



OUR COMMITMENT TO OUR EMPLOYEES

MANAGEMENT APPROACH¹

Introduction

To reflect its social commitment, the Edmond de Rothschild Group has put in place a Social Responsibility Policy, validated by the Group's Executive Committee, which applies to all employees working within the Group, at any site.

[GRI 103-1 /103-2 /103-3](#)

The Group's social commitment goes beyond regulatory compliance; it is inspired by the Company's values and strategic outlook. For example, it aligns with the United Nations Guiding Principles for Business and Human Rights.

[GRI 103-2](#)

Sustainability context

The Edmond de Rothschild Group operates in a highly competitive environment, more and more complex and fast-moving, notably due to increasingly stringent regulations in the financial sector. In this context, the quality and engagement of our employees, and the alignment of everyone with the Group's values, are crucial. As an employer, we have a dual responsibility: to create a stimulating working environment that ensures the development and engagement of employees, and to provide the conditions which will enable them to contribute to the Company's performance and the attainment of its objectives.

[GRI 103-1](#)

The Company's values and commitments

Built on the heritage of a long family history, the Group pays very close attention to respecting values such as team spirit and a sense of belonging. The Group seeks to promote these values within the company each and every day. The Group expects integrity and a strong ethical approach from its employees, which should be reflected in everything they do. Employee commitment to the values and the long-term vision of the Edmond de Rothschild Group is essential. [GRI 103-1](#)

BUILDING RELATIONSHIPS BASED ON TRUST

- Expressing the Group's long-term culture and entrepreneurial passion by promoting its model of independence and stability.
- Building a long-term relationship with staff, by encouraging their individual skills and collective intelligence and by ensuring that the talents and contributions of each individual are fairly acknowledged.
- Sharing the values of sustainability with our clients, respecting the diversity of their profiles and expectations.

HAVING THE COURAGE OF OUR CONVICTIONS

- Raising employee awareness of the environmental and societal impact of our activities.
- Reporting on our in-house initiatives to promote sustainability.
- Securing the long-term future of the Group's activities while respecting the principles of governance, ethics, risk management, competition, responsible communication and marketing, and strategic transparency and integrity.

BUILDING FOR THE FUTURE

- Reinforcing our financial expertise by integrating the evaluation of environmental, social and governance criteria.
- Promoting a responsible investment product and services offering that directs investments to projects that are compatible with sustainable growth.
- Demonstrating a new economic and societal value proposition.

[GRI 102-16](#)

¹ The information provided here is in line with the recommendations of the GRI standards (Global Reporting Initiative)



The corporate culture's transformation

In 2018, the Edmond de Rothschild Group deployed an ambitious cultural change programme to help it firmly establish its vision and brand positioning, “Bold builders of the future”, and the principles at the heart of its culture and family heritage in the actions and behaviour of all its employees.

The project consisted of four key steps, which evolved organically. Two hundred employees of the Group (8% of the total headcount) took part in the project to define the essence of our culture. Representing the different

regions and business lines, these employees came together in 25 workshops. The dialogue and interaction at these sessions was facilitated to explore the participants' views and opinions on what lies at the heart of our corporate culture. The resulting word clouds produced the 10 Principles of behaviour in embryonic form. The Group's Executive Committee worked with the word clouds to extract a series of more clearly-defined Principles.

Fifty corporate culture «Ambassadors» were selected for the example they have set by incorporating the 10 Principles into their daily work. They came together to produce a brief description of each of the 10 Principles, which were captured one document: the “Culture Pack”. Other documents and films were produced to be shared with all Group employees. The 10 Principles of behaviour will be integrated into some of the Human

Resources processes such as performance assessment and some Group training courses aimed at helping employees adopt the Principles in their daily work, inspired by an authentic leadership approach. (See pages 36-37 of the 2018 sustainability report for more information).

Redesign of the Human Resources strategy

In October 2018, we launched a collective reflection on our Human Resources Strategy to create a roadmap aligned with the priorities of our internal clients and to accompany them in the process of implementing the Edmond de Rothschild Group's vision and strategy.

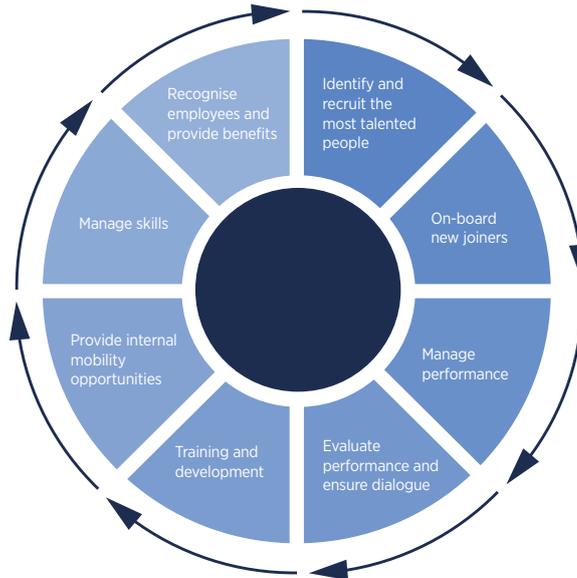
The Human Resources strategy aims to professionalise the HR function so it can provide an excellent service to the business, supporting its transformation, creating value at all stages of an employee's career and also a meaningful working environment for all of us. This strategy will be implemented through 18 concrete projects covering a range of different aspects from management training and talent development to the creation of a new, more flexible and social, performance management process.



Material issues

The three material issue pillars identified in the Group's sustainability strategy - «Ethical and responsible behaviour»; «Innovation for responsible investment» and «Our commitment to our employees» - are intrinsically linked to the responsibilities outlined above. The three material issues under the «Our commitment to our employees» pillar are presented here in the context of the various stages of the main Human Resources processes: Talent management; Employee engagement; Diversity and equal opportunities. **GRI 103-1**

Different stages of the main HR processes



1. Talent management

Attracting, developing and securing the loyalty of the people with the best profiles for the various lines of business and who share its values is of crucial importance in achieving the Group's vision and strategy.

Attracting talented people is essential and the Group has gradually internalised the skills and talent acquisition tools necessary to make a meaningful contribution to the success of the Group's operations. The aim is to have direct access to a pool of talented people, both internal and external. A formal recruitment process is in place, which incorporates the best practice observed across the various Group entities. This work has resulted in an «e-recruitment» module being incorporated into the in-house «HR-Online» system, where most of the Human Resources processes are managed.

To support the managers, specific **talent management and retention** modules have been included in leadership and management skills training programmes. Managers also receive strong support from the Business Partners within the HR teams throughout the recruitment process. Further, a referral process has been implemented so that all employees can put forward potential candidates from within their network for vacancies within the Group.

Internal mobility is an important driver of success and engagement, as it directly contributes to the recognition and development of skills but also employee loyalty and commitment. An Internal Mobility Charter has been established, and local committees are in place to identify potential local candidates for vacant positions. Employees can also access all open vacancies within the Group using an Intranet portal.

The **promotion process** also contributes to the Group's ability to retain talented employees. It has been gradually reviewed and enhanced, for example by making the evaluation criteria more stringent, especially for management positions. Members of top management are closely involved in selecting the employees to be promoted at all levels. Promoted employees usually receive support in the form of customised training sessions and coaching. **Succession planning** for key and/or sensitive positions is closely monitored.



The Group's **remuneration policy** is aligned with its strategy of recognising and retaining talented employees and contributing to long-term performance. Its procedures are reviewed every year to ensure that they are in line with the various regulations on the matter which mainly aim to limit inappropriate risk-taking and unethical behaviour. Pay equity is another of the guiding principles we have always abided by.

2. Employees engagement

Employees who are engaged, valued and trusted are even more fulfilled, innovative and efficient, both individually and collectively.

The processes outlined above play a major role in boosting employee engagement. The performance review process and career development training sessions are also very important in this context.

Performance reviews: reinforcing the link between performance (both individual and collective) and reward, irrespective of the components (remuneration, promotion, mobility), allows greater transparency and fairness, boosting employee motivation and engagement. The performance review is also key in providing the best support for employees' professional development.

This process ensures a structured and factual dialogue between managers and employees on their performances. The evaluation covers quantitative as well as qualitative components, i.e. a series of behaviours which reflect the Group's values and ambitions. These criteria are reviewed periodically in response to changes in the Group's culture and leadership model:

- Attitude and state of mind
- Client relationship
- Results-based objectives
- Team management
- Strategy

The content of training programmes for managers reflects the importance placed on the annual review process, notably its major contribution to:

- Recognising employee performance
- Identifying development and training needs
- Encouraging internal mobility

The benefit and added value of this exercise depend on the objective-setting process being properly carried out; targets must be ambitious and dovetail with the Group's priorities and values. This ensures that the contributions of all employees are effective and aligned with the Group's success. The various entities (lines of business and support functions) adopt a standard scorecard approach, which requires qualitative targets to be set, as well as quantitative targets. The former include:

- «management and leadership», for the populations concerned (measured through indicators such as turnover and team satisfaction);
- «compliance and risk management».

The performance review is a key time of the year when the employee and their manager can take time to examine the employee's progress. The process includes a section on identifying skills which need to be acquired or strengthened, and on defining a **development plan** for the coming year.

Training programmes, which are accessible to all on the Group's common platform, Latitude, are continually reviewed and added to so as to meet the various needs of our employees. To support employees in acquiring new skills, the Learning & Development (L&D) teams have introduced a blended learning approach (combining digital and classroom learning), which enables employees to access useful information more easily and to be more independent in their development.



For example:

- An online library containing hundreds of summaries of reference books and articles on management, which all employees can access from their workstations and smartphones;
- A mobile app which enables new employees to access important information about the Group and its operations, even before they start in their new roles, in order to accelerate their integration.

The various training programmes developed by the L&D team are based on a learning process that involves full involvement by employees and their managers:

- Activation: before attending a course, employees are encouraged to gather material about the course and reflect on its objectives;
- Experience: performing and monitoring the various activities;
- Extraction: after the training, the employee must put into practice what he or she has learned; the manager must ensure the suitable conditions for this;
- Application: at the end of the year, the manager evaluates the “return on investment” of the training sessions attended by his or her team members. Have they put their new skills into practice? What was the impact on the quality of work and on their objectives?

3. Diversity and equal opportunities

Diversity, which is respected and encouraged, is key to employee well-being and the Group's success.

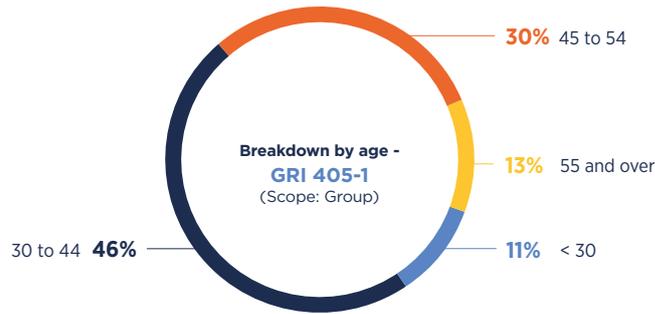
Cultural diversity is an essential characteristic of the Group, which employs people of 48 different nationalities and has operations in over 10 countries. The Edmond de Rothschild Group has good results as regards **cultural diversity** and **female representation** at all levels, including at executive management level. The Group is committed to maintaining this situation, and continuing to improve it where possible. The financial sector remains one in which women find it difficult to access senior management positions, especially in certain business lines.

The processes in place to gradually increase the percentage of women in senior management positions and to maintain gender diversity in the Group's headcount include:

- Close monitoring of the percentage of women in the main HR processes: recruitment, training, promotion and internal mobility;
- Awareness-raising for HR teams on equal opportunities and diversity issues, and formal guidelines in the relevant HR documents;
- Formalising and monitoring of diversity/equal opportunity issues in the annual compensation review and promotions;
- Gradually harmonising Group processes in terms of pay equity for men and women, based on the good local practices already in place.



As regards **age diversity**, the Group is actively building a pool of young talented people and generating vocations, by forging partnerships with universities and other higher education institutions and taking part in forums. In France especially, specific training is in place for young people, and the integration of young people in the Company is regularly monitored, enabling us to better understand market changes and identify the best people for increasingly specialist profiles. Also in France, the HR team supports employees approaching retirement age to ensure they have a smooth transition which meets their needs.



An agreement on disability has been signed in France to promote and be active in the **integration of people with disabilities** within the company. Processes have been implemented to raise awareness and involve employees and support people with disabilities in the company. Specific arrangements according to special needs (workstations, environment and time) have also been planned.

Responsibilities

The Human Resources department is responsible for managing the processes described here which are linked to our employees' engagement. Employees and managers contribute to different extents to the successful implementation of these processes, depending on their position and role. Everyone is responsible for respecting the Group's values and creating a working environment free from discrimination and inequality, based on respect for individuals.

GRI 103-2

Complaints management mechanism

The Edmond de Rothschild Group Code of Ethics is the reference text which sets out what is expected of all employees as regards integrity, loyalty, diligence, mutual respect and non-discrimination.

The Group and its entities promote a constructive dialogue culture when a problem is identified, to quickly identify a suitable solution. When specific information leads to suspicions of a breach of the Code of Ethics, a regulation or an applicable internal rule, any Group employee aware of such a situation may report it to the contact persons or department specified in the internal rules of their entity. In the absence of local regulations or internal rules designating a specific contact person, the entity's legal officer or compliance officer may be contacted, who, after examining the information received, will decide on the steps to be taken, while taking all measures possible to protect the identity of the person who reported the information. If the information has been passed on in good faith, each Group entity must ensure that the person disclosing this information is not subject to any reprisals. **GRI 103-2**



Evaluation of the Management Approach

The Management Approach for the Group's commitment to its employees involves a range of Human Resources (HR) processes which are continuously improved based on the Group's vision and strategy, and in response to regulatory changes, shifting market requirements and new best practice in HR. The adjustments required in response to this «organic» evolution in management processes are made incrementally.

Some of the Group's operations enable the relevance of its Management Approach to be evaluated with more distance, so that adjustments can be made on the basis of various perspectives. These include the checks performed by the Group's Internal Audit department or those conducted as part of the external audit on the data and processes used to collect and consolidate the data used in the annual sustainability reports.

Notes on the social data reporting:

The scope is shown in the indicator tables, and is to be understood as follows:

Parent entity	"Group" scope	"Main Entities" scope
Edmond de Rothschild (Suisse) S.A.	United Arab Emirates, Israel, Monaco, United Kingdom, Switzerland (Geneva, Lausanne, Lugano, Fribourg, Zurich) and Uruguay	Switzerland (Geneva, Lausanne, Fribourg, Zurich and Lugano)
Edmond de Rothschild (France)	France (Paris and provinces), and Italy	Paris and offices in the provinces
Edmond de Rothschild (Europe)	Luxembourg, Belgium, Spain, Portugal	Luxembourg

After analysis of reporting results for 2014, 2015 and 2016 covering Edmond de Rothschild (France) and all its foreign subsidiaries and branches, and taking into account the reduction in the scope in 2016 and 2017 with the closure of sites in Chile, Beijing, Shanghai and Hong Kong), the Sustainability Department, in agreement with the auditors of the sustainability information, decided to reduce starting 2017's reporting the scope of environmental and social reporting to the country of France, which accounts for more than 90% of the workforce. The subsidiaries in Germany and Spain are no longer included. Italy has been maintained due to the size of the entity. [GRI 130-1](#)