activities | Annually |
| Chief Risks Officer (CRO) | Other, please specify (Co-chair of the Group-Executive Committee) | Assessing climate-related risks and opportunities | Risks and opportunities related to our investing activities<br>Risks and opportunities related to our own operations | Please select |

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

| | Provide incentives for the management of climate-related issues | Comment |
|---|---|---|
| Row 1 | Yes | Sustainability is a core pillar of the group's strategy, including climate-related issues.<br>Sustainability Risk Policies have been implemented in the group's Wealth & Asset Management entities which provide a framework for employees involved in research/analysis, decision making, monitoring, advice and management in relation to investments. Rothschild & Co is committed to an ongoing focus on sustainability risks through employee training, development and attestations to ensure compliance with our policies. We are progressively implementing processes in eligible entities to ensure that adherence to Rothschild & Co policies are reviewed as part of the group-wide annual performance review process. |

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

| Entitled to incentive | Type of incentive | Activity incentivized | Comment |
|---|---|---|---|
| Other, please specify (Business divisions ) | Monetary reward | Behavior change related indicator | The Group has implemented an Internal Carbon Price (ICP). In 2021 we have raised our Internal Carbon Price to €50 per tonne of CO2e. This mechanism places a monetary value on greenhouse gases and is a way to responsibly influence emissions from business operations, including travel, aimed at ensuring the Group pursues emission reduction opportunities. The 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. We aim to begin removing carbon dioxide (CO2) 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 and removals 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. |
| Investment analyst | Monetary reward | Behavior change related indicator<br>Portfolio/fund alignment to climate-related objectives | For example, we have implemented in all SFDR eligible entities sustainability risk policies which provide a framework for employees involved in research/analysis, decision making, monitoring, advice, and management in relation to investments. Adherence to these policies can be one of the factors that is considered when making performance and compensation decisions for these employees. |
| All employees | Non-monetary reward | Emissions reduction project<br>Emissions reduction target<br>Behavior change related indicator | 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; 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. Employees and offices receive non-monetary recognition and acknowledgement. Offices receive additional recognition when achieving unnecessary single-use plastic free status.<br><br>Awareness communication campagins are regularly conducted by the Group to influence employee behaviours on how to avoid unnecessary single-use plastic and reconsider printing habits. |

## C-FS1.4

**(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?**

| | Employment-based retirement scheme that incorporates ESG criteria, including climate change | Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated | Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future |
|---|---|---|---|
| Row 1 | Yes, as an investment option | As an example, Rothschild & Co employees in the United Kingdom are offered membership of the Defined Benefit or the Defined Contribution schemes. Both schemes have a set of investment principles and although they incorporate some ESG criteria they do not yet include climate change.<br>As part of the NMR Pension Fund offering available to employees in the United Kingdom a new responsible investment fund (NMR Climate Aware Global Equity Fund) was introduced in 2022, and can be added to the individual investment strategy. The underlying fund for the NMR Climate-Aware Global Equity Fund is the L&G Low Carbon Transition Fund. The fund employs an index tracking strategy, which aims to replicate the performance of its benchmark, the Solactive L&G Low Carbon Transition Global Index. The index aims to reduce carbon intensity by 70% relative to the starting universe at the outset and on a path to achieve net zero by 2050, reducing fossil fuel exposure whilst improving green revenues and delivering dynamic decarbonisation over time. | <Not Applicable> |

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

| | From (years) | To (years) | Comment |
|---|---|---|---|
| Short-term | 0 | 3 | A 0 to 3 years horizon was considered as being short term by entities in the climate workshops that have been organized in 2021 to qualitatively evaluate the main climate related risks and opportunities. |
| Medium-term | 3 | 7 | A 3 to 7 years horizon was considered as being medium term by entities in the climate workshops that have been organized in 2021 to qualitatively evaluate the main climate related risks and opportunities. |
| Long-term | 7 | 10 | A 7 to 10 years horizon was considered as being long term by entities in the climate workshops that have been organized in 2021 to qualitatively evaluate the main climate related risks and opportunities. |

### C2.1b

**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

Our businesses are considering policies aimed at the assessment and management of climate-related risks and opportunities across investment activities.

Potential areas of financial exposure to climate risks and opportunities for a company like ours are:

1. As a corporate, through investing its balance sheet in liquid and less liquid assets exposed to climate-related risks and opportunities

2. As a listed company, through a sensitivity to investor sentiment and expectations, and

3. Through the investments made by individual business lines

Our dedicated TCFD project team has been tasked with tracking and supporting the integration of the Task Force's recommendations across business line activities. An

update on progress in 2021 is provided below.

New => High level governance bodies such as the Responsible Investment Committee, are regularly informed on results of risks and opportunities assesments. Key recommendations for mitigating identified elements are then discussed.

### C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**
Direct operations

**Risk management process**
A specific climate-related risk management process

**Frequency of assessment**
Annually

**Time horizon(s) covered**
Short-term
Medium-term
Long-term

**Description of process**
In order to create incentives to reduce its operational GHG emissions, the Group has implemented an Internal Carbon Price (ICP). In 2021 we have raised our Internal Carbon Price to €50 per tonne of $CO_2e$. This mechanism places a monetary value on greenhouse gases and is a way to responsibly influence emissions from business operations, including travel, aimed at ensuring the Group pursues emission reduction opportunities.

By putting an ICP in place, our company is better able to understand its operational emissions hotspots and to make this understanding more central to business operations decisions - and also to de-risk against future carbon prices, especially in relation to our air travel-related emissions.

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**Value chain stage(s) covered**
Direct operations

**Risk management process**
Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**
More than once a year

**Time horizon(s) covered**
Medium-term
Long-term

**Description of process**
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 was carried out alongside the annual review of strategic risks for the Group at the end of 2021. 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.
In 2021, the materiality assessment revealed that Climate Action was a priority area of focus - i.e. having both strong stakeholder relevance (and therefore potentially having an impact on its reputation) and a strong potential business impact, in terms of its impact on the Group's ability to create long-term value.
This materiality assessment is conducted in combination with the Group's annual Strategic Risk Assessment, and reviewed by the Managing Partner and the Group Executive Committee, as well as the Risk Committee and Sustainability Committee of the Supervisory Board.

In addition, an annual peer-group sustainability benchmarking study provides the Group with insights into competitive response to climate and environmental risks across a broad range of divisional peers, including their performance against key ESG ratings.

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**Value chain stage(s) covered**
Direct operations

**Risk management process**
A specific climate-related risk management process

**Frequency of assessment**
More than once a year

**Time horizon(s) covered**
Short-term
Medium-term
Long-term

**Description of process**
Responsible Investment is an important pillar of our Group’s Sustainability ambition Corporate Responsibility strategy and – in today’s business environment – fundamental in terms of the impact it can have on long-term business success. In practice, investing responsibly at Rothschild & Co requires managing both financial and non-financial risks associated with the companies invested in and identifying related opportunities which preserve and create value for the Group's clients and stakeholders. Our Responsible Investment strategy takes account of these risks and is centered around three strategic objectives which have been developed by the Responsible Investment Committee, and agreed by the Group Executive Committee and approved by the Managing Partner. As of 2021, all investment business lines are signatories to the UNPRI.
The group has agreed on a common exclusion policy framework in accordance with its 2022 Strategic Objectives, focusing on three key areas:
- Exclusion of investing in companies which to the Group’s knowledge may breach fundamental principles due to gross corporate misconduct such as severe infringements of human rights, substantial environmental damage or those linked with corruption and bribery activities. We do not take exclusion decisions lightly and will engage with companies as a first step in most instances. In taking the decision to exclude a company on the basis of conduct, Rothschild & Co is guided by industry-wide recognised standards.
- Exclusion of investing in companies involved directly in thermal coal production as well as exploration, mining & processing and power generation using thermal coal. Our Wealth & Asset Management and Merchant Banking business-lines have published investment principles for the thermal coal sector in line with the international coal phase-out schedule which sets a 2030 deadline for Europe and the OECD, and a 2040 deadline for the rest of the world. Thresholds used for defining issuers covered by these investment principles have been lowered this year.
- All SFDR impacted entities (Rothschild Martin Maurel, Asset Management Europe, R&Co IM, Five Arrows, Wealth Management Germany and Italy) published a Sustainability Risk policy, a statement on remuneration policy update and on PAI monitoring. A target has been set to have 85% of Wealth Management discretionary assets (excluding UK and dedicated funds) classified as Article 8 or 9 and 95% of Rothschild & Co Asset Management Europe’s open-ended funds.

Engagement policies are implemented at the level of individual companies within the Rothschild & Co Group reflecting the different nature of our investment business but all follow the Group’s general approach based on dialogue with management and an active voting policy.

We recognise that the Taskforce on Climate Related Financial Disclosure (TCFD) recommendations can assist the identification of climate-related risk and opportunity across our business activities. The results will both enhance our risk management, including the underlying procedures to manage climate risks more effectively, and demonstrate that climate risk is addressed in our business.

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**Value chain stage(s) covered**
Direct operations

**Risk management process**
A specific climate-related risk management process

**Frequency of assessment**
More than once a year

**Time horizon(s) covered**
Medium-term
Long-term

**Description of process**
The quarterly and yearly measurement of our operational GHG emissions enables us to identify our emissions "hotspots" and the climate-related risks associated with them. In particular, we identify emission sources that are the largest contributors to our GHG operational footprint, and the most likely to be impacted by future increases in carbon costs or taxes, such as travel-related emissions and energy use.

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**Value chain stage(s) covered**
Direct operations

**Risk management process**
A specific climate-related risk management process

**Frequency of assessment**
Annually

**Time horizon(s) covered**
Short-term
Medium-term
Long-term

**Description of process**
The Group has adopted a risk governance model that is applied across the Group and requires that all of the Group's businesses and functions establish processes for identifying, evaluating and managing the key risks faced by the Group. 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.
A number of group policy documents define areas with direct and/or indirect exposure to potential environmental risks and, where relevant, have established thresholds as an expression of the Group's risk appetite. For instance, (i) Investment entities assess their portfolio exposure to the thermal coal sector at least twice a year in line with the implementation of our 'Thermal Coal investment Principles' policy, (ii) Some investment entities have set up a minimum ESG rating to comply with in order to monitor their average ESG risk level, (iii) Treasury investment exposures are monitored using MSCI ESG ratings and no limits are approved for any entity rated B or below, (iv) The 'GA ES risk guidance note' guides decisions for client on-boarding and transaction due diligence, and identifies a number of areas with heightened exposure risk to environmental controversies, (v) the Group's operational environmental management strategy defines targets with clear time horizons related to the Group's energy consumption, operational GHG emissions, renewable energy sourcing, material use, and recycling, (v) The Group's Supplier Code of Conduct sets out expectations for suppliers including their considerations of environmental impact in supplying services to the Group.

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**Value chain stage(s) covered**
Direct operations

**Risk management process**
A specific climate-related risk management process

**Frequency of assessment**
More than once a year

**Time horizon(s) covered**
Medium-term
Long-term

**Description of process**
The Group's Business Continuity Planning considers risk of flooding, extreme heat, hurricanes, earthquakes and water stress for significant office locations. We also conduct a quarterly assessment of energy sourcing by office provides insights into remaining exposure to non-renewable energy sources.

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## C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

| | Relevance & inclusion | Please explain |
|---|---|---|
| Current regulation | Relevant, always included | The group discloses it's Sustainability progress in line with NFDR guidelines transposed into the French Commercial Code. This requires the group to assess climate related risks for its operations. Climate change is considered in the group's materiality assessment of non-financial risks with regards to the impact on the group's stakeholders and business. A separate workstream is aimed at ensuring the investment businesses lines comply with the SFDR regulation including climate related disclosure, aligned with TCFD recommendations.<br>The Group believes that the current Responsible Investing regulations (SFDR, Taxonomy, Mif2) should not be approached as a simple regulatory constraint. Rather, it constitutes an opportunity for our investment businesses to develop investment strategies in line with global sustainability objectives while competing on equal terms with other market players. In the past few months, much effort has been given and progress made to integrate ESG within the investment processes, as required at European level. All impacted entities have disclosed several policies, including Sustainability Risk Policy, Remuneration Policy, Statement on integration of Principal Adverse Impacts, to comply with the SFDR regulation. In 2022, investment business lines, supported by a recognized advisor, started to work on the development of an ESG offering, answering clients' sustainability preferences and complying with the current regulatory development. To manage climate-related risks and anticipate future regulatory requirements related to disclosure of climate-related information, the Group also implemented an aggregated reporting system leading to a better monitoring of ESG-related risks and opportunities. |
| Emerging regulation | Relevant, always included | The group discloses it's Sustainability progress in line with NFDR guidelines transposed into the French Commercial Code. This requires the group to assess climate related risks for its operations. Climate change is considered in the group's materiality assessment of non-financial risks with regards to the impact on the group's stakeholders and business. A separate workstream is aimed at ensuring the investment businesses lines comply with the SFDR regulation including climate related disclosure, aligned with TCFD recommendations.<br>A working group looking at the upcoming CSRD update and Article 29 of the French Energy law will explore further requirements for the integration of climate risk assessment and quantitative reduction pathways for all scope 3 emissions.<br>The Group monitors closely emerging regulations in the financial sector but also in other sectors of activities related to our businesses. Evaluate the future regulatory landscape, anticipate the impact on issuers' valuation or business model and integrate this information in our investment decision-making process are key steps of the day-to-day activity of our businesses. Furthermore, to reinforce our understanding of future regulations and engage with peers and/or regulators, the Group and its entities are members of different collective initiatives and professional organizations. In France, our asset management and private equity activities are members of the "Association Française de Gestion" and its Sustainable Finance's working groups. The Group is member of the "Fédération Bancaire Française"'s Climate Commission. These two professional organizations have the objective to discuss with regulators about future ESG regulation, based on a common position defined with the relevant French financial stakeholders.<br>On Emerging regulations, Rothschild &Co works frequently with recognized external consultants to make sure to have an understanding in line with market practices and regulatory expectations. |
| Technology | Relevant, always included | Assessing technological limitations of specific sectors, including limitations related to the transition towards a low carbon economy, is part of an investors day-to-day requirements. Indeed, in the investment process, all the expected required investments and threats on the issuer's business model are taken into account. To date, there is no specific assessment of the technological risks related to the low carbon transition.<br>As one of the leading advisors on sustainable M&A and financing transactions, the Global Advisory business is very aware of the new transition technology players and their role in corporate growth strategies.<br><br>The development, availability and use of emerging technologies, such as renewable energy, differs across geographies. The group will seek to increase the amount of electricity procured from renewable sources, which is currently 91% of its total electricity supply globally. The group is committed to procuring 100% of its electricity from renewable sources by 2025 and will monitor availability and potential future viability of renewable energy sources in efforts to achieve this goal. Furthermore, the group continues to invest in technology to replace business travel, enabling all employees with access to video conferencing capability via personal devices and in offices via dedicated video conferencing facilities. |
| Legal | Relevant, sometimes included | The Group recognises that in an evolving regulatory environment for ESG disclosures, the business will continue to review its approach to monitoring and management of any emerging future legal risks in this regard. The group discloses its Corporate Sustainability progress in line with EU NFDR guidelines and specific requirements of the French Commercial Code. This includes disclosures related to climate related risks for its operations. Investment entities in the Group are implementing policies and procedures to ensure alignment with European and/or national legal requirements for disclosure of climate impact in their investment portfolios in line with the proposed calendar (e.g. SFDR, MIFID ESG, Article 29). |
| Market | Relevant, always included | R&Co's activities that generate market risk risk weighted assets (RWA) are very small - market RWA account for less than 4% of the Group's total RWA. This is because R&Co does not have any significant trading operations.<br>R&Co's Treasury operations are managed on a conservative basis with low levels of liquidity, market and credit risk. These risks are taken mainly to support the Wealth Management activities. Credit exposures are predominantly to investment grade financial institutions and Central Bank/government/supranational with a relatively small amount of exposure to investment grade corporates.<br>Treasury investments and exposures are monitored using MSCI ESG ratings and no limits are approved for any entity rated B or below. |
| Reputation | Relevant, always included | The Group considers that reputational risk arises from Rothschild &Co potentially not meeting stakeholder expectations with regards to managing its impact on climate and the environment. This reputational risk is assessed quantitatively by:<br>1) annually by third party ESG ratings such as e.g. CDP, Sustainalytics, ISS ESG, Vigeo, Gaya<br>2) Ad-hoc analyses of investment portfolios we hold on behalf of our clients as part of the Group's approach to Responsible Investment: investment teams assess portfolio exposure against thresholds set in the Group's 'Investment principles for the thermal coal sector' and against an agreed list of companies that could be in conflict with the commitment to exclude issuers in breach of the Group's Fundamental Principles investment policy regarding severe environmental damage.<br>3) quarterly in the assessment of the Group's operational environmental footprint.<br><br>Other sources of reputational risk relating to climate and environment are assessed qualitatively in the following procedures:<br>1) annually in the Group's Strategic Risk Assessment and the materiality assessment of non-financial risk, which considers stakeholder materiality of climate change and biodiversity loss.<br>2) ad-hoc in the due diligence conducted in relation to acceptance of new clients and transactions. The Global Advisory business includes in its qualitative assessment of a client's and transaction profile risk factors relating to climate risk and biodiversity loss resulting form association of our Group. |
| Acute physical | Relevant, sometimes included | Acute physical risks form part of the group's business continuity management process, which includes how to manage the business, should it be impacted by natural disasters, such as flooding. In selecting new office locations, short, medium and long term environmental considerations have been taken into account including proximity to water supply/disruption, and potential disruption to transportation links from extreme events. |
| Chronic physical | Relevant, sometimes included | In relation to real estate, the lending team, as part of the due diligence and risk assessment practices request clients to complete an ESG relevant questionnaire, which incorporates climate-related information.<br>Chronic risks also form part of the group's business continuity management process, but not considered significant due to the nature of our service-based business and flexibility of our office locations. However, chronic risks associated with longer-term shifts in climate patterns may effect office location selection. For example, new office site selection takes into consideration the availability of renewable electricity and energy supply costs. Energy supply costs, having a direct impact on operating cost are considered, although as previously stated the nature of this risk is low. |

## C-FS2.2b

**(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?**

| | We assess the portfolio's exposure | Explain why your portfolio's exposure is not assessed and your plans to address this in the future |
|---|---|---|
| Banking (Bank) | Yes | <Not Applicable> |
| Investing (Asset manager) | Yes | <Not Applicable> |
| Investing (Asset owner) | Yes | <Not Applicable> |
| Insurance underwriting (Insurance company) | <Not Applicable> | <Not Applicable> |

## C-FS2.2c

**(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.**

| | Type of risk management process | Proportion of portfolio covered by risk management process | Type of assessment | Time horizon(s) covered | Tools and methods used | Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities |
|---|---|---|---|---|---|---|
| Banking (Bank) | A specific climate-related risk management process | 10 | Qualitative only | Short-term Medium-term Long-term | Please select | Our assessment is currently qualitative in nature and almost all lending is secured against client investments (i.e. Lombard loans) or real estate. In relation to Lombard loans, the investments are almost entirely managed by Wealth Management and therefore follow the ESG policies of the Wealth Management division. All UK real estate borrowers are asked ESG related questions. Our environmental due diligence process within the commercial real estate loan policy covers: contamination/pollution, flood risk, EPC and BREEAM ratings, building emission rates, sustainability, compliance with environmental law, the borrower's approach to environmental responsibility. |
| Investing (Asset manager) | A specific climate-related risk management process | 75 | Qualitative and quantitative | Short-term Medium-term Long-term | Please select | Entities comply with the general exclusion policies framework agreed at group level and support the implementation of the Group ambition in terms of responsible Investment:<br>- The investment principles related to thermal coal sector, based on external data from the NGO Urgewald, help us to identify potential future stranded assets;<br>- The investment principles related to fundamental principles, prevent us to invest in companies linked with significant environmental controversies.<br>Furthermore, an aggregated reporting framework was implemented this year, leading to a better internal monitoring of the Group environmental R&O and impact.<br><br>Investment business lines agreed to work on a new roadmap starting 2022 ; one of their commitment is to work on methodologies, tools, investment & engagement policies that might lead to a progressive alignment of investment solutions wit the Paris Agreement.<br><br>Over the last years, Teams have already made strong progress regarding ESG integration and more specifically on climate risk and opportunities assessment.<br>For example: Rothschild & Co Asset Management Europe implemented a general ESG framework covering 100% of the assets of the division, paying a particular attention to environmental risks by:<br>- setting a common ESG rating objective for almost all direct investment portfolios<br>– environmental risk / opportunity profile is a key component of the ESG score depending on industries<br>- calculating the carbon intensity on all portfolios with the identification of key contributors in absolute terms a and vs. benchmark.<br>Last year, our investment teams added analyses regarding the "transition" profile of the portfolios: (i) to highlight the weight of companies offering environmental solutions or exposed to stranded assets and (ii) highlight the "low carbon transition" score of our portfolios and (iii) develop our engagement with riskiest companies.<br>AM Europe engagement policy integrates climate-related issues: engagement with companies on climate-related risks / opportunities and, for instance, enhancement of companies to support and implement TCFD recommendations or Say on Climate with robust climate strategy and to submit their CO2 emissions targets to the SBTi validation. This is part of AM Europe's engagement policy through collaborative initiatives (Climate Action 100+), one-to-one meetings and dedicated engagement questionnaires.<br><br>In 2021, they transformed two of their funds into "Net Zero funds". The investment strategy of these products strongly takes into account climate impacts and risks. The carbon intensity of the funds should remain below the corresponding financial benchmarks and follow an annual decrease trajectory while investing in every sector.<br>Furthermore, in the past year, AM Europe joined "Finance for Tomorrow", a market place initiative aiming at greening the French financial system.<br><br>Our Wealth Management UK team has a 'bottom-up' investment approach where ESG analysis is conducted on all equities and corporate debt, and on third party managers if relevant due to the nature of the underlying exposures. This means climate-related risks and opportunities are primarily assessed at asset level. In addition, we do maintain and monitor several climate-related data points aggregated across our direct and indirect equity exposures as these can be indicative of climate-related risks.<br><br>Our wealth management activity in Switzerland and Germany also developed a stringent ESG framework, leading to a better evaluation and management of climate-related risks. The following indicators are monitored by investment teams: portfolio temperature (MSCI methodology), share of companies with a Paris-aligned carbon reduction target , all the principal EU adverse indicators concerning carbon intensity, energy source and efficiency.<br><br>For our Merchant Banking activity, at the pre-investment stage, a risk assessment is conducted through our exclusion list, and the business opportunities related to ESG in general including climate in a checklist completed for the Article 8 funds of our Corporate Private Equity strategy (please refer to answer to question (C-FS2.2d).<br>During the holding phase, we require the majority of our portfolio companies to complete formal Sustainability reporting annually. The ESG questionnaire comprises a defined set of indicators and KPIs that we monitor year on year. We also ask our fund managers to report the GHG emissions of their portfolio. Meanwhile, Five Arrows is currently working on the definition of an ambitious Climate Strategy. This strategy aims to further assess climate-related risks and opportunities and determine how to manage them across our investment activities. The Climate Strategy will cover our main sources of GHG emissions and will determine the main leverages and means available to reduce our carbon footprint. |
| Investing (Asset owner) | A specific climate-related risk management process | 10 | Qualitative and quantitative | Short-term Medium-term Long-term | Please select | Our asset ownership is also and in-part covered under bank lending. The investment area of our asset ownership is via Merchant Banking and therefore in line with all Rothschild & Co Merchant Banking Policies (see question C-FS2.2c for Asset Manager activity), including the Merchant Banking ESG Policy and the Rothschild & Co Wealth & Asset Management and Merchant Banking investment principles for the thermal coal sector. In line with their commitment to the UN Principles for Responsible Investment ("UN PRI"), ESG analysis is integrated into the investment decision making process. |
| Insurance underwriting (Insurance company) | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## C-FS2.2d

**(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?**

| | We consider climate-related information | Explain why you do not consider climate-related information and your plans to address this in the future |
|---|---|---|
| Banking (Bank) | Yes | <Not Applicable> |
| Investing (Asset manager) | Yes | <Not Applicable> |
| Investing (Asset owner) | Yes | <Not Applicable> |
| Insurance underwriting (Insurance company) | <Not Applicable> | <Not Applicable> |

## C-FS2.2e

**(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.**

**Portfolio**
Banking (Bank)

**Type of climate-related information considered**
Energy usage data
Other, please specify (Flood risk data)

**Process through which information is obtained**
Directly from the client/investee

**Industry sector(s) covered by due diligence and/or risk assessment process**
Real Estate

**State how this climate-related information influences your decision-making**
In the UK, for real estate loans the following data is collected on the underlying real estate assets. Data is considered on an individual loan and portfolio basis: - Energy performance certificates with assessment of compliance with current regulations and imminent changes in performance requirements.
- Flood risk data
Information is obtained through the borrower questionnaire and public records.
In relation to real estate, the UK commercial real estate lending team summarise key ESG information (based on the information collected) into all credit committee papers so all decisions consider ESG factors. This will shortly be implemented in the residential real estate lending process.

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**Portfolio**
Investing (asset manager)

**Type of climate-related information considered**
Emissions data
Energy usage data
Emissions reduction targets
Climate transition plans

**Process through which information is obtained**
Directly from the client/investee
Data provider
Public data sources

**Industry sector(s) covered by due diligence and/or risk assessment process**
Other, please specify (All sectors)

**State how this climate-related information influences your decision-making**
Similarly to what is done for other ESG themes, climate information on investees is collected through a double process of internal and external analysis.

For instance, AM Europe teams engage with carbon intensive companies to enhance them in their transition journey. Regular meetings are organized with companies identified as worst players and in some situations, a detailed investment case can be built to influence the portfolio allocation.

Since 2020, all Rothschild & Co's Wealth and Asset Management entities are using the same data providers to support them in the understanding of investees' ESG performances. MSCI ESG Research collects raw information from public documentation issued by companies, calculates ESG scorings and proposes different metrics supporting the integration of forward-looking assessment. Information provided by MSCI ESG Research is directly used for the definition of Responsible Investment Policies and the regulatory/voluntary reporting. For instance, Rothschild & Co Asset Management Europe monitors the carbon footprint of all its products and display the information within the funds' annual reports. The investment strategy of some of AM Europe's products has been built upon these climate metrics. Similarly, information collected through MSCI ESG Research led our Wealth Management activity in France to define the "4Change" mandates, built around an ESG rating constraint.

The Group adopted investment principles, targeting potential investment in stranded assets. In 2020, investment principles related to the thermal coal sector were defined (see C-FS2.2d), based on information provided by the Global Coal Exit List from the NGO Urgewald. Portfolio managers, compliance and risk officers are directly implicated in the correct implementation of these investment principles.

On the other hand, the Group adopted a new Responsible Investment roadmap, including our objective to identify tools, methodologies and relevant investment policies that might support a progressive alignment of investment solutions with the Paris Agreement. This should include forward looking data such as portfolio temperatures or climate value at risk, currently being reviewed by responsible investment team for a potential future application. Some entities are even more ambitious within the Group, such as R&Co Asset Management Europe which became signatory of the "Net Zero Asset Manager Initiative" in 2021.

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**Portfolio**
Investing (asset owner)

**Type of climate-related information considered**
Emissions data
Emissions reduction targets
Climate transition plans

**Process through which information is obtained**
Directly from the client/investee

**Industry sector(s) covered by due diligence and/or risk assessment process**
Other, please specify (All)

**State how this climate-related information influences your decision-making**
Our asset ownership is also and in-part covered under bank lending. However, the investment area of our asset ownership is via Merchant Banking and therefore in line with all Rothschild & Co Merchant Banking Policies, including the Merchant Banking ESG Policy and the Rothschild & Co Wealth & Asset Management and Merchant Banking investment principles for the thermal coal sector. In line with their commitment to the UN Principles for Responsible Investment (“UN PRI”), ESG analysis is integral

to the investment decision making process.

Regarding Merchant Banking, the first lever to manage the sustainability-related risks in our investment portfolios, including climate-related risks related to coal activities, is the Five Arrows Exclusion Policy, reinforced by Rothschild & Co's common investment exclusion policy framework in accordance with its 2022 Strategic Objectives: exclusion of investing in companies which, to the group's knowledge and as evidenced by official credible third-party sources, 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, exclusion of investing in companies involved directly in thermal coal production as well as exploration, mining & processing and power generation using thermal coal (above defined thresholds).

Regarding our Art. 9 fund, an ESG checklist enables the investment team to identify potential red flags that could lead to sustainability risks, and/or ESG opportunities associated with the target activity. It also allows the identification of the target company's good practices and possible areas for improvement.

Regarding Art. 8 funds of our Corporate Private Equity strategy, investment teams complete an ESG checklist based on interactions with the management teams of portfolio companies and, when possible, conduct an extensive ESG due-diligence through an external expert. This due-diligence covers all major sustainability-related topics. The conclusions of these assessments are systematically included in a dedicated ESG section in Investment Committee memos, together with achievable business opportunities that might have been identified.

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**
Risk 1

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Emerging regulation | Carbon pricing mechanisms |

**Primary potential financial impact**
Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**
Policy and legal risk

**Company-specific description**
The implementation and increased pricing of GHG emissions will have a direct effect on operational costs and on our Internal Carbon Price (ICP), which is aligned to the EU ETS carbon price. For example, meeting clients face to face is a necessary part of our business and as such, business travel is essential. GHG emissions from business travel is the Group's largest contributor to its GHG operational footprint. As the carbon price on the EU ETS increases, as well as taxes for flights in our main countries of operation (France, UK), travelling by air is going to become more and more costly and will drive us to invest more in carbon abatement solutions and technologies.

**Time horizon**
Short-term

**Likelihood**
Very likely

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
The impact will depend on the evolution of the EU ETS carbon price, our own emissions and the tax / costs on air travel so it is difficult to provide a figure.

**Cost of response to risk**
5000

**Description of response and explanation of cost calculation**
Implementing energy reduction initiatives, procuring renewable energy, upgrading IT infrastructure and minimising internal business travel will reduce the financial impact. The above-mentioned reduction opportunities have minimal management costs, estimated range between €5k and 10k.

**Comment**

**Identifier**
Risk 2

**Where in the value chain does the risk driver occur?**
Investing (Asset manager) portfolio

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Emerging regulation | Enhanced emissions-reporting obligations |

**Primary potential financial impact**
Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**
Policy and legal risk

**Company-specific description**
Implementing data gathering and reporting actions to meet regulatory requirements will require employee and/or consultant time throughout the year. Furthermore, additional data will be required to ensure compliance with what expected from the regulations.

**Time horizon**
Short-term

**Likelihood**
Virtually certain

**Magnitude of impact**
Medium-high

**Are you able to provide a potential financial impact figure?**
Yes, a single figure estimate

**Potential financial impact figure (currency)**
20000

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
The range given is based on additional time needed annually to complete reporting requirements and subscription to analytical tools. The lower value of 20,000 assumes no additional analytical tools are required, however we expect extra fees from data providers to access additional reporting tools for better reporting on climate-related risks and opportunities, and to meet reporting requirements.

**Cost of response to risk**
5000

**Description of response and explanation of cost calculation**
The group and its entities do not hesitate to work with third-party consultants on Climate related risks and opportunities embedded in investment activities and forthcoming ESG regulations.
In order to improve Integration process, upscale our tools and to comply with market expectations and regulatory constraints, additional ESG data modules were subscribed with our provider MSCI ESG Research to access data that are required in the mandatory reporting under the European regulation. The development of new types of expertise on specific themes might lead to new/ additional ESG data contracts in the coming months. Costs can also be related to the time our teams spend on the reporting processes to ensure compliance with existing and emerging regulations.

**Comment**
The above-mentioned reporting cost implications have minimal estimated impact on management costs.
The above-mentioned reduction opportunities have minimal management costs, estimated range between 5k and 10k.

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**
Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**
Opp1

**Where in the value chain does the opportunity occur?**
Investing (Asset manager) portfolio

**Opportunity type**
Markets

**Primary climate-related opportunity driver**
Improved ratings by sustainability/ESG indexes

**Primary potential financial impact**
Increased revenues through access to new and emerging markets

**Company-specific description**
The group is committed to transparent reporting. We use frameworks such as the UNGC and engage with ESG rating agencies to ensure transparent and meaningful disclosures for the investment community. We recognise that providing feedback to relevant ESG agencies helps strengthen and improve/enhance accurate reporting and also provides investors with clear understanding of our overall approach to best in class ESG criteria.

**Time horizon**
Medium-term

**Likelihood**
Very likely

**Magnitude of impact**
Medium-high

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
The financial impact stated is linked to the cost of professional support and associated internal costs. The positive cost impact has not been evaluated.

**Cost to realize opportunity**
2500

**Strategy to realize opportunity and explanation of cost calculation**
The group is committed to transparent disclosure of sustainability performance. As a signatory, we report annually to the UNGC, and engage with ESG rating agencies to ensure transparent and meaningful information for the investment community. We recognise that providing feedback to relevant ESG raters helps strengthen and improve/enhance accurate reporting and also provides investors with clear understanding of our overall approach.

**Comment**

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**Identifier**
Opp2

**Where in the value chain does the opportunity occur?**
Investing (Asset manager) portfolio

**Opportunity type**
Products and services

**Primary climate-related opportunity driver**
Reputational benefits resulting in increased demand for goods/services

**Primary potential financial impact**
Increased revenues resulting from increased demand for products and services

**Company-specific description**
As climate change is becoming an major area of concern, more and more requests for products and services generating positive outcomes with regards to climate adaptation or mitigation will emerge. As a financial player, a clear opportunity can be seen in the launch of climate-friendly products and services, able to answer our clients' expectations. Furthermore, developing such commercial strategy could have reputational benefits and define a new market positioning at medium term.

**Time horizon**
Short-term

**Likelihood**
Very likely

**Magnitude of impact**
Medium

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
No financial estimation has been made regarding the development of climate-friendly products and services. Developing specific climate investment strategies is a time/ people investment but it allows then to expand some knowledge / reading grids to a broader perimeter of assets.

**Cost to realize opportunity**
0

**Strategy to realize opportunity and explanation of cost calculation**
The Group conducted several climate workshop to identify the most material climate risks and opportunities for investment businesses. Different initiatives are taken following this workshop to better seize this opportunity. AM Europe started to develop Net Zero products with carbon-related objective, and became signatory of the Net Zero Asset Manager Initiative. Supported by external consultants, Merchant Banking started to define its climate strategy. Furthermore, Rothschild &Co's investment businesses have this year developed and validated a new responsible investment roadmap, including objectives and actions for how the business lines' product and service offering could evolve further over the next years to serve the Group's long-term ambition to support the sustainability transition of the global economy. One of the priorities on this roadmap is to work on 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. The investment business lines' reporting obligations (SFDR in particular) 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 Paris alignment.

**Comment**

## C3. Business Strategy

## C3.1

**(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?**

**Row 1**

**Transition plan**
No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

**Publicly available transition plan**
<Not Applicable>

**Mechanism by which feedback is collected from shareholders on your transition plan**
<Not Applicable>

**Description of feedback mechanism**
<Not Applicable>

**Frequency of feedback collection**
<Not Applicable>

**Attach any relevant documents which detail your transition plan (optional)**
<Not Applicable>

**Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future**
We have developed plans in all material areas of impact aimed at managing related risks and opportunities for our business, and supporting the transition to a low carbon economy. We will publish more details on transition plans in these areas in line with the Group's disclosure requirements over the next years.
The group addresses environmental protection and support the low-carbon transition through a number of levers:
1. Rothschild &Co's investment businesses have this year developed and validated a new responsible investment roadmap, including objectives and actions for how the business lines' product and service offering could evolve further over the next years to serve the Group's long-term ambition to support the sustainability transition of the global economy. One of the priorities on this roadmap is to work on the selection of methodologies, tools and the implementation of investment and engagement policies with the potential to gradually bring our investment solutions impact in line with the emission reduction trajectory envisaged in the Paris Agreement.
2. Our investment business lines are considering environmental risks associated with investments made on behalf of their clients through (i) a range of dedicated investment policies (e.g. thermal coal sector); (ii) engagement with issuers on their environmental impact, (iii) and the development of dedicated products investing in the low-carbon transition. In addition, investment entities have adopted a number of indicators to assess on a consolidated basis financed emissions and carbon intensity of our investments, and our new Responsible Investment roadmap aims to develop further investment principles on carbon intensive sectors and the progressive alignment of investments with the Paris Agreement. Asset Management Europe joined the Net Zero Asset Managers Initiative and manages two net zero funds.
3. Operationally, we have set a 30% reduction target for operational scope 1, 2, 3 emissions vs 2018 baseline (i.e. a well-below 2 degrees trajectory), and aim to become a net-zero operation by 2030.
4. Our Global Advisory teams support clients in addressing risks and opportunities resulting from the energy transition. For example, we are one of the top 3 advisors by numbers of deals on global sustainable M&A, and one of the leading advisors in sustainable finance transactions such as the issuance of sustainability linked loans and bonds.

**Explain why climate-related risks and opportunities have not influenced your strategy**
<Not Applicable>

## C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

| | Use of climate-related scenario analysis to inform strategy | Primary reason why your organization does not use climate-related scenario analysis to inform its strategy | Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future |
|---|---|---|---|
| Row 1 | Yes, qualitative, but we plan to add quantitative in the next two years | <Not Applicable> | <Not Applicable> |

## C3.2a

**(C3.2a) Provide details of your organization's use of climate-related scenario analysis.**

| Climate-related scenario | | Scenario analysis coverage | Temperature alignment of scenario | Parameters, assumptions, analytical choices |
|---|---|---|---|---|
| Transition scenarios | Customized publicly available transition scenario | Portfolio | 1.6ºC – 2ºC | In October 2020, the Group conducted a qualitative climate risk assessment to obtain an overall picture of its portfolios' exposure. The study was conducted on a limited scope with the help of external service providers and used "Carbon Impact Analytics" (CIA) as methodology to assess our businesses exposure to physical and transition risks and opportunities.<br>Qualitative outputs were obtained based on the scenario RCP 6.0 (as it is the most representative scenario for a "business as usual" situation) and 2°C aligned benchmark derivative from the CIA universe, with the same sectoral allocation and a best in class approach on the overall rating of the constituents. Our approach targeted to assess the share of "risky" sectors of activity within our portfolios while considering the climate commitments to which individual companies committed. Hence, no time horizon was defined for this qualitative assessment as the result was a score reflecting the overall alignment of the company with defined climate pathways. The group recognises that further action is required to qualify the risk and opportunity in the different business lines, as such, the TCFD steering Committee has been set up to move forward on this topic and implement complementary studies.<br>Furthermore, the investment teams, together with the Group Responsible Investment team, are working on the integration of new scenario-based metrics such as the Implied Temperature or the Climate Value at Risk. Several information meeting on the scenario based approach have been organized with representatives of the local risk teams. Further investigation will be conducted in the coming month. |

## C3.2b

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

**Row 1**

**Focal questions**

Climate-related risks and opportunities influence the group strategy. 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. The results of the assessment for 2021 highlight the continued areas of focus for the business as reflected in the ESG priority framework, in particular relating to "Climate action".
In particular, climate change and environmental degradation are sources of structural change that can affect economic activity and, in turn, the financial system. In this context, they can influence a number of the Group's material risks, such as credit risk, operational risk, market risk and liquidity risk, and are considered as part of these risks.

During 2021, the group brought in expertise and formalised teams dedicated to integration of climate-related risks and opportunities into all business lines. 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 these sustainability priorities at every level of the business model. As such, climate-related considerations play an increasing role in the approach to Responsible Investment, and in the transaction and ongoing advice given in the Global Advisory business.

**Results of the climate-related scenario analysis with respect to the focal questions**

In Autumn 2021, the TCFD steering Committee requested the organisation of climate workshops with each business within the Group. These workshops, attended by key representatives from each entity, had the objective to qualitatively identify key risks and opportunities under different climate scenarios (hot house word, 2°C world). The outcome of these workshops is a climate report, specific to each of the Group's entities that was approved by the management has being a basis for the development of more specific action plans.

## C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

| | Have climate-related risks and opportunities influenced your strategy in this area? | Description of influence |
|---|---|---|
| Products and services | Yes | Rothschild &Co's investment businesses have this year developed and validated a new responsible investment roadmap, including objectives and actions for how the business lines' product and service offering could evolve further over the next years to serve the Group's long-term ambition to support the sustainability transition of the global economy over the last few months.<br>One of the priorities on this roadmap is to work on 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.<br>Climate related risks and opportunities monitoring is directly integrated in this framework.<br>Furthermore, all investment business lines have been signatories to the UNPRI since 2020 and the group has agreed on a common exclusion policy framework in accordance with its 2022 Strategic Objectives, focusing on three key areas:<br>- Exclusion of investing in companies which to the Group's knowledge may breach fundamental principles due to gross corporate misconduct, including substantial environmental damage.<br>- Exclusion of investing in companies involved directly in thermal coal production as well as exploration, mining & processing and power generation using thermal coal (above certain thresholds / in line with the international coal phase-out schedule which sets a 2030 deadline for Europe and the OECD, and a 2040 deadline for the rest of the world).<br>- Exclusion of companies breaching the Oslo & Ottaxwa Conventions.<br><br><br>All SFDR impacted entities (RMM, AM Europe, R&Co IM, Five Arrows, WM Germany and Italy) published a Sustainability Risk policy, a statement on remuneration policy update and on PAI monitoring. Targets of 85% of WM discretionary assets (excluding UK and dedicated funds) classified as Article 8 or 9 and 95% of Rothschild & Co Asset Management Europe's open-ended funds have been set up.<br><br>For our Global Advisory business, 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. |
| Supply chain and/or value chain | Yes | 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.<br>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<br>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.<br><br>Furthermore, investment teams monitor the performance of investee companies regarding environmental criteria (environmental scores, carbon intensity, transition profile). 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). |
| Investment in R&D | Yes | In 2021, the Group defined a selection of key climate metrics on which investment business lines report.<br>On top of the reporting at Group level, each business has identified key ESG metrics to report on (e.g., AM Europe monitors and communicates the carbon footprint of all its products).<br>In the coming months, the utility of additional metrics, such as the Climate risk indicators and temperature tools, will be further investigated.<br>In order to effectively monitor all these metrics that will better guide its decisions, the Group is considering investing into more robust ESG reporting tools. |
| Operations | Yes | <br>Our action plan for responsibly managing operational greenhouse gas (GHG) emissions is multi-faceted. Firstly, our immediate aim is to reduce emissions as far as practicable. This is highlighted by our target 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. To support this target, we set an internal price on carbon, which is charged to all business units annually. 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 procure verified compensation credits for unavoidable emissions. We 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. We have committed to procuring renewable and sustainable energy to meet 100% of our requirements by 2025. In 2021, we procure 91% renewable electricity. We seek to compensate for all remaining and unavoidable operational emissions through carbon avoidance and removals 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.<br><br>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. |

## C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

| | Financial planning elements that have been influenced | Description of influence |
|---|---|---|
| Row 1 | Capital expenditures | In 2019 we introduced an Internal Carbon Price (ICP). In 2021 we have decided to raise our Internal Carbon Price 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 carbon price per tonne of CO2e was established through a benchmarking process that gathered information on peers and emissions trading schemes.<br><br>Once established it was agreed by the Group Executive Committee.<br><br>The charge is made to the various business divisions and geographical locations in the form of an emissions-based group environmental management budget allocation and is based on our annual operational scope 1, 2 and 3 tCO2e emissions.<br><br>The ICP generates funds for the group's environmental management budget which in turn can be used to develop further carbon-reduction opportunities and sustainability projects in line with our selected SDGs. |

## C-FS3.6

**(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?**

Yes, our framework includes both policies with client/investee requirements and exclusion policies

## C-FS3.6a

**(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.**

**Portfolio**
Banking (Bank)

**Type of policy**
Credit/lending policy
Other, please specify (Sustainable/Responsible investment policy, Other (ESG REDM policy (UK commercial real estate loans), ESG PCL policy (UK residential real estate)))

**Portfolio coverage of policy**
90

**Policy availability**
Not publicly available

**Attach documents relevant to your policy**

**Criteria required of clients/investees**
Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions

**Value chain stages of client/investee covered by criteria**
Direct operations only

**Timeframe for compliance with policy criteria**
Complying with criteria is a pre-requisite for business

**Industry sectors covered by the policy**
Real Estate

**Exceptions to policy based on**
Other, please specify (Based on the nature of our business, our banking activity only covers real estate sectors)

**Explain how criteria coverage and/or exceptions have been determined**
Rothschild & Co Real Estate Department Management (REDM's) approach to environmental due diligence is based on an assessment of the borrower's conformity to environmental principles, the environmental standards of the property security and the exposure of major occupational tenants to environmental factors. The key aspects which we consider include the following, dependent on the specific characteristics of the real estate loan: - Contamination and pollution - Flood risk - EPC and BREEAM ratings - Building emissions rates - Sustainability - Compliance with environmental law - Borrower's approach to environmental responsibility.

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**Portfolio**
Investing (Asset manager)

**Type of policy**
Sustainable/Responsible Investment Policy

**Portfolio coverage of policy**
100

**Policy availability**
Publicly available

**Attach documents relevant to your policy**
https://www.rothschildandco.com/en/corporate-sustainability/products-and-services/responsible-investment/public-group-policies/

**Criteria required of clients/investees**
Other, please specify (Management of climate related challenges through ESG scoring)

**Value chain stages of client/investee covered by criteria**
Direct operations only

**Timeframe for compliance with policy criteria**
Complying with criteria is a pre-requisite for business

**Industry sectors covered by the policy**
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services

Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

**Exceptions to policy based on**
<Not Applicable>

**Explain how criteria coverage and/or exceptions have been determined**
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).

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**Portfolio**
Investing (Asset owner)

**Type of policy**
Sustainable/Responsible Investment Policy

**Portfolio coverage of policy**
100

**Policy availability**
Publicly available

**Attach documents relevant to your policy**
https://www.rothschildandco.com/siteassets/publications/rothschildandco/merchant_banking/2020/merchant_banking_responsible_investment_policy_march_2020.pdf

**Criteria required of clients/investees**
Other, please specify (Management of climate related challenges through ESG scoring)

**Value chain stages of client/investee covered by criteria**
Direct operations only

**Timeframe for compliance with policy criteria**
Complying with criteria is a pre-requisite for business

**Industry sectors covered by the policy**
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

**Exceptions to policy based on**
<Not Applicable>

**Explain how criteria coverage and/or exceptions have been determined**
Asset ownership is via the group's Merchant Banking division and therefore in line with all Rothschild & Co Merchant Banking Policies, including the Merchant Banking ESG Policy and the group's responsible investment framework. 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).

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## C-FS3.6b

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**(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.**

**Portfolio**
Banking (Bank)
Investing (Asset manager)
Investing (Asset owner)

**Type of exclusion policy**
Thermal coal

**Year of exclusion implementation**
2020

**Timeframe for complete phase-out**
By 2040

**Application**
Other, please specify (The Group doesn't invest in project but the policy applies to all new and existing investment)

**Country/Region the exclusion policy applies to**
Other, please specify (All)

**Description**
As engaged investors Rothschild & Co we want to play an active role in influencing business practices and drive investment flows towards the most sustainable players. As part of the group's ESG investment integration framework, we have implemented investment principles for the thermal coal sector in line with the international coal phase-out schedule, which sets clear deadlines for 2030 for Europe and the OECD, and for 2040 for the rest of the world. These principles are part of a comprehensive Responsible Investment framework for Wealth & Asset Management and Merchant Banking activities and are; aligned with our approach to ESG criteria integration among our investment strategies; part of a response to the risks induced by climate change for our investors; representative of our desire to contribute to the transition to a sustainable economy. The thermal coal investment principles apply to our various discretionary listed and unlisted investment activities in; private equity, private banking, asset management. These investment principles do not cover assets under advice or execution only accounts, nor do they apply to dedicated discretionary funds or managed accounts, for which the management company is required to comply with the constraints expressed by the client which may conflict with these principles. They also do not apply to structured products. The investment principles deal with investments that we make on our own behalf or on behalf of clients in companies directly engaged in thermal coal production, exploration, mining & processing and power generation using thermal coal. The investment principles impose the following broad restrictions on investments (subject to the detailed rules below):
We will not invest in or lend to companies developing projects for new thermal coal mines or thermal coal fired power plants;
We will not invest in or lend to companies with:
- more than 20% of revenues generated through activities related to thermal coal;
- more than 20% of the energy mix (per MWh produced) derived from coal;
We will not invest in or lend to companies whose:
- annual thermal coal production exceeds 10 MT per year;
- installed coal capacities are greater than 5 GW.

These thresholds are applied until the end of 2022 and will be reconsidered in 2023.

## C-FS3.7

**(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?**

| | Climate-related requirements included in selection process and engagement with external asset managers | Primary reason for not including climate-related requirements in selection process and engagement with external asset managers | Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future |
|---|---|---|---|
| Row 1 | Yes | <Not Applicable> | <Not Applicable> |

## C-FS3.7a

**(C-FS3.7a) Provide details of the climate-related requirements included in your selection process and engagement with external asset managers.**

**Coverage**
Majority of assets managed externally

**Mechanisms used to include climate-related requirements in external asset manager selection**
Publish requirements of external investment managers in relation to climate issues
Review investment manager's climate performance (e.g., active ownership, proxy voting records, under-weighting in high impact activities)
Review investment manager's climate-related policies
Other, please specify (Guidelines regarding external funds managers included in our policies)

**Describe how you monitor and engage with asset managers to ensure investment activities are consistent with your climate strategy**
WAM Investment teams apply thermal coal investment principles when selecting or external managers or indexed securities:
(i) 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 end of 2022. .
(ii) AM Europe and Rothschild Martin Maurel use the same buy list for the selection of external managers which integrates constraints related to thermal coal and related to fundamental principles (respect of UNGC principles, including material environmental impacts). Furthermore, investment teams have developed a due diligence process which integrates questions regarding climate-risks exposure and integration. ESG reports are also developed for traditional funds of funds activities to better assess portfolios environmental risks exposure.
(iii) WM UK teams developed a process that goes beyond the climate topic to cover all ESG dimensions. At firm level, the managers we invest in must satisfy the following three criteria: Alignment: beliefs and values are substantially the same as ours, and the management fees are fair, Integrity: actions speak louder than words, which is how we build trust in a manager, Transparency and access: full insight into the portfolio and investment decisions. At fund level, we evaluate a manager's investment philosophy and whether it makes clear reference to sustainability.

Furthermore, Merchant Banking adapts exclusion lists to each fund but applies Group policy related to thermal coal to all. For Article 8 funds within our Multi-Strategies funds, we compare the exclusion policies of the external managers and their existing portfolio with our own exclusion policies. If the Investment Committee goes forward with the deal, a best effort will be made to include a sustainability clause within the side letter specifying our exclusion list and the requirements for the GP to complete our ESG questionnaire every year. An ESG score will be assigned ahead of Preliminary Investment Committee to each GP based on a proprietary scoring methodology that will reflect our expectations in terms of responsible investment practices.

## C-FS3.8

**(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?**

| | Climate-related covenants in financing agreements | Primary reason for not including climate-related covenants in financing agreements | Explain why your organization does not include climate-related covenants in financing agreements and your plans for the future |
|---|---|---|---|
| Row 1 | Yes | <Not Applicable> | <Not Applicable> |

## C-FS3.8a

**(C-FS3.8a) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your climate-related policies.**

| Types of covenants used | Asset class/product types | Please explain |
|---|---|---|
| Covenants related to compliance with your policies | Retail loans<br>Corporate real estate | Over the course of 2021, ESG policies were defined for the Group's treasury activities, which follow the established group investment policies on exclusions.<br>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).<br>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.<br>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. |

# C4. Targets and performance

## C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**
Absolute target
Intensity target
Portfolio target

## C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**
Abs 1

**Year target was set**
2021

**Target coverage**
Company-wide

**Scope(s)**
Scope 1
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Base year**
2018

**Base year Scope 1 emissions covered by target (metric tons CO2e)**
874.4

**Base year Scope 2 emissions covered by target (metric tons CO2e)**
2402.85

**Base year Scope 3 emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**
3277.25

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**
100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**
100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**
<Not Applicable>

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**
100

**Target year**
2030

**Targeted reduction from base year (%)**
30

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**
2294.075

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**
399

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**
26

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**
8776

**% of target achieved relative to base year [auto-calculated]**
-559.284969613751

**Target status in reporting year**
Achieved

**Is this a science-based target?**
No, and we do not anticipate setting one in the next 2 years

**Target ambition**
<Not Applicable>

**Please explain target coverage and identify any exclusions**
Our target focuses on Scope 1, 2 and operational scope 3 emissions - excluding Category 15 (Investments) for the moment.
We are in the process of developing methodologies to better capture our Scope 3 category 15 emissions.

**Plan for achieving target, and progress made to the end of the reporting year**
<Not Applicable>

**List the emissions reduction initiatives which contributed most to achieving this target**
In 2021, we have already reduced by 61% our Scope 1+2 targets in absolute terms.
In order to meet our target, we will continue to:
▪ monitor operational GHG emissions by office and division;
▪ 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.

## C4.1b

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**
Int 1

**Year target was set**
2021

**Target coverage**
Company-wide

**Scope(s)**
Scope 3

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting

**Intensity metric**
Metric tons CO2e per unit FTE employee

**Base year**
2018

**Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)**
<Not Applicable>

**Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)**
<Not Applicable>

**Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)**
8.47

**Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)**
8.47

**% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**
<Not Applicable>

**% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**
<Not Applicable>

**% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure**
100

**% of total base year emissions in all selected Scopes covered by this intensity figure**
100

**Target year**
2025

**Targeted reduction from base year (%)**
10

**Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]**
7.623

**% change anticipated in absolute Scope 1+2 emissions**
-50

**% change anticipated in absolute Scope 3 emissions**
-10

**Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**
<Not Applicable>

**Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**
<Not Applicable>

**Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)**
1.98

**Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**
1.98

**% of target achieved relative to base year [auto-calculated]**
766.233766233766

**Target status in reporting year**
Achieved

**Is this a science-based target?**
No, but we are reporting another target that is science-based

**Target ambition**
<Not Applicable>

**Please explain target coverage and identify any exclusions**
Our intensity target for Scope 3 emissions was set in 2019 and updated in 2021, from a 2018 baseline. It is company-wide, focusing on all our operations (excluding Category 15 - Investments). Our 2030 intensity target is of 24% per FTE for operational scope 3 emissions.

**Plan for achieving target, and progress made to the end of the reporting year**
<Not Applicable>

**List the emissions reduction initiatives which contributed most to achieving this target**
In 2021, we have achieved a 76% intensity reduction (from 8.47 to 2 tCO2e per FTE). However, we expect a rebound in GHG emissions caused by a likely uptake in travel routines once the pandemic impact decreases.
In order to meet our target, we will continue to :
- embrace alternative working models, and switch to more sustainable transport options where appropriate
- capitalise on longer-term changes to working patterns and travel behaviour compared to pre-pandemic environment.

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## C-FS4.1d

**(C-FS4.1d) Provide details of the climate-related targets for your portfolio.**

**Target reference number**
Por1

**Year target was set**
2019

**Portfolio**
Investing (Asset manager)

**Product type/Asset class/Line of business**
Fixed income
Listed equity

**Sectors covered by the target**
All sectors

**Portfolio coverage of target**
99.9

**Target type**
Portfolio emissions

**Target type: Absolute or intensity**
Intensity

**Scopes included in temperature alignment**
<Not Applicable>

**Metric (or target numerator if intensity)**
tCO2e

**Target denominator**
Million revenues (unit currency as reported in C0.4)

**Base year**
2019

**Figure in base year**
150

**Percentage of portfolio emissions covered by the target**
99.9

**Interim target year**
2030

**Figure in interim target year**
0

**Target year**
2050

**Figure in target year**
0

**Figure in reporting year**
106.8

**% of target achieved relative to base year [auto-calculated]**
28.8

**Aggregation weighting used**
<Not Applicable>

**Proportion of portfolio emissions calculated in the reporting year based on asset level data**
99

**Proportion of the temperature score calculated in the reporting year based on company targets**
<Not Applicable>

**Target status in reporting year**
Underway

**Is this a science-based target?**
No, and we do not anticipate setting one in the next 2 years

**Target ambition**
<Not Applicable>

**Please explain target coverage and identify any exclusions**

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**Target reference number**
Por2

**Year target was set**
2019

**Portfolio**
Investing (Asset manager)

**Product type/Asset class/Line of business**
Fixed income
Listed equity

**Sectors covered by the target**
All sectors

**Portfolio coverage of target**
99.9

**Target type**
Portfolio coverage

**Target type: Absolute or intensity**
<Not Applicable>

**Scopes included in temperature alignment**
<Not Applicable>

**Metric (or target numerator if intensity)**
% of portfolio setting a Science-Based Target

**Target denominator**
<Not Applicable>

**Base year**
2019

**Figure in base year**
0

**Percentage of portfolio emissions covered by the target**
99.9

**Interim target year**
2030

**Figure in interim target year**
90

**Target year**
2050

**Figure in target year**
100

**Figure in reporting year**
54

**% of target achieved relative to base year [auto-calculated]**
54

**Aggregation weighting used**
Other, please specify (Sum of issuers' positions if SBTi validated)

**Proportion of portfolio emissions calculated in the reporting year based on asset level data**
<Not Applicable>

**Proportion of the temperature score calculated in the reporting year based on company targets**

<Not Applicable>

**Target status in reporting year**
Underway

**Is this a science-based target?**
No, and we do not anticipate setting one in the next 2 years

**Target ambition**
<Not Applicable>

**Please explain target coverage and identify any exclusions**

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## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

## C4.2a

**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

**Target reference number**
Low 1

**Year target was set**
2019

**Target coverage**
Company-wide

**Target type: energy carrier**
Electricity

**Target type: activity**
Consumption

**Target type: energy source**
Renewable energy source(s) only

**Base year**
2018

**Consumption or production of selected energy carrier in base year (MWh)**
24000

**% share of low-carbon or renewable energy in base year**
54

**Target year**
2025

**% share of low-carbon or renewable energy in target year**
100

**% share of low-carbon or renewable energy in reporting year**
91

**% of target achieved relative to base year [auto-calculated]**
80.4347826086956

**Target status in reporting year**
Underway

**Is this target part of an emissions target?**
This target supports the group in achieving its GHG emissions reduction of 10% per FTE by 2025

**Is this target part of an overarching initiative?**
No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**
In 2019 Rothschild & Co set a group-wide target to increase the proportion of renewable electricity use. The target is to consume 100% of our operational electricity needs by 2025. In the most recent reporting year, electricity from renewable sources was 91%. This is up from 85% in the previous reporting year.

**Plan for achieving target, and progress made to the end of the reporting year**
The increase was due to offices changing contracts to renewables mainly across Americas. We anticipate increasing this percentage through 2022.

**List the actions which contributed most to achieving this target**
<Not Applicable>

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## C4.2c

**(C4.2c) Provide details of your net-zero target(s).**

**Target reference number**
NZ1

**Target coverage**
Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**
Abs1
Int1

**Target year for achieving net zero**
2030

**Is this a science-based target?**
No, but we are reporting another target that is science-based

**Please explain target coverage and identify any exclusions**
This Net Zero target is for all our operational emissions (Scope 1, 2 and 3 - excluding Category 15) and is Paris-aligned as it aligned with a well-below 2 degrees trajectory on all 3 scopes.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**
Yes

**Planned milestones and/or near-term investments for neutralization at target year**
We have started including carbon removals in our carbon offsetting portfolio and plan to gradually increase the share of carbon removals in order to get to 100% removals by 2030. To do so, we are engaging with both carbon removals project developers and intermediaries with the intention to buy carbon removals credits both in the short-term and through multi-year purchase agreements.

**Planned actions to mitigate emissions beyond your value chain (optional)**

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**
Yes

## C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---|---|---|
| Under investigation | 2 | 1000 |
| To be implemented* | 2 | 0 |
| Implementation commenced* | 0 | 0 |
| Implemented* | 2 | 3400 |
| Not to be implemented | 0 | 0 |

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

| | |
|---|---|
| Transportation | Teleworking |

**Estimated annual CO2e savings (metric tonnes CO2e)**
1800

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 3 category 6: Business travel

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
0

**Investment required (unit currency – as specified in C0.4)**
200000

**Payback period**
1-3 years

**Estimated lifetime of the initiative**
11-15 years

**Comment**
Rothschild & Co has bought 33 new videoconferencing units in 2021, to facilitate online meetings and reduce the need to travel. Air travel was drastically reduced in 2021, mostly because of the pandemic context, but we estimate that a small proportion of the related GHG emissions reductions are due to efforts put in place to reduce travel at the same time.

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**Initiative category & Initiative type**

| | |
|---|---|
| Low-carbon energy consumption | Low-carbon electricity mix |

**Estimated annual CO2e savings (metric tonnes CO2e)**
1600

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 2 (market-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
0

**Investment required (unit currency – as specified in C0.4)**
0

**Payback period**
No payback

**Estimated lifetime of the initiative**
Ongoing

**Comment**
Rothschild & Co has committed to purchase renewable electricity for all its offices. In 2021, the Group continued to increase the proportion of offices that purchase electricity from renewable sources to 91%, with REC purchasing contracts signed for the US, Canada, Brazil and Mexico.

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## C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

| Method | Comment |
|---|---|
| Dedicated budget for energy efficiency | We have a programme of energy efficiency assessments, which is an ongoing project that will cover all our offices over time. These assessments come with recommendations that we implement using the dedicated budget for energy efficiency. |
| Employee engagement | We routinely run awareness initiatives across the group to encourage employees to consider the impact of their day to day activities. An example for this is a dedicated campaign week around climate action which was initiated by the Group Executive Chairman. Other initiatives often link up with key internationally recognised themes and actions, such as World Environment Day. We are also in the process of launching an internal Sustainability Academy, to provide all employees with the possibility to access learning content on environmental topics, on an ongoing basis. |
| Internal price on carbon | Explanation : In 2021 we continued our Internal Carbon Price (ICP) programe. The ICP places a monetary value on greenhouse gas emissions and aims to influence behaviour to limit them. The carbon price per tonne of $CO_2e$ was established through a benchmarking process that gathered information on peers and emissions trading schemes. Once established it was agreed by the Group Executive committee. The charge is made to the various business divisions and geographical locations in the form of an emissions-based group environmental management budget allocation and is based on our annual operational scope 1, 2 and 3 $tCO_2e$ emissions.<br>The ICP generates funds for the group's environmental management budget which in turn can be used to develop further carbon-reduction opportunities and sustainability projects in line with our selected SDGs.<br>The ICP will be used to compensate for unavoidable emissions. We believe this method of internal carbon pricing helps us to responsibly address emissions from business operations including travel. |
| Internal incentives/recognition programs | In 2021 we introduced a quarterly reporting to Group and divisional management committees of latest emissions footprint related to the most material emission drivers to help raise awareness with decision makers. |

## C-FS4.5

**(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?**

Yes

## C-FS4.5a

**(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).**

**Product type/Asset class/Line of business**

| | |
|---|---|
| Investing | Listed Equity |

**Taxonomy or methodology used to classify product**

Internally classified

**Description of product**

Asset Management Europe's Rco4Change Net Zero Equity Euro fund was designed to provide clients with dynamic transition investment products. The carbon intensity of R-co 4Change Net Zero Equity Euro must be at minimum 20% below the
one of its index of reference, its carbon footprint must respect a global pathway of 7% annual decrease per year and a target of 90% of SBTi-certified issuers in portfolio by 2030 has been defined.

**Product enables clients to mitigate and/or adapt to climate change**

Mitigation

**Portfolio value (unit currency – as specified in C0.4)**

120000000

**% of total portfolio value**

0.6

**Type of activity financed/insured or provided**

Other, please specify (investment in companies with high climate ambitions)

---

**Product type/Asset class/Line of business**

| | |
|---|---|
| Investing | Fixed Income |

**Taxonomy or methodology used to classify product**

Internally classified

**Description of product**

Asset Management Europe's Rco 4Change Net Zero Credit Euro fund was designed to provide clients with dynamic transition investment products. The carbon intensity of R-co 4Change Net Zero Credit Euro must be at minimum 20% below the
one of its index of reference, its carbon footprint must respect a global pathway of 7% annual decrease per year and a target of 90% of SBTi-certified issuers in portfolio by 2030 has been defined.

**Product enables clients to mitigate and/or adapt to climate change**

Mitigation

**Portfolio value (unit currency – as specified in C0.4)**

44000000

**% of total portfolio value**

0.2

**Type of activity financed/insured or provided**

Other, please specify ((investment in companies with high climate ambitions)

---

**Product type/Asset class/Line of business**

| | |
|---|---|
| Investing | Fixed Income |

**Taxonomy or methodology used to classify product**

Green Bond Principles (ICMA)

**Description of product**

R-co 4Change Green Bonds is a global impact fund that contributes to the financing of the economic transition towards a more sustainable model. This investment strategy, labelled SRI (Towards Sustainability) and categorized Article 9 SFDR, mainly invests in Corporate Investment Grade Green Bonds dedicated to financing environmental projects in line with the European taxonomy. Composed exclusively of securities respecting the ICMA principles, its portfolio allows monitoring by type of SDG, projects and environmental themes, as well as an estimation of its impact regarding 4 ESG indicators. Since the creation of the fund and according to 47% of the impact reports of the instruments in which it invests, around 75 000 tons of CO2e have been avoided and 50 MW of installed renewable capacity have been funded.

**Product enables clients to mitigate and/or adapt to climate change**

Mitigation
Adaptation

**Portfolio value (unit currency – as specified in C0.4)**

107000000

**% of total portfolio value**

0.5

**Type of activity financed/insured or provided**

Green buildings and equipment
Other, please specify (investment in mitigation/adaptation projects)

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## C5. Emissions methodology

### C5.1

**(C5.1) Is this your first year of reporting emissions data to CDP?**

No

### C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

**Row 1**

**Has there been a structural change?**

No

**Name of organization(s) acquired, divested from, or merged with**

<Not Applicable>

**Details of structural change(s), including completion dates**

<Not Applicable>

### C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

| | Change(s) in methodology, boundary, and/or reporting year definition? | Details of methodology, boundary, and/or reporting year definition change(s) |
|---|---|---|
| Row 1 | Yes, a change in methodology | For our operational emissions, we have introduced a new reporting methodology: in order to facilitate the collection, processing and consolidation of all reported data at Group level, data is collected from January 1st – October 31st (over 10 months). Data for the remaining months (November 1st to December 31sty1) is extrapolated for all listed reporting offices.<br>For our financed emissions, in 2021, SFDR eligible investment entities have started tracking the following climate related PAIs: [GHG emissions (absolute value), Carbon footprint, GHG intensity of investee companies, Exposure to the fossil fuel industry]. For internal reporting purposes, the scope of entities tracking these indicators has been expanded. |

### C5.1c

**(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?**

| | Base year recalculation | Base year emissions recalculation policy, including significance threshold |
|---|---|---|
| Row 1 | No, because we have not evaluated whether the changes should trigger a base year recalculation | We do not have an official policy or threshold, but intend to follow the recommendations of the SBTi on this. |

### C5.2

**(C5.2) Provide your base year and base year emissions.**

**Scope 1**

**Base year start**

January 1 2018

**Base year end**

December 31 2018

**Base year emissions (metric tons CO2e)**

874.4

**Comment**

Consolidated emissions data for our 15 largest offices representing 97% of employees

**Scope 2 (location-based)**

**Base year start**
January 1 2018

**Base year end**
December 31 2018

**Base year emissions (metric tons CO2e)**
3642.68

**Comment**
Consolidated emissions data for our 15 largest offices representing 97% of employees

**Scope 2 (market-based)**

**Base year start**
January 1 2018

**Base year end**
December 31 2018

**Base year emissions (metric tons CO2e)**
2402.85

**Comment**
Consolidated emissions data for our 15 largest offices representing 97% of employees

**Scope 3 category 1: Purchased goods and services**

**Base year start**
January 1 2018

**Base year end**
December 31 2018

**Base year emissions (metric tons CO2e)**
300.7

**Comment**
Consolidated emissions data for our 15 largest offices representing 97% of employees

**Scope 3 category 2: Capital goods**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**
IT purchasing equipment not calculated in 2018.

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Base year start**
January 1 2018

**Base year end**
December 31 2018

**Base year emissions (metric tons CO2e)**
290.8

**Comment**
Consolidated emissions data for our 15 largest offices representing 97% of employees

**Scope 3 category 4: Upstream transportation and distribution**

**Base year start**
January 1 2018

**Base year end**
December 31 2018

**Base year emissions (metric tons CO2e)**

**Comment**
Upstream T&D not calculated in 2018.

**Scope 3 category 5: Waste generated in operations**

**Base year start**
January 1 2018

**Base year end**
December 31 2018

**Base year emissions (metric tons CO2e)**
25.7

**Comment**
Consolidated emissions data for our 15 largest offices representing 97% of employees

### Scope 3 category 6: Business travel

**Base year start**
January 1 2018

**Base year end**
December 31 2018

**Base year emissions (metric tons CO2e)**
19779.5

**Comment**
Consolidated emissions data for our 15 largest offices representing 97% of employees

### Scope 3 category 7: Employee commuting

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**
Employee commuting not calculated in 2018.

### Scope 3 category 8: Upstream leased assets

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant Scope 3 emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with upstream leased assets based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

### Scope 3 category 9: Downstream transportation and distribution

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant Scope 3 emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with downstream transportation and distribution based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

### Scope 3 category 10: Processing of sold products

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant operation Scope 3 emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with the processing of sold products based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

### Scope 3 category 11: Use of sold products

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant operational Scope 3emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with the use of sold products based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

### Scope 3 category 12: End of life treatment of sold products

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant operational Scope 3 emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with the end of life treatment sold products based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**Scope 3 category 13: Downstream leased assets**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant operational Scope 3emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with downstream leased assets based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**Scope 3 category 14: Franchises**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

As a professional services firm, Rothschild & Co does not have relevant operational Scope 3 activities associated with franchises based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**Scope 3 category 15: Investments**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Rothschild & Co did not calculate this category in 2018.

**Scope 3: Other (upstream)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

N/A

**Scope 3: Other (downstream)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

N/A

## C5.3

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

# C6. Emissions data

## C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**
421.2

**Start date**
January 1 2021

**End date**
December 31 2021

**Comment**
Includes extrapolation to cover non-reporting offices

**Past year 1**

**Gross global Scope 1 emissions (metric tons CO2e)**
364.2

**Start date**
January 1 2020

**End date**
December 31 2020

**Comment**
Includes extrapolation to cover non-reporting offices

**Past year 2**

**Gross global Scope 1 emissions (metric tons CO2e)**
371.6

**Start date**
January 1 2019

**End date**
December 31 2019

**Comment**
Includes extrapolation to cover non-reporting offices.

**Past year 3**

**Gross global Scope 1 emissions (metric tons CO2e)**
932.5

**Start date**
January 1 2018

**End date**
December 31 2018

**Comment**
Includes extrapolation to cover non-reporting offices.

## C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**
We are reporting a Scope 2, location-based figure

**Scope 2, market-based**
We are reporting a Scope 2, market-based figure

**Comment**
Market-based figures based on specific factors associated with each electricity supplier in each reporting country where this information is available to the facility.

## C6.3

**(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**
2547

**Scope 2, market-based (if applicable)**
930.4

**Start date**
January 1 2021

**End date**
December 31 2021

**Comment**
Includes extrapolation to cover non-reporting offices.

**Past year 1**

**Scope 2, location-based**
3073.9

**Scope 2, market-based (if applicable)**
1351.1

**Start date**
January 1 2020

**End date**
December 31 2020

**Comment**
Includes extrapolation to cover non-reporting offices.

**Past year 2**

**Scope 2, location-based**
3902.2

**Scope 2, market-based (if applicable)**
2306.2

**Start date**
January 1 2019

**End date**
December 31 2019

**Comment**
Includes extrapolation to cover non-reporting offices.

**Past year 3**

**Scope 2, location-based**
3884.6

**Scope 2, market-based (if applicable)**
2562.5

**Start date**
January 1 2018

**End date**
December 31 2018

**Comment**
Includes extrapolation to cover non-reporting offices.

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**
No

## C6.5

**(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
179.7

**Emissions calculation methodology**
Hybrid method
Other, please specify

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
We calculated Scope 3 GHG emissions for purchased goods and services associated with office operations. This figure includes emissions associated with water supply, paper and plastic use and hosted servers. We rely on suppliers for certain product criteria used to calculate our consumption.

**Capital goods**

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
1460.5

**Emissions calculation methodology**
Hybrid method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
This figure is for the embodied emissions of purchased IT equipment.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
991.1

**Emissions calculation methodology**
Hybrid method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
This figure is made up of T&D losses from electricity consumption, and upstream (WTT) emissions from Scope 1 and 2 energy consumption. This is based on a market-based methodology.

**Upstream transportation and distribution**

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
22.3

**Emissions calculation methodology**
Hybrid method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
This includes courier delivery of documents and other items to/from office premises as well as delivery of goods purchased by the company.

**Waste generated in operations**

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
17.8

**Emissions calculation methodology**
Hybrid method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
50

**Please explain**
This includes the emissions from waste sent to the following streams: landfill, incineration, recycling and re-use, composting and anaerobic digestion.

**Business travel**

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
3153.5

**Emissions calculation methodology**
Hybrid method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
75

**Please explain**
This includes business travel by leased car, air, rail, taxi and hotel night stays.

**Employee commuting**

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
2097.8

**Emissions calculation methodology**
Hybrid method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
WTT emissions are also included where available.

**Upstream leased assets**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant Scope 3 emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with upstream leased assets based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**Downstream transportation and distribution**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant Scope 3 emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with downstream transportation and distribution based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**Processing of sold products**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant operation Scope 3emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with the processing of sold products based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**Use of sold products**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant operational Scope 3emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with the use of sold products based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**End of life treatment of sold products**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant operational Scope 3emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with the end of life treatment sold products based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**Downstream leased assets**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Rothschild & Co provides its clients with knowledge-based professional services, not physical products. We monitor and report our most significant operational Scope 3emissions and are taking measures to reduce them. As a professional services firm, Rothschild & Co does not have relevant Scope 3 activities associated with downstream eased assets based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**Franchises**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
As a professional services firm, Rothschild & Co does not have relevant operational Scope 3 activities associated with franchises based on the Relevance Criteria in the Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

**Other (upstream)**

**Evaluation status**
Not evaluated

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**

Other (downstream)

Evaluation status
Not evaluated

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

## C6.5a

**(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.**

Past year 1

Start date
January 1 2020

End date
December 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)
182.5

Scope 3: Capital goods (metric tons CO2e)
1131.3

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
852.1

Scope 3: Upstream transportation and distribution (metric tons CO2e)
34

Scope 3: Waste generated in operations (metric tons CO2e)
19.8

Scope 3: Business travel (metric tons CO2e)
5415.9

Scope 3: Employee commuting (metric tons CO2e)
2210.5

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

**Past year 2**

**Start date**
January 1 2019

**End date**
December 31 2019

**Scope 3: Purchased goods and services (metric tons CO2e)**
255.7

**Scope 3: Capital goods (metric tons CO2e)**
594.82

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**
1079.536

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**
47.748

**Scope 3: Waste generated in operations (metric tons CO2e)**
21.961

**Scope 3: Business travel (metric tons CO2e)**
21083.501

**Scope 3: Employee commuting (metric tons CO2e)**

**Scope 3: Upstream leased assets (metric tons CO2e)**

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**

**Scope 3: Processing of sold products (metric tons CO2e)**

**Scope 3: Use of sold products (metric tons CO2e)**

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

**Scope 3: Downstream leased assets (metric tons CO2e)**

**Scope 3: Franchises (metric tons CO2e)**

**Scope 3: Investments (metric tons CO2e)**
<Not Applicable>

**Scope 3: Other (upstream) (metric tons CO2e)**

**Scope 3: Other (downstream) (metric tons CO2e)**

**Comment**

**Past year 3**

**Start date**
January 1 2018

**End date**
December 31 2018

**Scope 3: Purchased goods and services (metric tons CO2e)**
300.62

**Scope 3: Capital goods (metric tons CO2e)**

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**
290.8

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**

**Scope 3: Waste generated in operations (metric tons CO2e)**
290.8

**Scope 3: Business travel (metric tons CO2e)**
20053.3

**Scope 3: Employee commuting (metric tons CO2e)**

**Scope 3: Upstream leased assets (metric tons CO2e)**

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**

**Scope 3: Processing of sold products (metric tons CO2e)**

**Scope 3: Use of sold products (metric tons CO2e)**

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

**Scope 3: Downstream leased assets (metric tons CO2e)**

**Scope 3: Franchises (metric tons CO2e)**

**Scope 3: Investments (metric tons CO2e)**
<Not Applicable>

**Scope 3: Other (upstream) (metric tons CO2e)**

**Scope 3: Other (downstream) (metric tons CO2e)**

**Comment**

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**
4.62e-7

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**
1351.6

**Metric denominator**
unit total revenue

**Metric denominator: Unit total**
2925000000

**Scope 2 figure used**
Market-based

**% change from previous year**
51.51

**Direction of change**
Decreased

**Reason for change**
In Scope 2 , Market-based emissions, the addition or RECs for all of the North American offices led to an emission decreased of c. 180 tCO2eq 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 tCO2e.

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. There was an increase in company owned vehicle use and the inclusion of “Refrigerant gas loss /other fugitive emissions” reporting

The Group's revenue increased significantly by 63% on 2020.

# C7. Emissions breakdowns

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|---|---|---|---|
| Change in renewable energy consumption | 180 | Decreased | 11 | Renewable energy consumption covered 91% of Group energy consumption in 2021, up from 85% in 2020. This was after the addition or RECs for all of the North American offices which led to an emission decreased of c. 180 tCO2eq reduction from 2020 alone. Scope 2 Electricity emissions were 180tCO2e for all reporting North American offices compared to 0 in 2021, indicating a reduction of 180tCO2e. Total Market-based scope 1 and 2 emissions for 2020 were 1715.3 tCO2e. Calculation: 180/1715.3*100= 11% |
| Other emissions reduction activities | 0 | No change | 0 | No other significant emissions reduction activities have taken place. |
| Divestment | 0 | No change | 0 | |
| Acquisitions | 0 | No change | 0 | |
| Mergers | 0 | No change | 0 | |
| Change in output | 0 | No change | 0 | |
| Change in methodology | 0 | No change | 0 | |
| Change in boundary | 0 | No change | 0 | |
| Change in physical operating conditions | 0 | No change | 0 | |
| Unidentified | 0 | No change | 0 | |
| Other | 0 | No change | 0 | |

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

# C8. Energy

## C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

| | Indicate whether your organization undertook this energy-related activity in the reporting year |
|---|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | Yes |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | Yes |
| Generation of electricity, heat, steam, or cooling | No |

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|---|---|---|---|---|
| Consumption of fuel (excluding feedstock) | LHV (lower heating value) | 3392.2 | 1833.64 | 5225.84 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 11838.51 | 1977.78 | 13816.3 |
| Consumption of purchased or acquired heat | <Not Applicable> | 0 | 1465.17 | 1465.17 |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | 0 | 78.96 | 78.97 |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Total energy consumption | <Not Applicable> | 15230.71 | 5355.56 | 20586.27 |

## C8.2g

**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

**Country/area**
United Kingdom of Great Britain and Northern Ireland

**Consumption of electricity (MWh)**
4002.01

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
4002.01

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
United States of America

**Consumption of electricity (MWh)**
625.45

**Consumption of heat, steam, and cooling (MWh)**
585.1

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
1210.55

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Australia

**Consumption of electricity (MWh)**
154.35

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
154.35

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Belgium

**Consumption of electricity (MWh)**
132.33

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
132.33

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Brazil

**Consumption of electricity (MWh)**
55.25

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
55.25

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Guernsey

**Consumption of electricity (MWh)**
190.26

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
190.26

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Hong Kong SAR, China

**Consumption of electricity (MWh)**
73.76

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
73.76

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Monaco

**Consumption of electricity (MWh)**
111.18

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
111.18

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
France

**Consumption of electricity (MWh)**
5937.99

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
5937.99

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Germany

**Consumption of electricity (MWh)**
291.8

**Consumption of heat, steam, and cooling (MWh)**
731.7

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
1023.5

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
India

**Consumption of electricity (MWh)**
157.02

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
157.02

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Italy

**Consumption of electricity (MWh)**
140.7

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
140.7

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Luxembourg

**Consumption of electricity (MWh)**
31.22

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
31.22

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Poland

**Consumption of electricity (MWh)**
165.12

**Consumption of heat, steam, and cooling (MWh)**
69.6

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
234.72

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Singapore

**Consumption of electricity (MWh)**
41.91

**Consumption of heat, steam, and cooling (MWh)**
32.7

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
74.61

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

---

**Country/area**
Spain

**Consumption of electricity (MWh)**
161.54

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
161.54

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

**Country/area**
Switzerland

**Consumption of electricity (MWh)**
689.44

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
689.44

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

**Country/area**
United Arab Emirates

**Consumption of electricity (MWh)**
57.87

**Consumption of heat, steam, and cooling (MWh)**
42

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
99.87

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

**Country/area**
South Africa

**Consumption of electricity (MWh)**
54.81

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
54.81

**Is this consumption excluded from your RE100 commitment?**
<Not Applicable>

## C9. Additional metrics

### C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**
Waste

**Metric value**
0.3

**Metric numerator**
tonnes

**Metric denominator (intensity metric only)**
FTE

**% change from previous year**
70

**Direction of change**
Decreased

**Please explain**
Reduced office occupancy levels across the Group

---

**Description**
Other, please specify (Water)

**Metric value**
10.64

**Metric numerator**
Cubic Metre (m3)

**Metric denominator (intensity metric only)**
FTE

**% change from previous year**
17.3

**Direction of change**
Decreased

**Please explain**
Reduced office occupancy levels across the Group

---

**Description**
Energy usage

**Metric value**
5.29

**Metric numerator**
Megawatt Hour (MWh)

**Metric denominator (intensity metric only)**
FTE

**% change from previous year**
14.4

**Direction of change**
Decreased

**Please explain**
Biogas and electricity consumption decreases in offices due to reduced office occupancy levels across the Group, as a consequence of Covid-19-related restrictions.

---

## C10. Verification

## C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| | Verification/assurance status |
|---|---|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | Third-party verification or assurance process in place |

## C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
en_2021_annual_report.pdf

**Page/ section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151 - 153 of the Group Annual Report.

**Relevant standard**
Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Proportion of reported emissions verified (%)**
33

---

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

**Scope 2 approach**
Scope 2 location-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
en_2021_annual_report.pdf

**Page/ section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151-153 of the Group Annual Report.

**Relevant standard**
Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Proportion of reported emissions verified (%)**
33

---

**Scope 2 approach**
Scope 2 market-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
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**Page/ section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151-153 of the Group Annual Report.

**Relevant standard**
Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Proportion of reported emissions verified (%)**
33

---

## C10.1c

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope 3 category**

Scope 3: Purchased goods and services

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
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**Page/section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151-153 of the Group Annual Report.

**Relevant standard**
Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Proportion of reported emissions verified (%)**
33

---

**Scope 3 category**
Scope 3: Capital goods

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
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**Page/section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151-153 of the Group Annual Report.

**Relevant standard**
Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Proportion of reported emissions verified (%)**
33

---

**Scope 3 category**
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
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**Page/section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151-153 of the Group Annual Report.

**Relevant standard**
Please select

**Proportion of reported emissions verified (%)**
33

---

**Scope 3 category**
Scope 3: Upstream transportation and distribution

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
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**Page/section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151-153 of the Group Annual Report.

**Relevant standard**
Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Proportion of reported emissions verified (%)**
33

---

**Scope 3 category**
Scope 3: Waste generated in operations

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
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**Page/section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151-153 of the Group Annual Report.

**Relevant standard**
Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Proportion of reported emissions verified (%)**
33

---

**Scope 3 category**
Scope 3: Business travel

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
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**Page/section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151-153 of the Group Annual Report.

**Relevant standard**
Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Proportion of reported emissions verified (%)**
33

---

**Scope 3 category**
Scope 3: Employee commuting

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
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**Page/section reference**
The report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement can be found on page 151-153 of the Group Annual Report.

**Relevant standard**
Compagnie Nationale des Commissaires aux Comptes (CNCC)

**Proportion of reported emissions verified (%)**
33

---

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

## C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

| Disclosure module verification relates to | Data verified | Verification standard | Please explain |
|---|---|---|---|
| C8. Energy | Renewable energy products | The verification standard used by Rothschild &Co's independent auditors KPMG France is Compagnie Nationale des Commissaires aux Comptes (CNCC). | Rothschild & Co believe that verification, which is completed annually, is important to ensure that information provided to stakeholders is accurate, transparent and meets all legal requirements. For example, by providing verified renewable energy consumption data, as in question group C.8, we are helping to ensure an increased level of confidence to all stakeholders about the progress towards the group's renewable electricity target. More information about the groups' renewable energy consumption can be found on page 98 of Rothschild & Co's Annual Report 2020. The verification standard used by Rothschild & Co's independent auditors KPMG France, is Compagnie Nationale des Commissaires aux Comptes (CNCC), this can be found on page 152 of the Rothschild & Co Annual Report. Following this standard, the auditors concluded that, based on the procedures performed, nothing came to their attention that would cause them to believe that the non-financial statement 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.<br>en_2021_annual_report.pdf |
| C7. Emissions breakdown | Year on year change in emissions (Scope 1 and 2) | The verification standard used by Rothschild &Co's independent auditors KPMG France is Compagnie Nationale des Commissaires aux Comptes (CNCC). | Rothschild & Co believe that verification, which is completed annually, is important to ensure that information provided to stakeholders is accurate, transparent and meets all legal requirements. For example, by providing verified Scope 1 and 2 emissions from two consecutive years', as in question group C.7, we are able to provide an accurate report and increased level of confidence to all stakeholders about the direction of our operational GHG emissions and ultimately information on progress towards the group's GHG reduction targets. More information about the groups' scope 1 and 2 emissions can be found on page 119 of Rothschild & Co's Annual Report 2020. The verification standard used by Rothschild & Co's independent auditors KPMG France, is Compagnie Nationale des Commissaires aux Comptes (CNCC), this can be found on page 152 of the Rothschild & Co Annual Report. Following this standard, the auditors concluded that based on the procedures performed, nothing came to their attention that would cause them to believe that the non-financial statement 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.<br>en_2021_annual_report.pdf |
| C4. Targets and performance | Progress against emissions reduction target | The verification standard used by Rothschild &Co's independent auditors KPMG France is Compagnie Nationale des Commissaires aux Comptes (CNCC). | Rothschild & Co believe that verification, which is completed annually, is important to ensure that information provided to stakeholders is accurate, transparent and meets all legal requirements. For example, by providing verified information that shows the group's progress towards meeting its GHG intensity targets, as in questions in section C.4, we are helping to ensure an increased level of confidence to all stakeholders about our progress. More information about the groups' GHG targets can be found on pages 98 and 100 of Rothschild & Co's Annual Report 2020. The verification standard used by Rothschild & Co's independent auditors KPMG France, is Compagnie Nationale des Commissaires aux Comptes (CNCC), this can be found on page 152 of the Rothschild & Co Annual Report. Following this standard, the auditors concluded that based on the procedures performed, nothing came to their attention that would cause them to believe that the non-financial statement is not resented 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.<br>en_2021_annual_report.pdf |
| C6. Emissions data | Year on year change in emissions (Scope 3) | The verification standard used by Rothschild &Co's independent auditors KPMG France is Compagnie Nationale des Commissaires aux Comptes (CNCC). | Rothschild & Co believe that verification, which is completed annually, is important to ensure that information provided to stakeholders is accurate, transparent and meets all necessary legal requirements. For example, by providing verified information that shows the group's completeness in measuring GHG emissions data, as in question C.6.5, we show that the group are capturing virtually all operational scope 3 emissions, which helps ensure an increased level of confidence to all stakeholders about the depth of measurement performed. More information about the groups' GHG targets can be found on pages 98 and 100 of Rothschild & Co's Annual Report 2020. The verification standard used by Rothschild & Co's ndependent auditors KPMG France, is Compagnie Nationale des Commissaires aux Comptes (CNCC), this can be found on page 152 of the Rothschild & Co Annual Report. Following this standard, the auditors concluded that based on the procedures performed, nothing came to their attention that would cause them to believe that the non-financial statement 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.<br>en_2021_annual_report.pdf |

# C11. Carbon pricing

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

## C11.2a

**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

**Credit origination or credit purchase**

Credit purchase

**Project type**

Forests

**Project identification**

Boden Creek Ecological Preserve Forest Carbon Project

The core objective of this project is to commercialize the forest carbon offsets at the Boden Creek Ecological Preserve near Punta Gorda, Belize, Central America. This property has been the site of a groundbreaking effort to use ecotourism as a funding source for land preservation.

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**
8675

**Number of credits (metric tonnes CO2e): Risk adjusted volume**
8675

**Credits cancelled**
No

**Purpose, e.g. compliance**
Voluntary Offsetting

---

**Credit origination or credit purchase**
Credit purchase

**Project type**
Forests

**Project identification**
'Guanaré' Forest Plantations on degraded grasslands under extensive grazing
The project will comprise a total of 21,298 ha of land previously under extensive grazing by beef cattle, on which forest plantations for obtaining high-value, long-lived timber products and for sequestering large amounts of carbon dioxide from the atmosphere will be established. Plantation will be completed by year 5 of project and forests will be replanted after clear-cut harvest. Practices will be compatible with FSC standard for sustainable forest management, but only a portion of the project area (900ha) is actually FSC certified.

**Verified to which standard**
VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**
500

**Number of credits (metric tonnes CO2e): Risk adjusted volume**
500

**Credits cancelled**
No

**Purpose, e.g. compliance**
Voluntary Offsetting

---

**Credit origination or credit purchase**
Credit purchase

**Project type**
Other, please specify (Biochar)

**Project identification**
Carbon Future C-Sink Biochar

**Verified to which standard**
Other, please specify (EBC (European Biochar Certificate))

**Number of credits (metric tonnes CO2e)**
100

**Number of credits (metric tonnes CO2e): Risk adjusted volume**
100

**Credits cancelled**
No

**Purpose, e.g. compliance**
Voluntary Offsetting

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**Credit origination or credit purchase**
Credit purchase

**Project type**
Other, please specify (Waste treatment)

**Project identification**
Vietstar Sustainable Waste Treatment
This innovative project aims to address the environmental impact of municipal landfills by pre-sorting and classifying solid waste, recycling plastic and then treating remaining organic matter with advanced composting technology. To drive circularity the final product of organic compost is then sold as high-quality bio-fertilizer.
By preventing methane emissions from being freely released, the project is helping to combat climate change.

**Verified to which standard**
Gold Standard

**Number of credits (metric tonnes CO2e)**
218

**Number of credits (metric tonnes CO2e): Risk adjusted volume**
218

**Credits cancelled**
No

**Purpose, e.g. compliance**

Voluntary Offsetting

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

Yes

## C11.3a

**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

**Objective for implementing an internal carbon price**

Stakeholder expectations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

**GHG Scope**

Scope 1
Scope 2
Scope 3

**Application**

The ICP is set per tCO2e. The price is applied to Scope 1, 2 and 3 emissions resulting from business operations. It does not include scope 3 emissions from investment.

**Actual price(s) used (Currency /metric ton)**

50

**Variance of price(s) used**

Uniform pricing that is applied to all business units and entities in all geography.

**Type of internal carbon price**

Internal fee

**Impact & implication**

In 2019 we introduced an Internal Carbon Price (ICP). The ICP places a monetary value on greenhouse gas emissions and aims to influence behaviour to limit them.

The carbon price per tonne of CO2e was established through a benchmarking process that gathered information on peers and emissions trading schemes. Once established it was agreed by the Group Executive Committee. The charge is made to the various business divisions and geographical locations in the form of an emissions-based group environmental management budget allocation. it is applied to our annual operational scope 1, 2 and 3 tCO2e emissions.

The ICP generates funds for the group's environmental management budget, which in turn can be used to develop further carbon-reduction opportunities and sustainability projects in line with our selected SDGs and environment strategy. The ICP has, been used for infrastructure investment projects such as LED lighting replacement for the London office. It is anticipated that this project will reduce energy consumption from lighting by c.60% when fully operational in 2021. Similar actions will be implemented over the next four years to ensure we meet or exceed our energy reduction target of 25% per FTE by 2025. In addition to funding improvements that reduce operational emissions and running costs, the ICP will be used to compensate for unavoidable emissions.

We believe this method of internal carbon pricing helps us to responsibly address emissions from business operations including travel.

# C12. Engagement

## C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers
Yes, our customers/clients
Yes, our investees
Yes, other partners in the value chain

## C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**
Other, please specify (Compliance & onboarding)

**Details of engagement**
Other, please specify (For any new contract negotiated from July 2021, Rothschild & Co expects suppliers to conduct operations in a manner that is mindful of and proactively addresses their environmental impact )

**% of suppliers by number**
100

**% total procurement spend (direct and indirect)**
100

**% of supplier-related Scope 3 emissions as reported in C6.5**
100

**Rationale for the coverage of your engagement**
Rothschild & Co encourages a culture of responsible business and proactively takes responsibility for the impact we have as a business on our people, our industry, our communities, and our planet. The group is a signatory to the UN Global Compact and has committed to implementing its principles on human rights, labour, environment, and corruption as part of its Corporate Responsibility strategy. The group is aiming to create a diverse pool of 3rd party suppliers based on a relationship of respect, trust, and transparency. Rothschild & Co expects its suppliers and subcontractors to implement measures that demonstrate the highest standards of business conduct and integrity as expressed in this Supplier Code of Conduct, not only in regards to their dealings with Rothschild & Co entities and employees, but also the supplier's relations with its own employees and subcontractors or any other related third parties of supplier entities and organisations. For any new contract negotiated from July 2021, Rothschild & Co expects suppliers to conduct operations in a manner that is mindful of and proactively addresses their environmental impact (including GHG emissions, responsible use of resources such as water, energy, materials, and waste management). The UK procurement policy has subjected environmental management practices of suppliers as a criteria to be considered as part of the selection processes since 2019.

**Impact of engagement, including measures of success**
The group's Supplier Code of Conduct is applicable to any new contracts (including contract renewals) signed with third parties who supply goods or services to the group. The document clarifies for our suppliers our expectation for respect of fundamental ethical, social and environmental principles in doing business with Rothschild & Co. It also extends to the supplier's relations with its own employees and subcontractors or any other related third parties of supplier entities and organizations forming part of the engagement. For any new contracts (including contract renewals with existing supply chain partners), we aim to ensure that: - During any RFP process, the Supplier Code of Conduct is made available to all parties and it is communicated that its acceptance is a key term of engagement - The Supplier Code of Conduct is appended to the (re-)negotiated contract, or that these principles are otherwise formally recognized by the contracting third party Suppliers have a duty to operate in accordance with the principles that are expressed in this Supplier Code of Conduct and in a manner, which is consistent with prudent business practices and highest standards of business conduct. Suppliers have the duty to inform their local Rothschild & Co contact if they become aware of any potential concern or violation with regards to the above outlined obligations. Any violation of this Supplier Code of Conduct will be considered a material breach of the applicable agreement or contract. The group reserves the right to decline or exit relationships with suppliers where this Supplier Code of Conduct is breached, or concerns exist.

**Comment**
Our Supplier Code of conduct can be found on the Rothschild & Co Group website

## C-FS12.1b

**(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.**

**Type of clients**
Clients of Asset Managers (Asset owners)

**Type of engagement**
Engagement & incentivization (changing client behavior)

**Details of engagement**
Run an engagement campaign to educate clients about the climate change impacts of (using) your products, goods, and/or services
Run an engagement campaign to educate clients about climate change
Provide asset owner clients with information and analytics on net zero investing and climate risk and opportunity

**% client-related Scope 3 emissions as reported in C-FS14.1a**
0

**Portfolio coverage (total or outstanding)**
100

**Rationale for the coverage of your engagement**
Other, please specify (all clients are targeted by educational campaign)

**Impact of engagement, including measures of success**
AM Europe deployed a comprehensive communication around climate change challenges in 2021. Regular LinkedIn posts were published (see Rothschild & Co - Asset Management Europe LinkedIn page), informing clients about key figures related to the impact of a global warming or the transition to a low carbon economy. To go further, AM Europe's ESG team organized several online roundtable to engage with clients on key ESG-related topics (including climate change). For instance, in June 2022, AM Europe's Head of ESG explained the concept of "Net-Zero" during a short video available on H24Finance. AM Europe, also directly engage with clients in its reporting practices. All funds' annual report include information on financed emissions and the 4Change funds ones provide additional elements on carbon intensity. In 2021, the funds of funds team has made significant efforts to reinforce its ESG communication towards its clients. Detailed ESG reports have been produced, providing more information on ESG performances related to the labels or the SFDR categorization of the funds.

## C-FS12.1c

**(C-FS12.1c) Give details of your climate-related engagement strategy with your investees.**

**Type of engagement**
Information collection (Understanding investee behavior)

**Details of engagement**
Collect climate-related and carbon emissions information from new investee companies as part of initial due diligence
Collect climate-related and carbon emissions information at least annually from long-term investees

**% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**
0

**Investing (Asset managers) portfolio coverage**
100

**Investing (Asset owners) portfolio coverage**

**Rationale for the coverage of your engagement**
Engagement targeted at investees with the highest potential impact on the climate

**Impact of engagement, including measures of success**
Examples from AM Europe, MB and WM UK:
R&Co AM Europe's sustainability approach which was initiated 10years ago. It is consistent with our management DNA of creating medium-term value for clients by anticipating structural market changes. 3 strong choices guide our investment decisions: Integrating sustainability issues into financial analysis, Supporting all economic players through the climate transition, Participating in the development of a more inclusive economy. To support and monitor their "ESG trajectories," we use our right of scrutiny to strengthen our analysis, assess their capacity to transform, mitigate the risk of controversy, or take concrete action in relation to our ESG investment themes. We ensure that areas of improvement are put in place and lead to tangible results. Unsuccessful/inconclusive interactions have a direct impact on the management of our positions in the portfolios. We carry out in-depth ESG due diligence to enrich our buy list and inform our fund selection. In 2021 our dialogue with issuers took the form of a data collection campaign consisting of ESG questionnaires to: Clarify certain elements of public information; Obtain additional information, specifically on niche issues that are not subject to disclosure obligations; Convey our expectations. The ESG questionnaires are in line with the sustainable investment themes defined at the level of R&Co AM Europe (act for climate/preserving the planet, contributing to an inclusive economy, facilitating financial flows towards sustainable investments), and with the sustainable investment objectives respectively pursued by the funds in our 4Change range. Our teams sent 378 questionnaires to 306 issuers. The responses helped identify areas for engagement/improvement and will be used to continue work in 2022.
Over the past year, our teams communicated with a total of 94 issuers(1) on 153 different occasions. Of 220 questions asked on various ESG-related issues, 124 were about collecting information or received satisfactory answers, 96 led to the formulation of areas of improvement. MB also send questionnaires to stakeholders. Of 99 portfolio companies and General Partners, 79% completed an questionnaire in 2021 . WM UK introduced an expectation that for all direct equity investments, they expect companies to: Report emissions/climate risks, have a clear and credible plan to get to net zero, Monitor progress and set milestones. They will engage with companies that do not do this.

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**Type of engagement**
Information collection (Understanding investee behavior)

**Details of engagement**
Collect climate-related and carbon emissions information from new investee companies as part of initial due diligence
Collect climate-related and carbon emissions information at least annually from long-term investees

**% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**
0

**Investing (Asset managers) portfolio coverage**

**Investing (Asset owners) portfolio coverage**

**Rationale for the coverage of your engagement**
Non-targeted engagement

**Impact of engagement, including measures of success**
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.

Furthermore, investment teams monitor the performance of investee companies regarding environmental criteria (environmental scores, carbon intensity, transition profile). 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).

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**Type of engagement**
Innovation & collaboration (changing markets)

**Details of engagement**
Carry out collaborative engagements with other investors or institutions

**% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**
0

**Investing (Asset managers) portfolio coverage**
100

**Investing (Asset owners) portfolio coverage**

**Rationale for the coverage of your engagement**
Non-targeted engagement

**Impact of engagement, including measures of success**
All relevant group entities are signatories of the Principles for Responsible Investment. As a consequence, entities have developed Responsible Investment policies defining how ESG (including climate change) could be included in the investment processes.

Rothschild & Co Asset Management has chosen to join a selected number of market initiatives directly related to our investment themes to be fully involved in developing and disseminating best practice. AM Europe is part of the AFG (the French Association of Financial Management which organises a plenary session dedicated to sustainable investment and a a working group on fossil fuels), Climate 100+ (initiative that aims to change the practices of the world's major greenhouse gas emitters), the Investors for a Just Transition Coalition (initiative to engage in dialogue with issuers in selected sectors to promote a socially acceptable transition to low-carbon economies). In 2022, AM Europe also joined the Net Zero Asset Managers Initiative and is currently working on alignment objectives.

Rothschild Martin Maurel is member of France Invest and its "Responsible Finance Commission". The entity is also member of the "Cercle Robecco pour une banque privée responsable" which gathers French private banking stakeholders to work on sustainability-related topics.

Merchant Banking became member of the Global Impact Investing Network to promote impact finance in the private equity activity and is also member of the Initiative Climate International which aims at integrating climate change in the private equity business. In 2021, Merchant Banking created a new partnership with the Solar Impulse Foundation to create the impact fund "Five Arrow Sustainable Impact Investment", dedicated to the low carbon transition.

Our Wealth Management activity in the UK is member of The Investor Forum and is signatory of the UK Stewardship Code. In 2022, the entity also joined the investor initiative Climate 100+.

WM Switzerland, on the other hand, is involved in the platform "Swiss Sustainable Finance", a collective initiative promoting sustainable finance in Switzerland.

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**Type of engagement**
Engagement & incentivization (changing investee behavior)

**Details of engagement**
Exercise active ownership
Support climate-related issues in proxy voting

**% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**
0

**Investing (Asset managers) portfolio coverage**
100

**Investing (Asset owners) portfolio coverage**

**Rationale for the coverage of your engagement**
Non-targeted engagement

**Impact of engagement, including measures of success**
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, and AM Europe achieved almost a 100% coverage ratio thanks to the use of proxy voting advisors and the work of analysts.

AM Europe, AM US and Rothschild Bank AG entrusted the analysis and recommendations of the resolutions to the specialist company Institutional Shareholder Services (ISS). AM Europe and Rothschild Bank AG have chosen to adopt their SRI voting policy. WM UK doesn't use a proxy voting policy.

Our voting rights are a strong lever for engaging with investee.
For instance, during the financial year 2021, Rothschild & Co Asset Management Europe cast a total of 848 votes in opposition against a total of 7,866 resolutions, representing an opposition rate of 11%. They voted against at least one resolution in 52% of the GMs we attended. A specific example is the vote on TotalEnergies "Say on Climate" in 2022. Since 2020, TotalEnergies has been one of the companies we support in its transition strategy. The group demonstrated its availability and responsiveness by mobilising both its financial and operational teams, depending on the topics discussed. We are committed to this long-term dialogue and had six exchanges with TotalEnergies in 2021. In the run-up to TotalEnergies' 2021 Annual General Meeting, we had several discussions with the Legal and Communications departments about Resolution 14, the so-called "Say on Climate" resolution, through which shareholders are asked to vote on the company's ambition in terms of sustainable development and energy transition towards carbon neutrality, as well as its objectives in this field up to 2030. Based on the answers to our questions, We were among the 9% of shareholders who chose to vote against the "Say on Climate" resolution supported by the company's management.L149

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## C12.1d

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**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

In addition to the direct engagement policies explained in question C-FS12.c, Rothschild & Co is committed to be involved in collective initiatives which allow us to engage with our peers and the other partners of our value chain.

All relevant group entities are signatories of the Principles for Responsible Investment. As a consequence, entities have developed Responsible Investment policies defining how ESG (including climate change) could be included in the investment processes.

Rothschild & Co AM Europe is involved in different collective initiatives such as Climate 100+ and trade associations (member of the fossil fuel working group of the "French Asset Management Association"). Since 2021, AM Europe is also member of Finance for Tomorrow which aims at promoting sustainable finance in Paris's marketplace. Our team is involved in various working groups (impact definition, reporting, engagement, preparation of the COP21,...) and was one of the founding members of the first "Investor Coalition for a Just Transition". We are leading members for the sub-group dedicated to food & agriculture and member of the energy working group. In 2021, AM Europe joined the "Net Zero Asset Managers Initiative" and is currently working on the engagement for portfolio alignments that the entity needs to take in this framework. All these initiatives give us the opportunity to collectively engage with stakeholders of our value chain and discuss with our peers to share experiences and good practices.

Rothschild Martin Maurel is member of France Invest and its "Responsible Finance Commission". The entity is also member of the "Cercle Robecco pour une banque privée responsable" which gathers French private banking stakeholders to work on sustainability-related topics. Like all other Group entities, RMM is a signatory on Principles for Responsible Investment. Finally, Rothschild Martin Maurel won the Silver Trophy for the Positive Finance Prize awarded by "Leaders League et Décideurs Magazine" in 2022 at the Heritage & Performance Summit.

Merchant Banking is member of the Initiative Climate International which aims at integrating climate change in the private equity business. In 2021, Merchant Banking created a new partnership with the Solar Impulse Foundation to create the impact fund "Five Arrow Sustainable Impact Investment", dedicated to the low carbon transition.

Our Wealth Management activity in the UK is member of The Investor Forum and is signatory of the UK Stewardship Code. In 2022, the entity also joined the investor initiative Climate 100+.

WM Switzerland, on the other hand, is involved in the platform "Swiss Sustainable Finance", a collective initiative promoting sustainable finance in Switzerland. WM Switzerland, on the other hand, is involved in the platform "Swiss Sustainable Finance", a collective initiative promoting sustainable finance in Switzerland. Furthermore, in our proxy-voting activities we will vote for climate resolutions asking for more transparency / reporting and action in addressing climate issues.

## C-FS12.2

**(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?**

| | Exercise voting rights as a shareholder on climate-related issues | Primary reason for not exercising voting rights as a shareholder on climate-related issues | Explain why you do not exercise voting rights on climate-related issues |
|---|---|---|---|
| Row 1 | Yes | <Not Applicable> | <Not Applicable> |

## C-FS12.2a

**(C-FS12.2a) Provide details of your shareholder voting record on climate-related issues.**

**Method used to exercise your voting rights as a shareholder**
Exercise voting rights through an external service provider

**How do you ensure your shareholder voting rights are exercised in line with your overall climate strategy?**
Other, please specify (review of external provider decision and final decision taken by the entity)

**Percentage of voting disclosed across portfolio**
<Not Applicable>

**Climate-related issues supported in shareholder resolutions**
<Not Applicable>

**Do you publicly disclose the rationale behind your voting on climate-related issues?**
<Not Applicable>

## C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**
Yes, we engage indirectly through trade associations

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**
No, and we do not plan to have one in the next two years

**Attach commitment or position statement(s)**
<Not Applicable>

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**
<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**
<Not Applicable>

## C12.3b

**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**
Other, please specify (Climate Action 100+ Initiative)

**Is your organization's position on climate change consistent with theirs?**
Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**
We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**
Because 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. For example, Asset Management Europe and Wealth Management UK take part in the Climate Action 100+ Initiative, an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**
<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**
Yes, we have evaluated, and it is aligned

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**Trade association**
Other, please specify (Net Zero Asset Management Initiative and Finance for Tomorrow Initiative)

**Is your organization's position on climate change consistent with theirs?**
Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**
We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**
Asset Management Europe take part in the Net Zero Asset Management Initiative and in the Finance for Tomorrow initiative, which brings together all private, public and institutional players in the Paris financial centre who wish to commit themselves to a finance that focuses on a sustainable future.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**
<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**
Yes, we have evaluated, and it is aligned

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## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**
In mainstream reports, incorporating the TCFD recommendations

**Status**
Complete

**Attach the document**
en_2021_annual_report.pdf

**Page/Section reference**
Section 5 of the Group Annual Report, from pages 97 to 154.

**Content elements**
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

**Comment**

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**Publication**
In voluntary sustainability report

**Status**
Complete

**Attach the document**
en_randco_sustainability_report_2021.pdf

**Page/Section reference**
Sections 2 and 3 of the Sustainability Report

**Content elements**
Other, please specify (ESG integration across the business model Environmental impact)

**Comment**

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## C-FS12.5

**(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.**

| | Environmental collaborative framework, initiative and/or commitment | Describe your organization's role within each framework, initiative and/or commitment |
|---|---|---|
| Row 1 | Climate Action 100+<br>Principle for Responsible Investment (PRI)<br>UN Global Compact<br>Other, please specify (Financial Reporting Council (FRC), United Kingdom Stewardship Code, Finance for Tomorrow. ) | 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<br>that advance the United Nations Sustainable Development Goals (SDGs).<br>The Wealth & Asset Management businesses and Merchant Banking are signatories of the PRI as well as the Group.<br>The Wealth & Asset Management and Merchant Banking businesses support PRI and Climate Action 100+.<br>Rothschild & Co Wealth Management UK is a signatory of the UK Stewardship Code. Rothschild & Co Asset Management Europe is member of Finance for Tomorrow. A French initiative to promote sustainable finance . |

## C14. Portfolio Impact

## C-FS14.0

**(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.**

**Lending to all carbon-related assets**

**Are you able to report a value for the carbon-related assets?**
No, but we plan to assess our portfolio’s exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**
<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**
<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**
Lack of internal resources

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**
As the availability of data and the scope of reporting are still limited for some asset classes, this reporting challenge is still being addressed and we anticipate sharing more detailed information in relevant upcoming entity-level disclosures and reporting.

**Lending to coal**

**Are you able to report a value for the carbon-related assets?**
No, but we plan to assess our portfolio’s exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**
<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**
<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**
Lack of internal resources

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**
As the availability of data and the scope of reporting are still limited for some asset classes, this reporting challenge is still being addressed and we anticipate sharing more detailed information in relevant upcoming entity-level disclosures and reporting.

**Lending to oil and gas**

**Are you able to report a value for the carbon-related assets?**
No, but we plan to assess our portfolio’s exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**
<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**
<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**
Lack of internal resources

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**
As the availability of data and the scope of reporting are still limited for some asset classes, this reporting challenge is still being addressed and we anticipate sharing more detailed information in relevant upcoming entity-level disclosures and reporting.

**Investing in all carbon-related assets (Asset manager)**

**Are you able to report a value for the carbon-related assets?**
No, but we plan to assess our portfolio's exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**
<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**
<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**
Lack of internal resources

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**
As the availability of data and the scope of reporting are still limited for some asset classes, this reporting challenge is still being addressed and we anticipate sharing more detailed information in relevant upcoming entity-level disclosures and reporting.

**Investing in coal (Asset manager)**

**Are you able to report a value for the carbon-related assets?**
No, but we plan to assess our portfolio's exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**
<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**
<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**
Lack of internal resources

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**
As the availability of data and the scope of reporting are still limited for some asset classes, this reporting challenge is still being addressed and we anticipate sharing more detailed information in relevant upcoming entity-level disclosures and reporting.

**Investing in oil and gas (Asset manager)**

**Are you able to report a value for the carbon-related assets?**
No, but we plan to assess our portfolio's exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**
<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**
<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**
Lack of internal resources

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**
As the availability of data and the scope of reporting are still limited for some asset classes, this reporting challenge is still being addressed and we anticipate sharing more detailed information in relevant upcoming entity-level disclosures and reporting.

**Investing all carbon-related assets (Asset owner)**

**Are you able to report a value for the carbon-related assets?**
No, but we plan to assess our portfolio's exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**
<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**
<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**
Lack of internal resources

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**
As the availability of data and the scope of reporting are still limited for some asset classes, this reporting challenge is still being addressed and we anticipate sharing more detailed information in relevant upcoming entity-level disclosures and reporting.

**Investing in coal (Asset owner)**

**Are you able to report a value for the carbon-related assets?**
No, but we plan to assess our portfolio's exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**
<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**
<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**
Lack of internal resources

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**
As the availability of data and the scope of reporting are still limited for some asset classes, this reporting challenge is still being addressed and we anticipate sharing more detailed information in relevant upcoming entity-level disclosures and reporting.

**Investing in oil and gas (Asset owner)**

**Are you able to report a value for the carbon-related assets?**
No, but we plan to assess our portfolio's exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**
<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**
<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**
<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**
Lack of internal resources

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**
As the availability of data and the scope of reporting are still limited for some asset classes, this reporting challenge is still being addressed and we anticipate sharing more detailed information in relevant upcoming entity-level disclosures and reporting.

## C-FS14.1

### (C-FS14.1) Does your organization measure its portfolio impact on the climate?

| | We conduct analysis on our portfolio's impact on the climate | Disclosure metric | Please explain why you do not measure the impact of your portfolio on the climate |
|---|---|---|---|
| Banking (Bank) | No, but we plan to do so in the next two years | <Not Applicable> | We don't currently measure the impact of our loan portfolio on the climate but we are reviewing ESG measurement tools with a view to implementing evaluation methods going forward. |
| Investing (Asset manager) | Yes | Other carbon footprinting and/or exposure metrics (as defined by TCFD) | <Not Applicable> |
| Investing (Asset owner) | No, but we plan to do so in the next two years | <Not Applicable> | As per the Asset Managers response, first consolidated results have been aggregated at Group level on a selected list of climate related PAIs for our investment business lines. The scope of reporting still limited for some asset classes, we anticipate being able to share more detailed information in the next years. Some entities have started to implement analyses to better understand the impact of their portfolios on climate.<br>Specifically, Rothschild & Co Asset Management Europe teams are calculating/analyzing the carbon intensity (scope 1 and 2) of the majority of their direct investment portfolios as well as the "transition" profile of a growing number of portfolios. For example, the fund "R-Co Valor C EUR", one of the biggest fund for our AM entity, publicly disclose a carbon intensity (scope 1+2) of 132 tons of CO2e per MEUR sales, much lower compared to its investment universe. For this fund and some others, additional information are disclosed on the share of issuers with carbon emission reduction targets and the low carbon transition management score. On some specific products, Rothschild & Co AM Europe are also checking the weight of the portfolios invested in companies which GHG emission reduction targets are aligned with a 2 or 1.5 degree trajectory and are SBTi compliant. AM Europe also works with Carbone 4 on the climate trajectory of its Net Zero funds. Carbone 4 scores are considered to evaluate if the issuer is in line with the Paris Agreement. MB has partnered with an external advisor to collect information on its participations. MB is currently working on the definition of an ambitious Climate Strategy with the help of external experts. This strategy aims to further assess climate-related risks and opportunities and determine how to manage them across investment activities. The Climate Strategy covers main sources of GHG emissions (scopes 1, 2 and 3), including those of our portfolio, and will determine the main leverages/means available to reduce our carbon footprint. We aim to integrate scope 3 data in analysis when available/reliable. We recently performed a review of Implied Temperature Metrics and the Climate-Value at Risk to understand the operational implications of using this kind of indicator. Our objective is to understand the current impact of issuers in our portfolio and integrate their planned carbon pathway and climate targets. |
| Insurance underwriting (Insurance company) | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## C-FS14.1b

**(C-FS14.1b) Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.**

**Portfolio**
Investing (asset manager)

**Portfolio metric**
Carbon intensity (tCO2e/Million revenue)

**Metric value in the reporting year**
132

**Portfolio coverage**
87

**Percentage calculated using data obtained from clients/investees**
100

**Calculation methodology**
Above figures are an illustration of the reporting for the fund R-Co Valor as of March 2022. Similar reporting can be find for other funds and our asset management activity is working on the consolidation of this emission data at management company level.

The portfolio's Carbon Intensity is defined as the sum weighted by their portfolio weights of the carbon intensities of the underlying assets present in the portfolio's Carbon Allocation = "Tonnes of CO2emissions / Millions of euros of revenue For a given company".
The carbon intensity used is defined as the annual amount (year N) of CO2 emissions (scopes 1 and 2) divided by the company's annual revenue (year N). The carbon intensity calculation of the Carbon Allocation is rebased on 100 to take into account the coverage rate available on the carbon intensity indicator. The data required for these calculations may come from external data providers (MSCI ESG Research ©). Scope 1: direct emissions from fixed or mobile facilities located within the organizational scope; Scope 2: indirect emissions related to energy consumption such as greenhouse gas e

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**Portfolio**
Investing (asset manager)

**Portfolio metric**
Other, please specify (Share of Issuer having Carbon Emissions Reduction Targets)

**Metric value in the reporting year**
58

**Portfolio coverage**
87

**Percentage calculated using data obtained from clients/investees**
100

**Calculation methodology**
Above figure are an illustration of the reporting for the fund R-Co Valor as of March 2022. Similar reporting can be find for other funds and our asset management activity is working on the consolidation of this emission data at management company level.

If a company has a carbon emissions reduction target, this indicator assesses the commitment of this target. Higher scores are attributed to companies actively seeking to reduce their emissions from an already relatively low level. Apart from companies with no targets, the lowest scores are for companies with high levels of emissions and seeking only minor reductions. For small companies, where carbon reduction targets are relatively rare, a moderately high score is given for all types of carbon emission reduction targets.

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**Portfolio**
Investing (asset manager)

**Portfolio metric**
Other, please specify (Low carbon transition management score)

**Metric value in the reporting year**
5.8

**Portfolio coverage**
87

**Percentage calculated using data obtained from clients/investees**
100

**Calculation methodology**
Above figure are an illustration of the reporting for the fund R-Co Valor as of March 2022. Similar reporting can be find for other funds and our asset management activity is working on the consolidation of this emission data at management company level.

This indicator classifies companies according to their exposure to risks and opportunities related to the transition to a low-carbon economy. The different categories are:
1) Asset Stranding refers to assets that lose value due to unfavourable market developments in the market to which they are exposed (legislation, environmental constraints, technological disruptions) leading to substantial devaluations (example of companies owning coal mines);
2) Operational transition: companies facing an increase in operating costs due to carbon taxes or which need to make significant investments to implement solutions to reduce their greenhouse gas emissions (for example, cement producers);
3) Product offering in transition: company facing reduced demand for carbon intensive products and which needs to adjust its product offering to products compatible with a low-carbon economy (for example, the automotive sector);
4) Neutral: company with low exposure to increased operating costs/investment requirements related to the transition to a low carbon economy (for example, the healthcare sector);
5) Solutions: a company that provides products or services that should benefit from the transition to a low-carbon economy (for example, renewable energy electricity producers).

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## C-FS14.2

### (C-FS14.2) Are you able to provide a breakdown of your organization's portfolio impact?

| | Portfolio breakdown | Please explain why you do not provide a breakdown of your portfolio impact |
|---|---|---|
| Row 1 | None of the above, but we plan to do this in the next two years | Our Asset Management are working to provide a clear breakdown of the carbon intensity of all its funds by industry. |

## C-FS14.3

### (C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

| | Actions taken to align our portfolio with a 1.5°C world | Please explain why you have not taken any action to align your portfolio with a 1.5°C world |
|---|---|---|
| Banking (Bank) | Yes | <Not Applicable> |
| Investing (Asset manager) | Yes | <Not Applicable> |
| Investing (Asset owner) | No, but we plan to in the next two years | Our asset ownership is also and in-part covered under bank lending. However, the investment area of our asset ownership is via Merchant Banking and therefore in line with all Rothschild & Co Merchant Banking Policies, including the Merchant Banking ESG Policy and the Rothschild & Co: Wealth & Asset Management and Merchant Banking investment principles for the thermal coal sector. Merchant Banking recently launched a project with an external advisor to develop a consistent climate strategy and more elements will be disclosed next year. |
| Insurance underwriting (Insurance company) | <Not Applicable> | <Not Applicable> |

## C-FS14.3a

### (C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

| | Assessment of alignment of clients/investees' strategies with a 1.5°C world | Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world |
|---|---|---|
| Banking (Bank) | No, and we do not plan to in the next two years | The majority of borrowers of real estate mortgages (which is a small part of the portfolio) are either individuals or property investment companies and therefore our focus is on the energy use and climate change risk of the underlying properties. Lombard loans are also predominantly provided to individuals secured by investment portfolios with the majority of investment portfolios structured in accordance with the WAM division's responsible investment policy. |
| Investing (Asset manager) | Yes, for some | Some of our investment strategies among the Rothschild & Co Asset Management Europe division already integrate an active monitoring of the carbon intensity (scope 1 & 2). Asset Management Europe's R-co 4Change Net-Zero Equity and Net-Zero Credit Euro funds were designed to provide clients with dynamic transition investment products through a proactive management of the carbon intensity of the portfolios: (i) 20% below the carbon intensity of the benchmark and(ii) complying with an average 7% decreasing trajectory from December. 2019 to 2050 while investing in every sector. A part of the management fees will be distributed to the Jean-Louis Etienne's Polar Pod expedition seeking to better understand austral ocean's natural carbon capture mechanisms. In addition, AM Europe joined the Net Zero Asset Manager Initiative and is currently working on an alignment strategy. |
| Investing (Asset owner) | <Not Applicable> | <Not Applicable> |
| Insurance underwriting (Insurance company) | <Not Applicable> | <Not Applicable> |

## C15. Biodiversity

## C15.1

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

| | Board-level oversight and/or executive management-level responsibility for biodiversity-related issues | Description of oversight and objectives relating to biodiversity | Scope of board-level oversight |
|---|---|---|---|
| Row 1 | Yes, both board-level oversight and executive management-level responsibility | Every year, the Group conducts a Materiality Assessment and a Strategic Risk Assessment, which considers the stakeholder materiality of biodiversity loss. These assessments are reviewed by the Managing Partner and the Group Executive Committee, as well as the Risk Committee and Sustainability Committee of the Supervisory Board. A dedicated Environment, Health & Safety committee (advising the GEC) reviews operational environmental footprint and management strategy on a quarterly basis.<br>A dedicated Responsible Investment Committee, under the remit of the Group Executive committee, considers the consolidated investment impact on biodiversity via PAIs followed by the eligible SFDR entities. | The impact of our own operations on biodiversity<br>The impact of our bank lending activities on biodiversity<br>The impact of our investing activities on biodiversity |

## C15.2

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

| | Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity | Biodiversity-related public commitments | Initiatives endorsed |
|---|---|---|---|
| Row 1 | Yes, we have endorsed initiatives only | <Not Applicable> | SDG<br>Other, please specify (World Land Trust: Support from R&Co4Generations contributes to the purchase of 25,000 acres of land in Brazil, leading to the permanent protection of threatened habitats from deforestation) |

## C15.3

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

| | Does your organization assess the impact of its value chain on biodiversity? | Portfolio |
|---|---|---|
| Row 1 | Yes, we assess impacts on biodiversity in both our upstream and downstream value chain | Investing portfolio (Asset manager)<br>Investing portfolio (Asset owner) |

## C15.4

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

| | Have you taken any actions in the reporting period to progress your biodiversity-related commitments? | Type of action taken to progress biodiversity- related commitments |
|---|---|---|
| Row 1 | Yes, we are taking actions to progress our biodiversity-related commitments | Education & awareness<br>Other, please specify (Materials use policy, Group Fundamental Principles Investment Policy (excluding investments involving substantial environmental damage), Supplier Code of Conduct including considerations of environmental impacts) |

## C15.5

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

| | Does your organization use indicators to monitor biodiversity performance? | Indicators used to monitor biodiversity performance |
|---|---|---|
| Row 1 | No | Please select |

## C15.6

**(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

| Report type | Content elements | Attach the document and indicate where in the document the relevant biodiversity information is located |
|---|---|---|
| In voluntary sustainability report or other voluntary communications | Content of biodiversity-related policies or commitments<br>Impacts on biodiversity<br>Biodiversity strategy | https://www.rothschildandco.com/siteassets/publications/rothschildandco/group/2021/en_randco_sustainability_report_2021.pdf (page 28) |

## C16. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### C16.1

**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

| | Job title | Corresponding job category |
|---|---|---|
| Row 1 | Mark Crump, CFO | Chief Financial Officer (CFO) |

## SC. Supply chain module

### SC0.0

**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

### SC0.1

**(SC0.1) What is your company's annual revenue for the stated reporting period?**

| | Annual Revenue |
|---|---|
| Row 1 | |

### SC1.1

**(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.**

### SC1.2

**(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).**

### SC1.3

**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

| Allocation challenges | Please explain what would help you overcome these challenges |
|---|---|
| We face no challenges | Scope 1 and 2 emissions are calculated annually and financial data is readily available, so no challenges were encountered. |

### SC1.4

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

No

### SC1.4b

**(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.**

The work we do for clients in the global advisory business may not always be conducive to regular allocation as it is on a more of an ad hoc basis

## SC2.1

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

## SC2.2

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

## SC4.1

**(SC4.1) Are you providing product level data for your organization's goods or services?**

# FW-FS Forests and Water Security (FS only)

## FW-FS1.1

**(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?**

| | Board-level oversight of this issue area | Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future |
|---|---|---|
| Forests | No, and we do not plan to in the next two years | The Group has limited exposure through its advisory services or through its investments to sensitive sectors such as agriculture and forestry. |
| Water | No, and we do not plan to in the next two years | The Group has limited exposure through its advisory services or through its investments to sensitive sectors such as agriculture and forestry. |

## FW-FS1.1c

**(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?**

**Forests**

**Board member(s) have competence on this issue area**
No, and we do not plan to address this within the next two years

**Criteria used to assess competence of board member(s) on this issue area**
<Not Applicable>

**Primary reason for no board-level competence on this issue area**
Important but not an immediate priority

**Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future**
The Group has limited exposure through its advisory services or through its investments to sensitive sectors such as agriculture and forestry. However we do intend to increase competence of investment analysts and of financial advisors in relevant sectors in the coming years, to improve our ability to address these issues and take them into account in our decision processes and advisory activities.

**Water**

**Board member(s) have competence on this issue area**
No, and we do not plan to address this within the next two years

**Criteria used to assess competence of board member(s) on this issue area**
<Not Applicable>

**Primary reason for no board-level competence on this issue area**
Important but not an immediate priority

**Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future**
The Group has limited exposure through its advisory services or through its investments to sensitive sectors such as agriculture and forestry. However we do intend to increase competence of investment analysts and of financial advisors in relevant sectors in the coming years, to improve our ability to address these issues and take them into account in our decision processes and advisory activities.

## FW-FS1.2

**(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.**

**Name of the position(s) and/or committee(s)**
Safety, Health, Environment and Quality committee

**Reporting line**
CEO reporting line

**Issue area(s)**
Forests
Water

**Responsibility**
Both assessing and managing risks and opportunities

**Coverage of responsibility**
Please select

**Frequency of reporting to the board on forests- and/or water-related issues**
Quarterly

## FW-FS2.1

**(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?**

| | We assess our portfolio's exposure to this issue area | Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future |
|---|---|---|
| Banking - Forests exposure | No, and we do not plan to in the next two years | Our assessment is qualitative in nature and almost all lending is client investment or real estate. In this respect there is no lending to natural resources and extractive industries, moreover, when lending against real estate we ask ESG related questions of the borrower.<br><br>Our environmental due diligence process within the REDM policy covers:<br>-Contamination/pollution<br>- Flood risk<br>- EPC and BREEAM ratings<br>- Building emission rates<br>- Sustainability<br>- Compliance with environmental law<br>- Borrower's approach to environmental responsibility |
| Banking – Water exposure | No, and we do not plan to in the next two years | Our assessment is qualitative in nature and almost all lending is client investment or real estate. In this respect there is no lending to natural resources and extractive industries, moreover, when lending against real estate we ask ESG related questions of the borrower.<br><br>Our environmental due diligence process within the REDM policy covers:<br>-Contamination/pollution<br>- Flood risk<br>- EPC and BREEAM ratings<br>- Building emission rates<br>- Sustainability<br>- Compliance with environmental law<br>- Borrower's approach to environmental responsibility |
| Investing (Asset manager) – Forests exposure | No, and we do not plan to in the next two years | We may investigate opportunities for implementing a process for identifying, assessing, and managing forests-related risks |
| Investing (Asset manager) – Water exposure | No, and we do not plan to in the next two years | We may investigate opportunities for implementing a process for identifying, assessing, and managing water-related risks |
| Investing (Asset owner) – Forests exposure | No, and we do not plan to in the next two years | We may investigate opportunities for implementing a process for identifying, assessing, and managing forests-related risks |
| Investing (Asset owner) – Water exposure | No, and we do not plan to in the next two years | We may investigate opportunities for implementing a process for identifying, assessing, and managing water-related risks |
| Insurance underwriting – Forests exposure | <Not Applicable> | <Not Applicable> |
| Insurance underwriting – Water exposure | <Not Applicable> | <Not Applicable> |

## FW-FS2.2

**(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?**

| | We consider forests- and/or water-related information | Explain why information related to this issue area is not considered and any plans to address this in the future |
|---|---|---|
| Banking – Forests-related information | No, and we do not plan to in the next two years | Our assessment is qualitative in nature and almost all lending is client investment or real estate. In this respect there is no lending to natural resources and extractive industries, moreover, when lending against real estate we ask ESG related questions of the borrower. |
| Banking – Water-related information | Yes | <Not Applicable> |
| Investing (Asset manager) – Forests-related information | No, and we do not plan to in the next two years | We are not considering specifically forest-related risks, however in 2021, we developed a Group-wide Fundamental Principles Investment Policy. This Policy commits us to the exclusion of investments in companies which to the Group's knowledge may breach fundamental principles due to gross corporate misconduct such as substantial environmental damage.<br>We have also reviewed Global advisory client-onboarding and transaction due diligence procedures to ensure these consider, amongst other risk factors, the environmental impact and trajectory of the transaction advised on. |
| Investing (Asset manager) – Water-related information | No, and we do not plan to in the next two years | We are not considering specifically water-related risks, however in 2021, we developed a Group-wide Fundamental Principles Investment Policy. This Policy commits us to the exclusion of investments in companies which to the Group's knowledge may breach fundamental principles due to gross corporate misconduct such as substantial environmental damage.<br>We have also reviewed Global advisory client-onboarding and transaction due diligence procedures to ensure these consider, amongst other risk factors, the environmental impact and trajectory of the transaction advised on. |
| Investing (Asset owner) – Forests-related information | No, and we do not plan to in the next two years | We are not considering specifically forest-related risks, however in 2021, we developed a Group-wide Fundamental Principles Investment Policy. This Policy commits us to the exclusion of investments in companies which to the Group's knowledge may breach fundamental principles due to gross corporate misconduct such as substantial environmental damage. |
| Investing (Asset owner) – Water-related information | No, and we do not plan to in the next two years | We are not considering specifically water-related risks, however in 2021, we developed a Group-wide Fundamental Principles Investment Policy. This Policy commits us to the exclusion of investments in companies which to the Group's knowledge may breach fundamental principles due to gross corporate misconduct such as substantial environmental damage. |
| Insurance underwriting – Forests-related information | <Not Applicable> | <Not Applicable> |
| Insurance underwriting – Water-related information | <Not Applicable> | <Not Applicable> |

## FW-FS2.2a

**(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.**

**Portfolio**
Banking (Bank)

**Information related to**
Water

**Type of information considered**
Water discharge treatment data
Other, please specify (Flood risks)

**Process through which information is obtained**
Directly from the client/investee
Data provider

**Industry sector(s) covered by due diligence and/or risk assessment process**
Real Estate

**State how these forests- and/or water-related information influences your decision making**
All UK real estate borrowers are asked ESG related questions. Our environmental due diligence process within the commercial real estate loan policy covers among other things: contamination/pollution and flood risk. This influences the overall risk assessment of the borrowers and the lending decision.

## FW-FS2.3

**(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?**

| | Risks identified for this issue area | Primary reason why your organization has not identified any substantive risks for this issue area | Explain why your organization has not identified any substantive risks for this issue area |
|---|---|---|---|
| Forests | No | Risks exist, but none with the potential to have a substantive financial or strategic impact on business | We recognise there are potential forest related risks that could affect the business and plan on evaluating this risk in due course. |
| Water | No | Risks exist, but none with the potential to have a substantive financial or strategic impact on business | We recognise there are potential water-related risks that could affect the business and plan on evaluating this risk in due course. |

## FW-FS2.4

**(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?**

| | Opportunities identified for this issue area | Primary reason why your organization has not identified any substantive opportunities for this issue area | Explain why your organization has not identified any substantive opportunities for this issue area |
|---|---|---|---|
| Forests | No | Not yet evaluated | This is not yet evaluated and will be reviewed in due course |
| Water | No | Not yet evaluated | This is not yet evaluated and will be reviewed in due course |

## FW-FS3.1

**(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?**

**Forests**

**Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning**

Yes, we take these risks and opportunities into consideration in the organization's strategy

**Description of influence on organization's strategy including own commitments**

Global Advisory services

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: A) 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 B) 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 ESG priorities, and as such represent material risks to our firm's reputation. 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.

Operations

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

In 2021, the Group has developed a Materials Use Policy, which focused in particular on paper consumption. Specific targets have been put in place:

1. All printing paper from sustainable sources (99% of printing paper from sustainable sources in 2021)
2. 25% reduction of paper use per FTE by 2025

We also have a Group Environment Policy that we renew every year, which provides details of our commitments, in particular with regard to materials use, water consumption and wastewater.

Investments

We commit through our Responsible Investment Roadmap to engage and act in a collaborative way on environmental challenges with our investees. Investment teams assess portfolio exposure against a list of companies that could be in conflict with the commitment to exclude issuers in breach of the Fundamental Principles investment policy regarding severe environmental damage.

**Financial planning elements that have been influenced**

<Not Applicable>

**Description of influence on financial planning**

<Not Applicable>

**Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning**

**Water**

**Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning**

Yes, we take these risks and opportunities into consideration in the organization's strategy

**Description of influence on organization's strategy including own commitments**

Global Advisory services

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: A) 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 B) 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 ESG priorities, and as such represent material risks to our firm's reputation. 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.

Operations

We have a Group Environment Policy that we renew every year, which provides details of our commitments, in particular with regard to materials use, water consumption and wastewater.

Investments

We commit through our Responsible Investment Roadmap to engage and act in a collaborative way on environmental challenges with our investees. Investment teams assess portfolio exposure against a list of companies that could be in conflict with the commitment to exclude issuers in breach of the Fundamental Principles investment policy regarding severe environmental damage.

**Financial planning elements that have been influenced**

<Not Applicable>

**Description of influence on financial planning**

<Not Applicable>

**Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning**

## FW-FS3.2

**(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?**

**Forests**

**Scenario analysis conducted to identify outcomes for this issue area**

No, we have not conducted any scenario analysis to identify outcomes for this issue area, and we don't plan to in the next two years

**Type of scenario analysis used**

<Not Applicable>

**Parameters, assumptions, analytical choices**

<Not Applicable>

**Description of outcomes for this issue area**

<Not Applicable>

**Explain how the outcomes identified using scenario analysis have influenced your strategy**

<Not Applicable>

**Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future**

This is not yet evaluated and will be reviewed in due course

**Water**

**Scenario analysis conducted to identify outcomes for this issue area**

No, we have not conducted any scenario analysis to identify outcomes for this issue area, and we don't plan to in the next two years

**Type of scenario analysis used**

<Not Applicable>

**Parameters, assumptions, analytical choices**

<Not Applicable>

**Description of outcomes for this issue area**

<Not Applicable>

**Explain how the outcomes identified using scenario analysis have influenced your strategy**

<Not Applicable>

**Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future**

This is not yet evaluated and will be reviewed in due course

## FW-FS3.3

### (FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

| | Existing products and services that enable clients to mitigate deforestation and/or water insecurity | Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future |
|---|---|---|
| Forests | No, and we do not plan to address this in the next two years | We have limited exposure to sensitive sectors. However we do intend to increase our internal ESG competencies on specific sectors and related environmental topics, to be able to better advise our clients and engage with our investees on these topics. |
| Water | No, and we do not plan to address this in the next two years | We have limited exposure to sensitive sectors. However we do intend to increase our internal ESG competencies on specific sectors and related environmental topics, to be able to better advise our clients and engage with our investees on these topics. |

## FW-FS3.4

### (FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

| | Policy framework includes this issue area | Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future |
|---|---|---|
| Forests | No, and we do not plan to include this issue area in the next two years | While not focusing specifically on forests, the Group's Fundamental Principles investment policy includes an exclusion policy that covers companies that could be in conflict with the commitment to exclude issuers in breach of the Group's Fundamental Principles investment policy regarding severe environmental damage. |
| Water | No, and we do not plan to include this issue area in the next two years | While not focusing specifically on water, the Group's Fundamental Principles investment policy includes an exclusion policy that covers companies that could be in conflict with the commitment to exclude issuers in breach of the Group's Fundamental Principles investment policy regarding severe environmental damage. |

## FW-FS3.5

### (FW-FS3.5) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?

| | Covenants included in financing agreements to reflect and enforce policies for this issue area | Explain how the covenants included in financing agreements relate to your policies for this issue area | Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future |
|---|---|---|---|
| Forests | No, and we do not plan to in the next two years | <Not Applicable> | This is under investigation. |
| Water | No, and we do not plan to in the next two years | <Not Applicable> | This is under investigation. |

## FW-FS4.1

### (FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

| | We engage with clients/investees on this issue area | Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future |
|---|---|---|
| Clients – Forests | No, and we do not plan to in the next two years | We engage with our clients on relevant environmental issues depending on their sector of activity and operational context - however we don't have specific engagement mandates on forest-related issues. |
| Clients – Water | No, and we do not plan to in the next two years | We engage with our clients on relevant environmental issues depending on their sector of activity and operational context - however we don't have specific engagement mandates on water-related issues. |
| Investees – Forests | No, and we do not plan to in the next two years | We engage with our investees on relevant environmental issues depending on their sector of activity and operational context - however we don't have specific engagement mandates on forest-related issues. |
| Investees – Water | No, and we do not plan to in the next two years | We engage with our investees on relevant environmental issues depending on their sector of activity and operational context - however we don't have specific engagement mandates on forest-related issues. |

## FW-FS4.2

### (FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

| | We exercise voting rights as a shareholder on this issue area | Issues supported in shareholder resolutions | Give details of the impact your voting has had on this issue area | Explain why your organization does not exercise voting rights on this issue area and any plans to address this in the future |
|---|---|---|---|---|
| Forests | No, and we do not plan to in the next two years | <Not Applicable> | <Not Applicable> | |
| Water | No, and we do not plan to in the next two years | <Not Applicable> | <Not Applicable> | |

## FW-FS4.3

### (FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?

| | Provide financing and/or insurance to smallholders in the agricultural commodity supply chain | Agricultural commodity | Primary reason for not providing finance and/or insurance to smallholders | Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future |
|---|---|---|---|---|
| Row 1 | No, and we do not plan to in the next two years | <Not Applicable> | Not a strategic focus | We have very limited exposure to the agricultural sector |

## FW-FS4.4

**(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?**

| | Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area | Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area | Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area |
|---|---|---|---|
| Forests | No, and we do not plan to in the next two years | Important but not an immediate priority | |
| Water | No, and we do not plan to in the next two years | Important but not an immediate priority | |

## FW-FS5.1

**(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?**

| | We measure our portfolio impact on this issue area | Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact | Primary reason for not measuring portfolio impact on this issue area | Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future |
|---|---|---|---|---|
| Banking – Impact on Forests | No, and we don't plan to in the next two years | <Not Applicable> | Important but not an immediate priority | |
| Banking – Impact on Water | No, and we don't plan to in the next two years | <Not Applicable> | Important but not an immediate priority | |
| Investing (Asset manager) – Impact on Forests | No, and we don't plan to in the next two years | <Not Applicable> | Important but not an immediate priority | |
| Investing (Asset manager) – Impact on Water | No, and we don't plan to in the next two years | <Not Applicable> | Important but not an immediate priority | |
| Investing (Asset owner) – Impact on Forests | No, and we don't plan to in the next two years | <Not Applicable> | Important but not an immediate priority | |
| Investing (Asset owner) – Impact on Water | No, and we don't plan to in the next two years | <Not Applicable> | Important but not an immediate priority | |
| Insurance underwriting – Impact on Forests | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Insurance underwriting – Impact on Water | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## FW-FS5.2

**(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?**

| | Finance or insurance provided to companies operating in the supply chain for this commodity | Amount of finance/insurance provided will be reported | Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity |
|---|---|---|---|
| Lending to companies operating in the timber products supply chain | No | <Not Applicable> | <Not Applicable> |
| Lending to companies operating in the palm oil products supply chain | No | <Not Applicable> | <Not Applicable> |
| Lending to companies operating in the cattle products supply chain | No | <Not Applicable> | <Not Applicable> |
| Lending to companies operating in the soy supply chain | No | <Not Applicable> | <Not Applicable> |
| Lending to companies operating in the rubber supply chain | No | <Not Applicable> | <Not Applicable> |
| Lending to companies operating in the cocoa supply chain | No | <Not Applicable> | <Not Applicable> |
| Lending to companies operating in the coffee supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset manager) to companies operating in the timber products supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset manager) to companies operating in the palm oil products supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset manager) to companies operating in the cattle products supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset manager) to companies operating in the soy supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset manager) to companies operating in the rubber supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset manager) to companies operating in the cocoa supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset manager) to companies operating in the coffee supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset owner) to companies operating in the timber products supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset owner) to companies operating in the palm oil products supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset owner) to companies operating in the cattle products supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset owner) to companies operating in the soy supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset owner) to companies operating in the rubber supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset owner) to companies operating in the cocoa supply chain | No | <Not Applicable> | <Not Applicable> |
| Investing (asset owner) to companies operating in the coffee supply chain | No | <Not Applicable> | <Not Applicable> |
| Insuring companies operating in the timber products supply chain | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Insuring companies operating in the palm oil products supply chain | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Insuring companies operating in the cattle products supply chain | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Insuring companies operating in the soy supply chain | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Insuring companies operating in the rubber supply chain | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Insuring companies operating in the cocoa supply chain | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Insuring companies operating in the coffee supply chain | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## FW-FS6.1

**(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**
No publications

**Status**
<Not Applicable>

**Attach the document**
<Not Applicable>

**Page/Section reference**
<Not Applicable>

**Content elements**
<Not Applicable>

**Comment**
<Not Applicable>

## Submit your response

**In which language are you submitting your response?**
English

**Please confirm how your response should be handled by CDP**

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---|---|---|
| Please select your submission options | Yes | Public |

## The European Climate Pact Submission

**Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.**
No, we do not wish to pledge under the European Climate Pact at this stage

**Please confirm below**
I have read and accept the applicable Terms