



EDMOND
DE ROTHSCHILD

2020

SUSTAINABILITY REPORT





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Basis of the report

This seventh sustainability report of the Edmond de Rothschild Group, headquartered in Geneva (Switzerland), presents the quantitative and qualitative information needed to understand its material sustainability issues for the calendar year 2020. It covers all activities of the Group and of the entities attached to Edmond de Rothschild Holding S.A. as presented in the annual report of Edmond de Rothschild (Switzerland), the Group's operational parent company.

GRI 102-1 / 102-3 / 102-5 / 102-45 / 102-50 / 102-51 / 102-52

Reporting Framework

The "Group" scope in this report covers 96% of the total workforce presented in page 8 in accordance with the reduction in scope carried out in 2017: deletion of the entities in Germany. The data for the "main entities" scope covers 82% of the Group's workforce presented in this report. This reporting scope does not affect the analysis of information, the reliability of that information or the variations.

GRI 102-1 / 10

Reporting guidelines

The Edmond de Rothschild Group publishes a sustainability report since 2015, complying as much as possible with the Global Reporting Initiative (GRI) standards and its supplement for the financial sector. References to the GRI indicators are listed in pages 62-63. **GRI 102-54 / 102-55**

Data review

The Edmond de Rothschild Group called upon PricewaterhouseCoopers, a member of the international PwC network, to review the data published. Their limited assurance report on a selection of key performance indicators can be found on page 64 of this document. Responsible Investment indicators are not country-specific but are classified according to business lines: asset management, private equity, real estate, infrastructure debt and private banking. **GRI 102-56**

Update of the material assessment

In 2020, the Group conducted an internal materiality assessment to identify and select the most significant social, environmental and governance issues.

GRI 102-46 / 103-1

Participation in sustainability initiatives

SUSTAINABLE DEVELOPMENT GOALS

In 2015, the member states of the United Nations adopted 17 Sustainable Development Goals (SDGs) to ensure a better future for all without leaving anyone behind.

The most significant SDGs for banks are:



The SDG framework brings together society, governments and business to drive positive change. As a responsible company, the Edmond de Rothschild Group is determined to play an active role, on its own scale, in achieving the Millennium Development Goals (MDGs) established by the Member States of the United Nations and set out in the 2030 Agenda through its activities and opportunities for innovation and the development of solutions for the issues mentioned.

The Edmond de Rothschild Group has been a signatory of the United Nations Global Compact since 2015 (and since 2011 for its French entity). **GRI 102-12**



We are also signatories or supporters of the following initiatives:



Contact

For any question or comment on the published content of this report, please contact:

sustainability@edr.com **GRI 102-53**

Edmond de Rothschild: a unique ecosystem

Our Group reflects our convictions and our family history. This gives us the independence and courage to maintain a long-term vision and identify future investments.

Banking, farming, sports, philanthropy, hotels and wineries, all our know-how enriches each other and allows us to do all our jobs differently.

Thanks to the entrepreneurial spirit that motivates all our actions, we want to be actors of transformation and actively participate in the emergence of solutions that have a positive impact on society as a whole.

Our approach, in all our activities, is to build relationships of trust, to accompany our clients and employees in the established relationship, to reconcile sustainability and profitability in order to create value over the long term.

All the Group's businesses are complementary and have a common goal: to have an impact on the world of today and tomorrow.

An ecosystem only works when all the pieces are in motion. A dynamic and permanent interaction between our activities and their environment makes our Group a unique ecosystem that gives the Audacity to build the future a concrete incarnation and all its authenticity.

Our Conviction

Wealth is the starting point for building the world of tomorrow

About this report

This sustainability report presents the Edmond de Rothschild Group's commitments across its entire ecosystem. Each section can be read independently.

The results are based on reporting by all entities. Where data is not available for all entities with foreign subsidiaries, information is broken down by country according to availability.

GRI 102-4 / 102-49

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The Edmond de Rothschild Group

Key Figures

- 100%** family
- 155** billion EUR in assets
- 2,500** employees
- 21.6%** solvency ratio
- 33** offices in **16** countries

A conviction-driven investment house

Everything we do reflect our desire to make an impact, to pass on and modernise a heritage and to innovate at all times. They help create our unique vision: a long-term vision deeply rooted in reality, far from speculation and immateriality.

Our vision is the result of 250 years of entrepreneurial history during which the Rothschild family has accompanied the changes in the modern world. It lies at the crossroads of three ideas:

- › The expression of our active vision of investment whereby wealth is not considered as an end in itself but as a starting point for making change happen.
- › Our way of projecting ourselves into the challenges of tomorrow with a commitment. We are entrepreneurs who are attentive to societal changes so that our clients remain connected to the real economy.
- › Our desire to be pioneers, to take a pragmatic approach, to carry out simple, clear and measurable actions.

Our business lines

- Private banking
- Asset management
- Private equity
- Real estate
- Corporate finance
- Institutional & fund services

Our activities in the value chain

Our history as a committed entrepreneur allows our Group to participate in the advancement of a more sustainable finance through innovative and value-creating solutions.				
OUR VALUES	OUR RESSOURCES	OUR CLIENTS	OUR ACTIVITIES	OUR IMPACT
Our values are based on: - entrepreneurship - Innovation - willingness of impact They are inherited from a family history of more than 250 years from a pioneering spirit and a committed entrepreneurship For us, success is built over the long term, with caution and responsiveness, by combining hard work and permanent research of innovative financial solutions	2,500 employees 33 implementations in 16 countries A long term engagement guaranteed by a single shareholder A 100% family independent Group and specialized for 250 years A growth model based on a strong ecosystem to support innovation and build the future Network of more than 10 Foundations Edmond de Rothschild engaged in more than 100 projects	Individual private clients Institutional and semi-institutional investors Other banks / Financial institutions Family Offices Development Finance Institutions	Private Banking Conseil & Conservation bancaire	27,6 bn CHF managed with ESG integration and SRI strategies 72% increase of SRI Mandate In Private Banking 12 of Group's investment strategies cover 82% of SDGs 93% of private equity AUM managed with ESG integration On real economy : Companies States Infrastructures Property etc.
			Asset Management Investment for institutional and private clients	
			Real Estate Consultancy and Investment	
			Private Equity Consultancy and Investment	
			Corporate Finance Consultancy	
We favour audacious strategies that combine long-term performance and impact in order to give substance to our convictions and never be disconnected from the real economy				
Improvement in companies' ESG* practices	Energy and environmental transition	Urbanization and Urban development	Technology	
SME growth	Support for economic development in various geographies	Job creation	Innovation in healthcare	

*Environnement, Social, Governance

Our international coverage extends beyond our borders through numerous partnerships with financial institutions financial institutions that support us locally. **GRI 102-2 / 102-4 / 102-9**

Message from Ariane de Rothschild

For more than ten years, my husband Benjamin and I have together supported our Group in the adoption of a sustainable strategy that promotes a contributory and long-term approach to investment by reconciling financial and social performance.

It is in this same spirit that I intend to continue to chair the Edmond de Rothschild Group, proposing investments that enable our clients to have a concrete impact on the world of tomorrow.

The health crisis we are experiencing has only reinforced our convictions that investing in human progress is becoming a priority and that is why we must collectively learn to live better, produce better and communicate more.

In this unprecedented situation, I would like to salute the exceptional mobilisation and commitment of all of our teams, who have demonstrated their unwavering commitment for over a year and have enabled us to ensure a permanent presence alongside our clients, maintain the quality and continuity of our services, as well as our capacity for innovation.

The transformation of our Group has enabled us to be more united in the way we operate. We have adapted our working methods to a rapidly changing environment.

In particular, we have accelerated our growth in Responsible Investment with a 23% increase in our assets under management in 2020.

For us, 2021 is a year of hope. Hope of a way out of the crisis, of course, but also that of being able to develop new growth models based on our convictions.

We are convinced that there will be no return to normal without a change in the way we approach the concepts of progress and growth.

They can no longer be tackled to the detriment of people, the environment and society. As bankers

and investors, we want to play an active role in these considerations.

We are confident in the belief that the finance of tomorrow will evolve in a new world. Throughout its history, our Bank has experienced periods of development and appeasement, but also crisis. From each of these difficult moments, we have emerged transformed, more convinced than ever of the importance of having an impact on the world of tomorrow.

Our objective, as you know, is to have an impact on the real economy. Our entrepreneurial DNA drives our convictions and it is also thanks to these convictions that we set ourselves pragmatic sustainability objectives. We want to remain in action and not fall into the trap of rhetoric based on thin air.

We are pursuing our strategy while taking into account human and climate issues, but in a more pressing way. We want to stop offsetting the long-term against the urgency of the situation.

We place all our expertise at the service of our convictions by focusing on the areas where our innovation and financial solutions can have the greatest influence.

Our approach to sustainability is constantly evolving. Even in the context of the unexpected and unprecedented challenges we are experiencing, our teams demonstrate unwavering commitment.

We remain enthusiastic about the future because we are convinced that our approach, our typicity and the dynamics of our collective spirit will enable us to contribute to change.

We will continue to build a culture of authenticity, responsibility, respect and trust that will serve current and future generations.



Overview of an unusual year

In an environment of uncertainty over health and the economy, 2020 was marked by the emphasis on sustainability in our industry as a new standard for tackling social, environmental and societal challenges.

The Edmond de Rothschild Group has mobilised to continue to serve all its stakeholders, whatever the circumstances. The Group's solidity and the mobilisation of all its teams have enabled it to maintain its activity.

Strict discipline in the continuity of our business is essential in an industry such as ours, which is based on trust.

As a result, a strengthened communication system has been put in place to maintain contact with our clients and stakeholders, to inform them of the various developments that have marked the year 2020 and to guide them in their decisions. It is our responsibility to build a long-term Group able to weather any crisis, even the most unexpected.

True to its commitment to sustainability, the Group has stepped up its development in Responsible Investment with eleven collective investment funds now having a Sustainable and Responsible Investment (SRI) label compared to three the previous year.

In addition, the Group also continued to develop its themed equity management offering, with the launch of several innovative products, whether on the theme of Tech, climate change or human capital. The Group's Responsible Investment assets increased by 23% to reach CHF 27.6 billion at the end of 2020.

The Covid-19 crisis has acted as a catalyst in the transformation of our Group. Technology has become an even more essential part of our lives, changing the way we work, learn, and communicate.

This pandemic has led us to more fully embrace the spirit of innovation by redefining the banking experience and accelerating our major digital projects.

Our rapid adaptation to the situation would not have been possible without the commitment of our teams, who have shown great professionalism and flexibility in the organisation of their daily lives in order to ensure the continuity of our activities and projects. Thanks to them, we have been able to guarantee a level of service that meets the expectations of our clients.

Resilience and authenticity are values we espouse and are the strength of the Group, which has gone through many crises in more than 250 years, but has been able to overcome them by constantly adapting and innovating. We are now convinced that we can capitalise on the lessons learned in 2020 to continue to grow in a sustainable way.

The crisis has also confirmed our desire to maintain our responsible banking model, anchored in the real economy. The major societal challenges highlighted by the Covid-19 crisis are reflected in our convictions. We are more determined than ever to offer impactful investments that can help deliver solutions.

We are therefore maintaining our strategy based on the idea that wealth must be used to build the world of tomorrow. This conviction seems more relevant than ever and the new cycle of objectives linked to sustainability is part of this approach.

We started 2021 with confidence and remain convinced that integrating sustainability issues into our growth strategy and our approach to investments will enable us to contribute to the construction of a financial sector that reconciles sustainability and profitability. We remain committed to strong convictions that can make a difference.

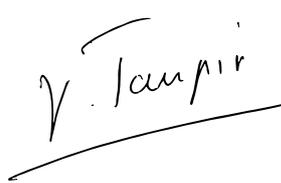
Cynthia Tobiano

Deputy CEO of Edmond de Rothschild Group



Vincent Taupin*

CEO of Edmond de Rothschild Group



* Mr. Vincent Taupin left the Edmond de Rothschild Group in June 2021 before the publication of this report. On the same date, Mr. François Pauly joined the Group as the new CEO and also validated this report.

Objectives 2015-2020: cycle review

GRI 102-47

Ethics and Governance

Create a common library of the Group's Ethics & Compliance training courses to reinforce expertise and risk management	
Raise awareness and train 100% of employees on the Group's Code of Ethics	
Facilitate access to the relevant directives and to the support required for their application	

Human Capital

Establish a formalised framework for deploying the Group's strategy	
Develop a leadership culture based on the Group's values	
Establish motivational drivers for employees	
Gradually increase the number of women in senior management	
Maintain gender distribution in the Group's headcount	
Maintain our cultural diversity	

Responsible Investment

Asset Management

Adopt a Responsible Investment strategy	
Inclusion of climate risk (listed assets)	
Extend the scope of ESG analyses (listed assets)	
Develop the ESG integration process and the RI product offering	
RI training for the management teams (Group)	
ESG integration process - Infrastructure debt and direct real estate investment strategies (real assets)	

Private Banking

Creating a Responsible Investment Mandate for private clients	
Establish an ESG integration processes for the selection of external funds and direct line investments	
Roll out the Responsible Investment Mandate in the main Group entities	

Private Equity

100% of strategies covered by best ESG practices in 2020	
Measure impact across all impact and ESG investment funds	
Increase the assets under management in our impact funds by 20% a year until 2020	

Environmental Impact

Reduce the carbon footprint per employee by 15%	
Reduce the energy consumption per employee by 10%	
Compensate our GHG Protocol scopes 1 and 2 CO ₂ emissions via an Insetting programme	
Reduce paper consumption by 25%	
Use 100% recycled or FSC/PEFC certified paper	

Impact on Society

Participate in and contribute to responsible investment initiatives and events	
Implement an evaluation and engagement process for suppliers as part of our Responsible Purchasing Policy	
Roll out the Community Engagement Charter and encourage sites to put in place philanthropic programmes	
Review the mapping of the Group's main stakeholders and the list of engagement activities	

Value Creation

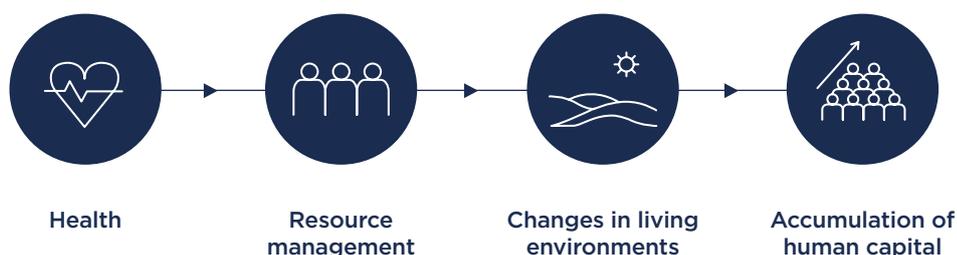
Today, more than ever, we must boldly embrace the future to accompany the major changes that are shaping society. To do this, we remain anchored in the real economy and adopt pragmatic approaches.

We combine a high level of expertise and responsibility with an ability to innovate, question the status quo, open up new territories and create totally new financial solutions.

This allows us to act on certain issues facing society and have a tangible impact.

This conviction applies to each of our lines of business, but also to our approach to sustainability. In all our actions we seek to act with pragmatism on societal issues in order to contribute to their transformation and leave a mark.

We are thus committed to action on the themes of:



We act in all these areas with the overriding conviction that profitability only makes sense if it is combined with sustainability.

Our approach puts human progress first. More than ever, the challenges raised by the global Covid-19 crisis have had the effect of placing social issues at the centre of concerns over the environment, society and governance (ESG). Human capacities, collective well-being and support for skills contribute to social progression. Reducing inequalities, improving quality of life and contributing to social progress are all urgent issues we are also seeking to help address.

In our opinion, being a responsible corporate citizen means making balanced decisions and combining a pioneering vision with learning from the past.

Our ambition aims to deliver shared value for all our stakeholders. It has been built by remaining focused on the future while respecting our heritage. We know that the choices we make today have an impact on the world of tomorrow.

The main driver of value creation is a more direct contact and a stronger relationship with our clients and stakeholders through innovative and tailored products and services that make sense and meet their needs.

On a daily basis, we strive to create long-term value. We are incredibly fortunate to be able to build on our heritage of innovation and use our technology to deliver our goals.

Our value creation objectives are to:

- › **Deliver value through innovative banking services based on conviction and practices that help clients balance financial performance with personal values,**
- › **Maintain our financial strength with a balance between growth and sustainability,**
- › **Demonstrate leadership on important issues with a clear growth trajectory that involves and commits all employees.**

Sustainability is therefore approached as a driver of long-term value creation for our clients, our employees and society.

In addition to financial performance, we ensure good management of non-financial risks so that profitability and sustainability are systematically associated. We believe that solutions to today's major challenges will be driven by financial innovation from the perspective of sustainability.

GRI 201-1

Conviction and Objectives

Our approach to sustainable development is based on a long-term vision deeply rooted in reality. Our commitment is based on the analysis of issues and trends that could have a tangible impact on the world of tomorrow. Sustainability issues are

therefore an integral part of our corporate strategy. Their integration into all our activities and decisions requires the identification of non-financial risks within our five priority pillars:

Our conviction: wealth should be used to build the world of tomorrow



Sustainability Objectives 2021-2024

Our plans for the next three years are clear. Whether serving our clients, hiring our employees, respecting the natural resources in our workplaces or building relationships with communities, we focus on what is good for the business and for a sustainable future.

This step-by-step approach leads to responsible investment solutions and decisions, with more committed employees and enhanced value for all our stakeholders.

We must help individuals, companies and the economy to move towards a more sustainable and balanced system, focused on the management of non-financial risks.

As the world continues to respond to and recover from the Covid-19 crisis, we recognise the role that finance can play in helping to build the world of tomorrow. We look forward to continuing to work to make positive changes. **GRI 102-47**

- > **Integrate sustainability issues into the three lines of defence**
- > **Integrate sustainability issues into the Group's Code of Ethics**
- > **Assign sustainability risks to governing bodies**

- > **Strengthen engagement and social cohesion**
- > **Share and live the Edmond de Rothschild culture**
- > **Invest in the development of our human capital**

- > **Increase ESG requirements**
- > **Formalise the consideration of climate risk**
- > **Strengthen continuing education on sustainable finance**

- > **Optimise energy consumption**
- > **Maintain offsetting of our CO₂ emissions**
- > **Make progress in responsible waste management**

- > **Have a societal impact through our value chain**
- > **Reporting on the impact of our commitments**
- > **Protect our stakeholders**

Materiality

Within the Edmond de Rothschild Group, we want to support the transition to a more sustainable economy and society and contribute to the resolution of related issues. A dialogue with our stakeholders and communication based on transparency allows for better risk management.

We recognise that stakeholder engagement is a key success factor for our sustainability programme. We define stakeholders as individuals, groups or organisations that may benefit or be affected by our business activities.

We strive to create a balance between activities that generate value and short-term returns through effective management of current business activities and investments in people, acquisitions and technologies designed to produce sustainable returns over the long-term.

We must address the issues that materially affect our Group, our clients, our employees and our community, in order to increase our ability to drive positive and transformational change. We seek to identify the issues that are most likely to impact our ability to operate successfully and create long-term value.

To this end, we undertook an additional materiality review starting with our 2014 financial year, to ensure that we are addressing the most important sustainability issues. This exercise was designed to refine and supplement our new objectives by building on the results of our previous materiality assessment.

We are constantly working to improve the way we listen to all our stakeholders, from clients to employees, so that we can answer their questions and understand the impact of our decisions

Our main issues

- Committed governance
- Transparency and reporting
- Financial and non-financial risk management
- Data security
- A strong corporate culture
- Economic performance
- Diversity and inclusion
- Talent management
- Employee well-being

- Learning and development
- Climate change
- Integration of ESG
- Dialogue and engagement
- Managing our CO₂ emissions
- Waste management and recycling
- Community engagement
- Social impact

GRI 102-47 / 103-1 / 102-44

Other issues have been identified in connection with our activities but have not been selected as priorities. We integrate them into our monitoring and surveillance system used to further develop our sustainability programme. Details on all issues related to the materiality exercise can be found in the Appendix "Sustainability approach".

Our main challenges are directly linked to the United Nations Sustainable Development Goals (SDGs). We monitor our sustainability programme in line with the most significant SDGs for our business sector. Through our actions, our investment strategies, our partnerships and our decisions, we seek to provide concrete responses to the SDGs that concern us.



Stakeholders

In an increasingly global market, our ability to provide solutions to sustainability issues has become more important to our business model.

Our ability to achieve this is linked to our commitments and our vision as an investor deeply rooted in reality. In the same vein, we place great importance on building lasting relationships with our stakeholders.

Our success depends on the quality of the relationships we build inside and outside our Group. We have established policies that reflect our commitments, our approaches to sustainability issues and our processes. They will be updated and made available on our website in 2021.

Reporting on our results, our commitments, our progress and our transformation is essential to maintaining lasting relationships. Maintaining a permanent dialogue with our various stakeholders helps us to improve, meet material issues and achieve our objectives.

Our financial strength and reputation give our stakeholders the assurance of our ability to fulfil our obligations to them and make us trusted partners.

Our stakeholders include:

- › Clients
- › Employees
- › Regulators and governments
- › Suppliers
- › NGOs and associations in the sector
- › Business partners
- › Members of our communities

Collaborations for sustainable finance:

Responsible investment is the main material issue in connection with the Group's activities. Our teams of experts are committed for its development.

The Responsible Investment team of Edmond de Rothschild Asset Management (France) is also involved in specific local and international initiatives.

Our commitment is reflected in our efforts to develop and nurture thought leadership in this area and our commitment to deploying innovative investment solutions.

We continue to improve the way we assess risks and opportunities and are committed to identifying the major trends that will shape the world of tomorrow.

Our commitments:

We know that transparency and collaboration offer the opportunity to make a difference and improve our operations. This is why we are committed to:

- › **Maintaining a strong governance structure to manage risks and take advantage of opportunities**
- › **Providing superior products and services to advance the environment and society**
- › **Engaging with stakeholders in an ethical and socially responsible manner**
- › **Partnering with suppliers who share the same commitment to ethics, human rights and environmental management**
- › **Pursuing efforts to reduce carbon emissions and protect biodiversity**
- › **Fostering a working environment that supports employee health, safety, diversity and inclusion**
- › **Collating social and environmental measurements to assess our progress in meeting these commitments**
- › **Sharing data on sustainability indicators with stakeholders in order to continuously improve our performance**

GRI 102-40 / 102-42 / 102-43



Ethics and Governance

Mission & Objectives

Ethics and integrity are founding values of our Group. All activities and developments are guided by a strict sense of responsibility and a duty of transparency. We expect our employees and stakeholders to respect our fundamental values, a sense of ethics and compliance with the applicable regulations.

The adoption of ethical and responsible practices in our lines of business defines the way we do business. This conditions the development and integrity of our development. Maintaining and reinforcing the trust established with our clients, our employees or our various counterparties is our daily priority.

In our opinion, robust corporate governance focused on managing sustainability issues helps to:



Be more competitive



Maintain success



Create long-term value

Despite the focus this year on the impacts of the Covid-9 crisis, we reaffirm the importance of ethics in the pursuit of our roadmap. In the face of the current acceleration, we align it with the challenges facing our industry and regulatory changes related to sustainability.

We integrate non-financial risks into our governance and processes. This approach will be reinforced during the new cycle of sustainability objectives. Supporting the transformations of our industry and a strict alignment with current societal challenges are our priorities.

We will integrate sustainability issues into the three lines of defense: activities, risks and internal controls. We will therefore strengthen the alignment of our values and processes, as well as internal synergies around sustainability issues. In addition, we will formalise the links between our existing policies, guidelines and processes and sustainability issues.

With regard to our stakeholders, this strengthens our transparency and our sense of duty.

Our Mission

Reconcile risk management with innovation

2021-2024 Objectives

- ▶ **Integrate sustainability issues into the three lines of defence**
- ▶ **Incorporate sustainability issues into the Group's code of ethics**
- ▶ **Assigning sustainability risks to governing bodies**

See the Appendix "Ethical and responsible behaviour" for more information on our processes in this field.



Corporate Governance

The management and supervision of the Group have been entirely delegated to Edmond de Rothschild (Suisse) SA. This entity comprises:

› **A Board of Directors which**

- › is the body responsible for the Group’s senior management, supervision and control,
- › has two committees: the Risk and Audit Committee and the Appointments and Remuneration Committee;

› **An Executive Committee that**

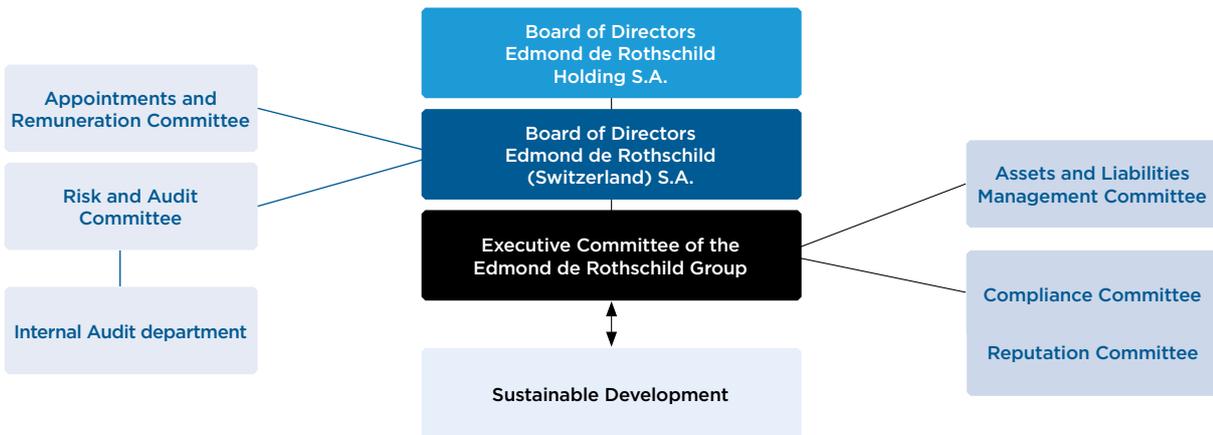
- › provides strategic and operational management and organisational oversight of the Group, in line with the historical long-term vision of the Rothschild family,
- › and has three committees: the Assets and Liabilities Management Committee, the Compliance Committee and the Group Reputation Committee.

The Sustainability Department reports directly to it.

The Group’s Executive Committee is responsible for these matters. It makes strategic decisions and liaises with other governance bodies, including the specialist committees. This ensures that sustainability issues are constantly reported to the Group’s decision-making body. Finally, internal policies incorporate these risks.

Corporate responsibility and public policy matters are also overseen by the Group’s Executive Committee. The Sustainability Department coordinates the development, implementation and communication of our overall approach. To this end, it benefits from the strategic advice of the Executive Committee. Sustainability risks are built into the operational aspects of the business and the services we provide.

Governance of the Edmond de Rothschild Group



Having robust governance bodies is a priority for the Edmond de Rothschild Group. A diversity of profiles is required among the members of its collegiate bodies.

Thus, the collective expertise of each of them contributes to the implementation, management and supervision of all Group activities. The Board of Directors is composed of independent, experienced and accomplished directors.

They provide guidance, direction and oversight to advance the interests of the Group and our stakeholders.

The Edmond de Rothschild Group is committed to respecting the rules of governance. To this end, it has established transparent financial reporting and effective internal controls. It is organised in such a way as to promote a strong culture of awareness of compliance, business ethics and risk management.
GRI 102-18 / 102-19 / 102-20 / 102-22 / 102-25 / 102-32

+ more than 50%
independent members
within the Board of Directors

Code of Ethics



Our Code of Ethics aims to:

- › **Define the expected behaviour of all employees,**
- › **Specify our commitment to the United Nations Global Compact (UNGC),**
- › **Make the connection between our company values, policies and guidelines, and individual actions,**
- › **Promote ethical decision-making,**
- › **Ensure that our behaviour meets the highest standards of professional conduct.**

It covers a number of important topics, including:

- › **Compliance with the laws and regulations of the countries in which we operate,**
- › **Ethics and transparency in the services provided to clients,**
- › **Protecting confidential information,**
- › **The fight against money laundering and corruption,**
- › **Maintaining a healthy environment, free from harassment and discrimination.**

It underlines our desire to have a positive and lasting impact on society and our commitment to sustainability. It provides the overall framework for all topics relevant to the Group's activities. Group employees must comply with it at all times.

The Group's commitment to protecting the financial system is reflected in the absence of subsidiaries in tax havens.

This choice helps to build stakeholder trust.

In this context, the Group's Code of Ethics contains:

- › **Provisions on tax evasion,**
- › **Measures to monitor corruption risks,**
- › **Rules on gifts and entertaining, the fight against money laundering and the financing of terrorism.**

We have put in place internal guidelines for each issue that may impact our activities, our employees or our other stakeholders.

This body of documents has been distributed and is available on the Intranet site. These arrangements ensure the active monitoring of compliance with regulations. Thanks to them, all employees facing these risks are informed of any regulatory changes.

The Group's objective is twofold: maintain active communication on procedures and guidelines, and review ethics-related policies to integrate non-financial risks.

It is all the more necessary in the specific context of the Covid-19 crisis and its consequences on working methods. **GRI 102-15 / 102-17 / 102-29**

“The compliance function fosters a corporate culture whereby sustainable and positive development is based on individual and collective responsibility for ethical conduct. Compliance with the rules requires effective processes and varied communication channels. It protects both the interests of the company and those of its stakeholders. In 2020, we have maintained these processes and communication, despite the particular context of the health crisis. Our lines of defence have been strengthened and teamwork has been ensured through our commitment and our vision of unity.”

Olivier Guetta

Group Compliance Manager, Edmond de Rothschild Asset Management

Risks and Opportunities

“Our Group maintains a balanced and controlled risk profile, in line with the long-term nature of our business model. We continue to invest in a simplified operating environment and in improving the robustness of systems and processes and the effectiveness of controls. The Group constantly analyses its internal and external environment. It can thus monitor and mitigate risks in qualitative areas such as culture, reputation, compliance with laws, regulations and policies and decision-making incentives.”

Jean-Christophe Pernollet

Member of the Executive Committee, Head of Risks, Legal & Compliance of the Edmond de Rothschild Group

Understanding the risks analysed and their potential impact on the commitments made is at the heart of the Edmond de Rothschild Group’s sustainable approach.

The risk management framework makes it possible to see how risks interact over time and at different stress levels. It benefits from our commitment to transparency and informed decision-making. Tradition and a long-term perspective are the foundation of our convictions.

In this context, the notion of responsibility and the duty of prevention require an irreproachable control of risks. The Board of Directors and the boards of directors of the Group’s entities determine the risk tolerance. This is monitored using indicators and risk limits.

Reputational risks, ethical breaches or data protection shortfalls are also monitored. We are aligned with the industry standard of the three lines of defence to articulate responsibilities and obligations for risk management. This standard allows us to integrate sustainability risks throughout the organisation. It includes the following provisions:

- › **The first line of defence encompasses most of the Group’s roles. It allows risks to be taken within the limits of the framework and policies, risk appetite statements and measures set by the Board of Directors;**

- › **The second line of defence includes the Risk Function, which oversees the effectiveness of management and the corresponding controls. It is also responsible for developing Group-wide risk policies and strategic frameworks;**

- › **The third line of defence is the Internal Audit function. It is responsible for providing the governance bodies with an independent and objective view of the adequacy and effectiveness of internal controls. These are designed to monitor, manage and mitigate the risks that would prevent the Group and its subsidiaries from achieving their objectives.**

The culture of innovation and collective reflection permeates all our lines of business. We believe that incremental improvements in all of our activities create value for the Group’s development. The successful implementation of our strategic objectives depends on the strength of our risk management. When we identify and analyse the main operational or non-financial risks, we also identify opportunities.

These opportunities will enable us to create and deliver products, services, processes, collaborations and tools in line with the Group’s strategic objectives. Our commitment to sustainability is part of this approach. It contributes to the transformation of the activities of our industry to contribute to a more sustainable and responsible world. **GRI 102-30**

Examples of main risks

- › Regulatory framework
- › Guaranteeing a long-term business model
- › Capabilities and data management
- › Good corporate citizenship
- › Talent management
- › IT risks
- › Product suitability

Opportunities

- › Comply with current regulations
- › Leverage increased levels of innovation
- › Optimise the effectiveness of tools and processes
- › Support the communities in which we operate
- › Invest in training and development
- › Exploit digital protection products
- › Integrate sustainability criteria into investments

Data Protection

The protection of our clients, our employees and our businesses is a crucial priority for our Group. As a trusted partner and responsible company, we must handle all data with the utmost diligence.

As such, we actively monitor security and privacy risks. We are improving our ability to mitigate them through:

- › **Company-wide programmes,**
- › **Established industry practices,**
- › **Assessments and responses to threats and vulnerabilities.**

Digitisation is accelerating and, with it, the risks of invasion of privacy. We are supporting these changes with digitisation projects. Our goal is to optimise certain processes and offer our clients new service options. At the same time, we pay attention to the smallest details to support seamless protection for our stakeholders.

Information security policies and procedures define the classification and rules to be adopted for the

purposes of confidentiality of information and compliance with regulations on the protection of personal data. They describe the organisational controls put in place to protect information.

Our other security measures include firewalls, data encryption and 24-hour monitoring. This enables us to maintain the quality of technological systems and proactively detect unusual activity. We ensure the confidentiality, integrity and availability of client and partner data. This is essential to maintain the trust placed by our clients, employees and partners.

In 2020, with the spread of teleworking, we have further strengthened our security capabilities. We can thus monitor the increasing number of threats involving phishing and social engineering.

We also focused on improving the user experience. To do this, we have simplified the processes and controls and consolidated security. We are continually and exponentially adapting all our systems.

GRI 102-30

Cyber Security

Cyberattacks against businesses are increasing in size, speed and sophistication. To protect its information and systems, the Edmond de Rothschild Group takes a defence-in-depth approach. This approach:

- › **Incorporates detailed information security controls,**
- › **Provides end-to-end protection,**
- › **Offers multiple possibilities to detect, prevent, respond to and recover from cyber threats.**

An essential component of information security management, this approach aims to strengthen the security and stability of technological platforms.

In addition, we are constantly developing awareness campaigns. The Group's employees are trained, business by business, in the risk of cyber-attacks and the importance of data protection.

The Group's prevention methods and controls include:

- › **Threat intelligence,**
- › **The prevention of data leaks,**

- › **Vulnerability,**
- › **Ongoing employee awareness programmes.**

At the same time, we focus on detection, supported by a robust incident response process. Responsible teams endeavour to anticipate and respond to incidents proactively. Security incident management covers unwanted or unexpected events that affect confidentiality and the integrity of information that may have an impact on the Group, its clients or its employees.

Management and escalation processes are designed to best respond to cyber-attacks or threats to information security, minimise losses, leaks or disturbances. We use the information obtained by handling incidents for the purpose of continuous improvement of our activities.

With the Covid-19 pandemic, we have made security a priority. In addition, we have increased stability through a better understanding and proactive management of our cyber security risks.

Ensure responsible business practices

Our commitment to responsible and ethical practices defines our approach to business.

This commitment is essential to our success and the integrity of the reputation of our clients and our Group. Our business is driven by integrity, both with our clients and internally.

This paramount value implies zero tolerance for any form of corruption or fraud. This seems crucial to us in order to fulfil our role in society and preserve our reputation as trusted advisors to our clients.

The organisation of the Group into lines of business favours the reinforcement of consolidated monitoring by business line. Edmond de Rothschild (Suisse) SA, the Group's umbrella entity, is responsible for this monitoring.

At all times, our employees must act with loyalty, competence, care and diligence, in the best interests of clients and other stakeholders. Identifying and understanding irresponsible behaviour is a prerequisite for any corrective action. Ethical and accountability principles are a mandatory part of each employee's annual performance review. In addition, the whistleblowing procedures in place guarantee employees complete confidentiality in the event of a report.

In all our activities, checks and balances ensure the proper monitoring of the systems put in place, in support of our corporate values and objectives. Sales practices are established according to the same mechanisms.

Employees interacting with clients:

- › Receive training on product features, know your customer, policies and compliance with regulatory requirements;
- › Completed the Certified Wealth Management Advisor (CWMA) certification in Switzerland in 2020 as part of the LsFin;
- › Are trained in the use of secure remote chat tools for more personalised exchanges with clients.

Each employee has a personalized online dashboard. They can view the status of the mandatory training that concerns him/her, and access it at any time.

The Learning & Development and Compliance teams regularly update training programmes. They establish programmes in line with the Group's goals. In January 2021, our e-learning platform in Switzerland received a major update.

This focused on the classification of training courses considered to be related to business ethics and compliance. In addition, in 2020, we focused on regulatory training. This has significantly increased the number of training courses in this area.

18,708 hours
of training on
Ethics & Compliance topics

120 topics
linked business
Ethics & Compliance

9.1 hours
of training on average
per employee

Business ethics and compliance training in our three main entities GRI 205-2

	Switzerland		Luxembourg		France	
	2019	2020	2019	2020	2019	2020
Number of training hours	5,721	10,576	4,494	3,662	6,155	3,875
Number of employees who attended at least one Ethics and Compliance training session	830	737	520	512	749	735
Average number of training hours per employee	6.9	14.4	8.6	7.2	8.2	5.3
Total number of participations ¹	4,211	4,890	3,260	3,517	3,299	2,884

¹An employee may have taken part in several training sessions, which is why the number of participations is higher than the number of employees who attended at least one training session.



Human Capital

Mission & Objectives

Our mission is to reconcile the development of human capital with economic performance. Human capital is a key pillar in our sustainability strategy.

Its development is based on the following three goals:



Strengthen engagement and social cohesion



Share and live the culture of the Edmond de Rothschild Group



Invest in the development of human resources

The commitment of our Human Resources teams to the development of our human capital is based on sharing common values such as collective effort, a strict sense of ethics and the search for excellence.

The 2021–2024 sustainability objectives are set in line with these goals and are consistent with values and convictions.



Our Mission

Be an employer of choice

2021-2024 Objectives

- ▶ **Strengthen engagement and social cohesion**
- ▶ **Share and live the Edmond de Rothschild culture**
- ▶ **Invest in the development of our human capital**



See annex "Our commitment to our employees" for more information on our processes

Strengthen Engagement and Social Cohesion

Protect the health of our employees

Our priority, reinforced throughout the period of the health crisis, is the protection of the health and well-being of our employees.

Covid-19 crisis management in 2020:

We have been monitoring the spread of the virus since January 2020. We set up crisis units as of the beginning of March. They have enabled coordinated, cross-functional and rapid management of the situation within the Group.

Measures implemented

We quickly introduced a number of strict measures, including:

- › **The establishment of rules of behaviour to be applied in the premises in accordance with government and health authority regulations,**
- › **Enhanced cleaning of our sites,**
- › **Personal protective equipment,**
- › **Provision of thermometers for temperature checks at each site,**
- › **Installation of hydroalcoholic gel dispensers in many key points.**

Since the announcement of the mandatory lockdown by the authorities, we have been able to count on the speed of adaptation of our IT teams and the coordination provided by the crisis units. As a result, around 90% of our employees had switched to working from home within two weeks.

Continuity plans and governance

The continuity and control plans worked perfectly during the adaptation to this new environment. Thus, the new organisation did not lead to any deterioration of client service. Similarly, no employee has been cut off from their colleagues, their activities and the company.

Our governance has also been maintained and even strengthened. The Group's Executive Committee, Private Banking and Asset Management Committees, Business Lines and Premises met by telephone and video-conferencing once or more per week.

Regular communication and crisis management

We have taken care to preserve the well-being of employees and maintain permanent contact with them. To do so, we provided support and digital resources through our intranet site. Daily news, videos or awareness-raising messages were among the tools we chose to use.

In October, we had cases of contamination in our workforce, unlike in the spring. We were able to manage this phase thanks to our health measures, robust notification and response processes, and careful management of the quarantine of employees testing positive and contact cases. We have carried on our activities without interruption while protecting our employees.

Results of solid management

We have made the human dimension our priority. To improve monitoring and the measures adopted, we conducted an internal survey. More than 80% of employees confirmed that:

- › **Conditions were good,**
- › **They received sufficient information about continuity plans,**
- › **They had the necessary responses and received appropriate support,**
- › **They appreciated the collective dynamic of communication and monitoring.**

“In response to the emergence and spread of Covid-19, which has led to significant challenges, we have prioritised employees’ health. We have adapted our ways of working and maintained the continuity of our activities. The Group has demonstrated its agility and ability to adapt.”

Diego Gaspari

Member of the Executive Committee, Human Resources Director, Edmond de Rothschild Group

Strengthen Engagement and Social Cohesion

Flexible working arrangements and teleworking

Our aim is to offer greater flexibility in our working arrangements in order to promote a good work-life balance, in the service of performance.

After introducing flexible working hours in certain regions, the health crisis has accelerated the introduction of teleworking across the Group.

Today, we wish to perpetuate this way of organising work by allowing our employees to benefit from flexible teleworking arrangements.

The purpose of such perpetuation is to:

- › Evolve our management model,
- › Strengthen the Group’s attractiveness,
- › Contribute to the well-being of employees,
- › Decrease daily travel times,
- › Reduce the individual carbon footprint,
- › Support the digitisation of our working environment.



Volunteering

We continue to develop programs that allow employees to engage in actions with a strong social and societal impact.

Thanks to a partnership with a digital platform for solidarity engagement in 2021, employees will be able to participate in philanthropic actions in line with the values of the Edmond de Rothschild Foundations. It will also encourage the creation of internal and external virtual events that are in line with our sustainability convictions and linked to employees’ objectives.

Various volunteer programs have been set up for the Group’s employees. They are detailed in the chapter “Impact on society”, on page 50. Whether it is sharing skills or supporting entrepreneurship in Africa, our commitments reflect our conviction, such as:

- › Skills sponsorship actions,
- › A program to support women entrepreneurs in Mozambique,
- › Direct contributions for children.

GRI 404-3

96% of employees on permanent contracts

198 recruitments in 2020

96.5% of employees participated in the performance process

9.8 years is the average career length of our employees within the Group

Share and live the Edmond de Rothschild Culture

The unique culture of our Group

Our ambition is to anchor the Group’s culture in everyday practices in order to forge positive relationships, improve the employee experience and create a united internal environment. The dissemination of the culture within the Group, adherence to it and the alignment of behaviours with the ten principles have been deployed in four phases:

1. Formalisation: 125 culture ambassadors contributed to the definition of the ten principles.

2. Communication: 500 managers managers worked to disseminate the ten principles for employee commitment. **More than 100 employees** were invited to collectively reflect on the integration of the ten principles into our processes. **22 video** testimonials on the ten principles in action were produced.

3. Integration into the HR systems: 4 HR process were revisited in order to integrate the ten principles: Recruitment / Onboarding / Performance / Training.

4. Translation into rituals: through various forms of encouragement, our ten principles are reflected in **daily practices**. They are expressed in actions for all employees, starting with the example set by the Executive Committee.

Our 10 principles:

- › **Be curious about our whole universe**
- › **Fight for our name**
- › **Roll up your sleeves**
- › **“Yes, I can”**
- › **Success is built step by step**
- › **Go the extra mile**
- › **Details matter**
- › **Have the courage to speak out**
- › **The answer lies in working together**
- › **Be responsible and get involved**

“A strong culture, with clear principles and values, will enable employees to adopt the right behaviour and ensure sustainable performance.”

Ariane de Rothschild,
Madrid 2018

Our diversity is a strength

Our Group is committed to promoting diversity, pay equity and equal opportunities.

The principle of non-discrimination permeates all of the processes inherent to Human Resources.

To meet this commitment, we make sure that the Group guarantees gender equality in all its processes, including:

- › **Talent review,**
- › **Compensation review,**
- › **Promotions,**
- › **Development programmes.**

Our tipicity is reflected in our differences. Our teams are located in more than fifteen countries. We therefore benefit from a naturally diverse and high-quality employee base.

Our Corporate Social Responsibility policy presents our positioning. Our diversity of thinking and experience fosters innovation and long-term relationships. We strive to create a working environment that is synonymous with warmth, respect, support and appreciation. We strive to increase the diversity of gender, culture, age, origin and training within our workforce. **GRI 102-8 / 405-1**

45 nationalities
represented in the Group

47% of women
among promotions

43% of women among the
2,406 Group employees

38% of women
among recruitments

48% of women
among the employees trained

25% of women
in senior management

Invest in the Development of our Human Capital

Continuous training

Our ambition is to place the development of human capital at the centre of our priorities by devoting particular attention to the continuous improvement of skills and knowledge, and therefore to a continuous process of education and learning.

A comprehensive training offer is defined and updated every year, in line with the Group's strategy and regulatory requirements.

The performance management process includes the definition of a personalised skills development plan for each employee. We support our managers and business units in setting development priorities through specific training or on-the-job learning activities.

In 2020, the main challenge was to digitise our training offer. Our training catalogue was already robust and comprehensive in terms of mandatory training, but not at all digitised. The health crisis has forced us to transform ourselves. We have redesigned certain content and modernised some methodologies and practices.

The sanitary crisis has had an impact on business, managerial and leadership skills development programmes in support of the Group's transformation. However, we were able to finalise the sessions planned in 2020.

This experience has confirmed the suitability of our digital tools and capabilities to work differently, while achieving our training and skills development.

GRI 404-1

Internal mobility and promotion

The Group's priority is to develop support for employees in their career development projects, in line with the Group's needs, and to help them build a rich career while strengthening their employability.

Mobility is an act that demonstrates the employee's commitment to building a long-term career. It aims to match personal aspirations with the needs of the Group, prepare for the future in line with strategic focus, develop a shared culture, retain employees and strengthen our employer brand. Various measures have been implemented or will be implemented soon:

- › **Systematic publication of open positions on our intranet site,**
- › **Priority given to internal applications,**
- › **Bimonthly internal communication by geographic area with a reminder of the list of open positions,**
- › **Videos of testimonials from employees who have benefited from mobility.**
- › **Quarterly discussion sessions, focusing on mobility opportunities, in the form of Lunch & Learn between HR Business Partners, managers and employees.**
- › **Appointment of mobility ambassadors responsible for promoting opportunities within their function.**

In 2020, 32% of positions were filled by internal mobility, whether functional, geographical or through internal promotion. HR Business Partners set up meetings to present open positions to interested employees. We have managed to maintain our mobility.

"We target talent retention through programmes defined in close collaboration with internal managers to offer holistic training. The cross-functional role of our team allows us to maintain a catalogue of training courses with high-level content. This enables us to respond to changes in our sector and the specific needs of our employees."

Davide Paganoni

Head of Learning & Development, Edmond de Rothschild Group

28,940 training hours provided in 2020

92% of employees attended at least one training

15 training hours on average per employee

Management practices

Encourage the dissemination of management practices consistent with our values and our ten culture principles by supporting the development of management skills through innovative training programmes.

Our managers redoubled their efforts to support their teams during the health crisis. They have a central role, aligned with our leadership standards, in the commitment of their teams and the continuous strengthening of the skills and capacities of the people.

Over the last three years, more than 250 managers have attended training sessions that include sessions on management practices. In 2020, 50 managers passed these courses.

The definition of clear and ambitious objectives for each member of our teams has a positive impact on collective performance. Thus, in 2020, we set a common objective on performance management for all Group managers. Specific training sessions supported this measure. They took the form of two webinars, "Performance management" and "Development plan preparation". Half of the managers took one of these training courses.

Management development

Our managers benefit from a made-to-measure in-house training programme called «Management Master». We designed it to develop common management practices for key processes:

- › Performance management,
- › Remuneration review,
- › Recruitment and interviewing techniques,
- › Remote team management,
- › Team commitment,
- › Effective digital communication,
- › Ten principles of the Group's culture,
- › Be a benchmark employer.

A dynamic remuneration policy

The philosophy of the Group's remuneration policy is to reward long-term performance, attracting and retaining talent through competitive, fair and gender-neutral compensation.

Performance is as much individual as it is collective. The Edmond de Rothschild Group is committed to the sincerity and transparency of the link between performance and remuneration. This link must also be a driver for employee motivation and commitment. Under our Group rules, maternity and adoption leave have no negative impact on individual compensation.

We are looking at pay equity at all levels. Thus, people with similar roles and responsibilities receive comparable salaries.

Remuneration policies are reviewed each year by the Remuneration Committees for all Group entities. We ensure our alignment with best practices and our compliance with the various legislation in force. We regularly participate in remuneration surveys in order to assess our conditions within the Group. **GRI 102-35**

Building for the long-term

Human capital remains at the heart of our sustainability approach.

Promoting and integrating sustainability into all our activities contributes to the creation of long-term value. Our priorities to achieve our goals and accomplish our mission encompass the following topics:

- › Sustain post-Covid-19 practices,
- › Digitise the HR function,
- › Retain talent,
- › Increase commitment.

Through these, we want to reduce and better control risks, improve the productivity of resources and position our teams as essential partners. These priorities take into account the human dimension of our Group's strategic ambitions. They will also contribute to the development of our human capital and to a sustainable economic performance.

63 employees benefited from internal mobility

43% of women benefited from a promotion

141 employees among the internal mobilities



Responsible Investment

Mission & Objectives

In recent years, we have seen an undeniable development of responsible investment and a growing awareness of the importance of environmental, social and governance (ESG) issues. Now is the time to accelerate.

Crises are decisive moments for making the right choices and reinventing oneself. The health crisis has highlighted environmental and social aspects.

Our approach as a responsible investor is all the more crucial at this very special time.

Placed at the heart of our activities, it enables us to:



Differentiate ourselves,



Have an impact on the real economy,



Combine long-term performance and impact.

The integration of ESG issues into the financial analysis and investment decision-making processes will soon be the new normal. Within the Edmond de Rothschild Group, we have been integrating these issues for a long time, to better understand risks and opportunities.

Our Responsible Investment Mandate for the private bank clients stands out with its made-to-measure profile. It makes it possible to align investments with the needs and aspirations of clients.

Our new Responsible Investment strategy for asset management pursues strategic developments in line with our convictions. Our targets for 2021-2024 reflect our positioning and our commitment to sustainable and profitable finance.

With its convictions, our investment house remains committed to responsible investment.

We develop investment products that balance performance and impact, in support of our mission to strengthen our historical positioning.

Our Mission

Strengthen our historical positioning

2021-2024 Objectives

- ▶ **Formalize the consideration of climate risk**
- ▶ **Increase ESG requirements**
- ▶ **Strengthen continuing education on sustainable finance**



See the "Innovation in responsible investment" appendix for more information about our management approach and processes.

A clear position for Responsible Investment

Differentiation of approaches

Responsible Investment (RI) has always been a strong conviction within the Group. Inherent in the Rothschild family's values, it is embedded in their vision. The objective is to adopt a broad approach to investments coupled with sound management, going beyond short-term performance. Moreover, the acceleration of sustainable finance over the last few years calls for more transparency in our risk management and decision-making.

In our opinion, transparent and consistent information enables more informed business and investment decisions. At Edmond de Rothschild, we distinguish between funds and mandates that are part of an integrated ESG-based approach and funds and mandates that also specifically apply a strict SRI or impact investment policy. There is not one, but several ways of doing RI: Best-in-Class RI, Best-in-Universe RI, thematic RI and impact RI.

Transparency in our approach

Each approach has its purpose. This diversity is reflected in the product offers of the Edmond de Rothschild Group. Depending on the chosen approach, the level of ESG requirements in the selection of issuers is different. Before considering the sustainable or unsustainable nature of a company within an index, we study the approach

pursued and the non-financial objectives. This distinction improves the visibility and transparency of our actions.

The financial sector is undergoing a profound transformation. Sustainability, particularly social and environmental issues, is the most frequent topic in the questions addressed to players in the sector. The sincerity and solidity of their commitments will be even more evident thanks to the regulations expected in 2021. The strengthening of our commitments for this period reflects our desire to influence the real economy and provide superior products and services in support of the environment and society.

The proliferation of RI labels underlines the increased demand for investments combining meaning and performance. These elements highlight the importance of the banking sector in directing financial flows towards solutions that can make a difference.

At the end of the Covid-19 crisis, the financial sector will face unprecedented regulatory and competitive pressures. Equally exceptional answers, focused on the search for sustainable, innovative and committed solutions, will be required.

GRI G4-FS7 / G4-FS8 / G4-FS11

In 2020, for the Edmond de Rothschild Group

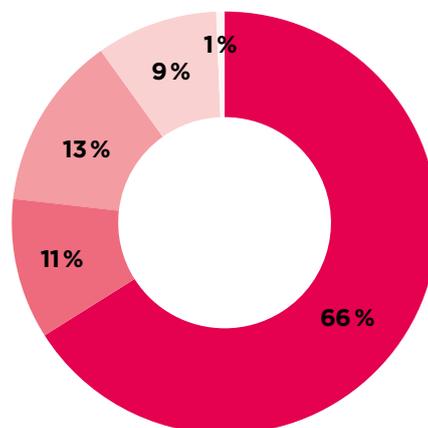
98%
of the open-ended funds
involve calculating their carbon footprint

+ 100%
SRI-certified open-ended funds in 2020

100%
of the infrastructure debt platform
managed with the integration of ESG criteria

+ 62%
in assets under management invested directly in real estate
integrating ESG criteria

27.6 billions CHF
managed through the integration
of ESG criteria and RI strategies (up by 23%)



■ Listed Assets ■ Infrastructure Debt
■ Real Estate ■ Private Equity
■ PB Mandate (excluding EdR funds)

Uninterrupted support in Private Banking

Demands and expectations are changing

The year 2020 helped us to realise the fragility of the structures and the environmental and social imbalances caused by unbridled globalisation. In terms of purchasing food and travel habits, sustainability issues have emerged.

The crisis has reinforced the growing enthusiasm of our clients for responsible and sustainable management of their investments. As with any crisis, its magnitude and duration have served as a catalyst for heightened awareness of sustainability issues. The climate emergency, for example, is no longer the sole concern of governments and companies. Today, each individual identifies with them in a context of increasing civic mobilisation.

Mainly concerned about environmental issues until now, clients have also begun adding social issues to their priorities. Indeed, the pandemic has amplified social issues within ESG considerations through its impact on:

- › **Increasing poverty,**
- › **Rising inequalities,**
- › **The breakthrough in education and training,**
- › **Public health issues,**
- › **Disparate access to healthcare,**
- › **The endangering of vulnerable populations.**

This crisis has also highlighted the need for companies to review their supply and value chains. In many industries, many companies have been unable to continue operating. Certain highly exposed sectors are the leading victims of this crisis, such as banking, travel and the automotive industry. Others, however,

have done very well, with an acceleration of their development, such as technologies or digital commerce.

Health, in particular, has been in the spotlight. The pandemic has changed the perception of some investors about the importance of access to health-care and health issues in general. These themes will probably be the subject of public and private investments to compensate for the shortcomings that appeared during the pandemic.

Strengthened alignment of convictions

Our clients want to invest in funds and companies without compromising their values. They are mindful of current issues and know that we have been committed to addressing these challenges for a long time. We continue to focus on innovation in the face of trends such as the energy transition, the digitisation of healthcare and the transformation of agriculture, but we favour companies that place human capital at the centre of their growth strategy.

In terms of financial performance, our investment approach has proven to be extremely resilient. It has proven that the risk/return ratio was very well suited to a management system that integrates ESG criteria.

We have continued to support our clients in their decision-making. We have guided them in the creation of portfolios in line with their values and their non-financial aspirations, despite the difficult conditions and the imposed distancing. Our employees have ensured that they are in constant contact with the clients, guaranteeing excellent service throughout the year.

“We continue to focus on responsible and sustainable growth where the relationship with the client is the priority. Designing a better banking experience is an ongoing objective that requires ongoing commitment. History has helped us to build an agile and flexible Group. We continue to deliver service excellence through various channels to meet our clients’ needs. In the context of a global health and human crisis, we have increased our proximity to our clients to meet their needs for advice. We have increased our research efforts on major economic and societal themes. Thus, our management and our advice are part of a long-term vision. Our current and future investments aim to improve our clients’ experience and their access to our innovative and responsible solutions.”

Michel Longhini

Member of the Executive Committee, CEO Private Banking of the Edmond de Rothschild Group

PRIVATE BANKING

Our Responsible Investment Mandate continues to develop

The three pillars of our Mandate

Clients also drive change through the investment choices they make. Their alignment with their convictions and personal values is becoming an increasingly decisive factor. Our Group's commitment has always been based on three main pillars: innovation, impact on the real economy and sustainability.

These three pillars form the basis of our Mandate:

- › **Support the transition to a sustainable economy through investments focused on various environmental, social and governance (ESG) issues,**
- › **Promote innovation through themes such as the energy transition, healthcare and medical research, and the development of human capital and infrastructure,**
- › **Have a positive impact on the real economy.**

+ 72%
SRI Mandates
in Private Banking in 2020

For social issues, we focus on equality, inclusion, education and training. Financing access to medical research and healthcare for as many people as possible is part of the Group's tradition. We also promote themes such as respect for the land through sustainable agriculture and the preservation of biodiversity. We select companies that develop innovative technologies that can have a positive impact and contribute in a sustainable way to the increasing digitisation of all sectors.

External funds

The selection of external funds serves the entire Group. Since 2019, we have formalised comprehensive ESG due diligence questionnaires for all types of funds and asset management companies. The standard ESG questionnaire consists of two parts integrating quantitative and qualitative indicators:

- › **A component focused on ESG integration,**
- › **A component focused on the positioning of asset managers regarding Responsible Investment.**

Alternative fund managers are also included with a simplified questionnaire. The latter is based on the recommendations of the AIMA trade association and the Principles for Responsible Investment.

These questionnaires are sent either every two years or systematically for any new recommendation, with a dual objective:

- › **Capture the latest changes in ESG practices of referenced or targeted funds,**
- › **Identify better SRI funds for private banking or asset management mandates.**

Changes are planned for 2021, such as the inclusion of the new EU Sustainable Finance Disclosures Regulation 2019/2088 (SFDR) and the French Financial Markets Authority (AMF) Doctrine (Doc. 2020-03).

Defined positioning

We want to identify investment vehicles likely to have an impact on specific development challenges and in line with the United Nations Sustainable Development Goals (SDGs). Our impact is measurable thanks to constant discussions with the companies chosen for our investments. We now have enough data to measure our impact on our investments. In addition to active participation in general meetings, we encourage positive inclusion among these companies.

Our Mandate now covers the majority of risk profiles. In addition, we implement these securities selection methodologies in made-to-measure portfolios. This enables us to respond to all of our clients' specific requests. The objective is twofold:

- › **Support and guide our clients according to their values and**
- › **Demonstrate the profitability of Responsible Investment.**

+ 65%
of assets under management
(excluding in-house funds)
in our SRI Mandates in 2020

Participation in the SDGs

In 2015, the United Nations launched the 2030 Agenda for Sustainable Development. The Sustainable Development Goals (SDGs) framework has 17 goals, 169 targets and 230 related indicators. It aims to harmonize international efforts on the world's biggest societal challenges, such as ending poverty, improving health and education, reducing inequality and preserving oceans and forests.

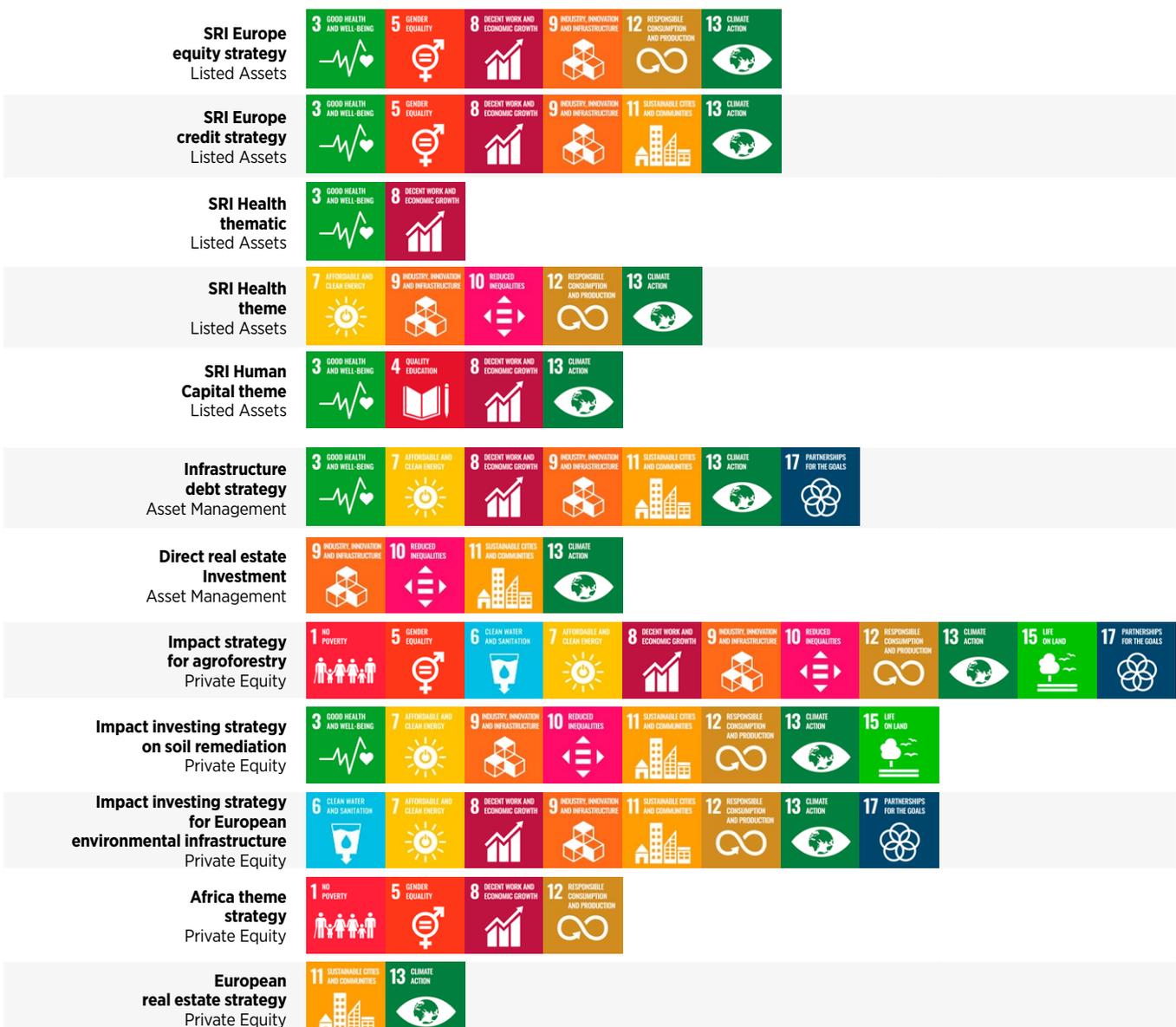
The Edmond de Rothschild Group supports the SDGs to address the important issues related to sustainable development. Various Group investment strategies contribute to the goals listed here within this framework.

Many aspects of our business are aligned with the SDGs and we have identified the SDGs where we believe we can be most involved.

We are intensifying our efforts to further align our activities with the objectives and to remove obstacles. We monitor all our activities. Given our core business, we focus on long-term investment solutions with the aim of having an impact on the real economy. Our commitment to harmonizing and developing sustainable finance applies to all our investment businesses.

Building on our efforts, we have expanded our coverage of the SDGs through impact strategies aimed at contributing to important issues. Education, affordable housing, health, economic inclusion, international development finance, diversity and equality are some of the issues covered by our investment strategies.

GRI 102-6 / 102-9



ASSET MANAGEMENT

Resilience and Innovation in asset management activities

Challenges and opportunities

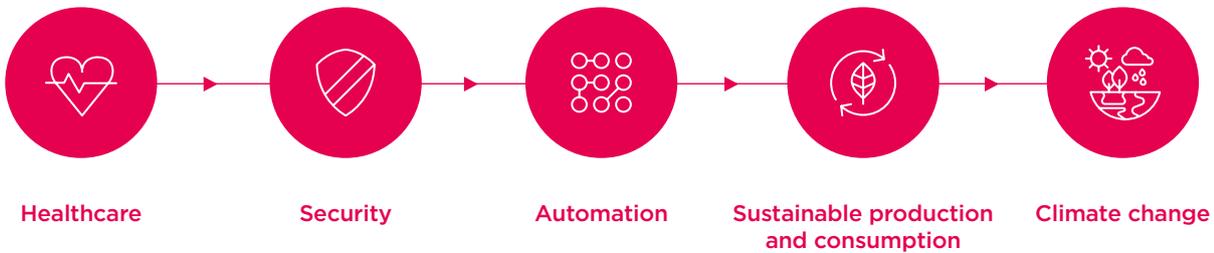
The upheavals of 2020 continue to reshape our world. We are living in an era of deep turbulence and historic changes. The year 2020 placed new emphasis on the importance of social issues. The repercussions were stronger in certain sectors, such as healthcare. Concerns about the health and safety of employees within companies or the massive loss of jobs were significant.

The most pressing environmental issues have benefited from a new perspective. During the pandemic, CO₂ emissions decreased by around 8% worldwide. This positive impact on the environment will cer-

tainly change ways of doing things. A reflection on future trends is necessary.

More urgent than ever, resilient business strategies are the key to long-term value creation. The influence of this crisis on old business models will highlight new practices in the area of Corporate Social Responsibility. These new ways of working will have an impact on how we invest.

Our Responsible Investment team has identified a number of interesting themes and sectors in terms of opportunities, including the following:



These themes will favour players in the fields of healthcare, technology, sustainable mobility, renewable energies, the circular economy, as well as education and finance.

Our analytical model has proven to be very resilient in terms of performance. In addition to a clear

mitigation of the fall in the markets, we have also seen rebounds.

Over the period from January to March 2020, the companies with the best ESG rating in our proprietary research performed 9% better than those with low ratings.

“The health crisis has put our ability to adapt to the test. We have ensured the continuity of our operations by adapting our usual interactions. The flexibility and control of our teams have been the driving force behind our business. The social climate remained positive despite the lockdown and the widespread use of teleworking. This particular context was also a challenge for our investments. The crisis has confirmed the strength of our Responsible Investment approach to support the resilience of companies. Our ESG analysis model ‘EdR BUILD’ takes into account the environmental, social and governance pillars in a balanced way. It helps to understand the complexity of sustainability. The crisis has once again revealed its merits. We are more convinced than ever that Responsible Investment remains a major driver for a positive exit from the crisis.”

Christophe Caspar

Member of the Executive Committee of the Edmond de Rothschild Group, CEO of Edmond de Rothschild Asset Management

Responsible Investment strategy for asset management

Unity and shared vision

2020 saw the completion of our second Responsible Investment strategy (2017–2020) and the launch of the 2021–2024 strategy. The results were in line with the objectives, with an overall progress rate of almost 90% on the 20 bottom-up projects identified.

Several objectives were renewed because they are structural for the long term:

- › Develop our specialised SRI range,
- › Deepen and broaden ESG integration,
- › Develop ESG reporting,
- › Broaden climate risk management,
- › Strengthen trainings on sustainable finance.

Development objectives and ambitions

The Responsible Investment strategy aims to be both ambitious and pragmatic, as well as cross-functional. Indeed, it now includes all Asset Management activities, both liquid and illiquid, of the Group. The aim is to ensure an overall vision and consistency in terms of Responsible Investment and to accelerate its development. It was presented to the Asset Management Steering Committee in December 2020 for launch in early 2021.

This strategy sets, for the first time, 12 cross-functional objectives common to all the Asset Management lines of business. These objectives cover topics such as:

- › ESG integration,
- › Climate risk,
- › Dialogue and engagement,
- › Reporting,
- › Training.

General Management, management expertise and the Human Resources and Marketing and Communication functions examined these objectives for several months. We wanted them to be ambitious, particularly in terms of priorities. Indeed, they reflect our desire to achieve our mission, and “strengthen our historical positioning”, in Responsible Investment.

Certain objectives reflect our desire for unity in our efforts to support our mission. They also support our

approach to sharing experiences and best practices between our various entities and their respective levels of advancement. These objectives include the signing of the United Nations Principles for Responsible Investment (PRI) by all relevant entities that are not yet members and the application of a climate roadmap based on the recommendations of the TCFD and the Sustainable Development scenario of the International Energy Agency by entities that have not yet formalised it.

Other objectives appear for the first time and bear witness to a strong shared ambition. This is the case, for example, with the integration of ESG criteria into the remuneration of all employees. Lastly, the extension of training on the challenges of Responsible Investment to all employees will be a common thread for the coming years. It determines the support and sustainability of our Responsible Investment development.

Other achievements in 2020

In addition to the topics discussed above, the year 2020 was marked by a number of advances. They illustrate our desire to position ourselves pragmatically among the leaders in Responsible Investment. In this respect, Responsible Investment governance seems to us to be particularly important. We consolidated it by integrating Private Equity, Real Estate and Infrastructure Debt into the Responsible Investment Steering Committee, which reports to the Global CEO Asset Management. It now covers all Asset Management activities, both liquid and illiquid.

We have also facilitated the day-to-day work of managers with the deployment of more detailed ESG management tools. To do this, we have developed a detailed ESG dashboard, integrated into the management tool.

These ESG management tools enable managers to monitor the fund’s ESG rating and its carbon footprint in real time compared to its benchmark index. They also report on ESG monitoring, the carbon footprint and any controversies related to each listed security. They are accompanied by an ESG attribution, a major step forward in the integration of ESG considerations into all our portfolios.

ASSET MANAGEMENT

Climate Risk Management

Climate change represents the greatest challenge for humanity. Large-scale decarbonisation is necessary to meet the Paris Agreement target of keeping the global average temperature increase below 2°C by 2100. This target is being undermined as greenhouse gas emissions continue to increase. It nevertheless means rethinking and innovating in our activities.

Beyond the immediate health and economic implications, the Covid-19 crisis has highlighted the notion of resilience. It has drawn attention to sustainability issues, the most salient of which is climate change, or even the climate emergency. The various economic players and regulators are mobilising to provide responses, in particular within the framework of the Green Pact and the European Union's green taxonomy. As soon as it enters into force, planned for 2022, this will require disclosure on the share of investments aligned with the taxonomy and therefore considered as "green".

Update of the climate roadmap

Edmond de Rothschild Asset Management (France) set up a climate roadmap in 2017. It was updated in early 2020. It is based on the latest climate scenario, namely the "sustainable scenario" of the International Energy Agency compatible with the Paris Agreement. It now includes ruminant meat product in sectors with high climate risk and, conversely, plant-based agricultural production in sectors with high climate opportunity. At this stage, the climate roadmap remains global and is not broken down by geographical investment area. This is an area of development for the future. The climate analysis of sovereign debt is another current area of progress.

At the same time, Edmond de Rothschild Asset Management (France) implemented a thermal coal exclusion policy in early 2020. It covers all of our funds and mandates. It excludes companies deriving a significant portion of their revenue from thermal coal mining or coal-fired electricity generation, unless a clear diversification strategy is in place, consistent with a scenario of 2°C, below 2°C, and validated by the Science Based Targets Initiative (SBT)³.

Risk Management

In terms of portfolios, Edmond de Rothschild Asset Management (France) has been using the Pacta 2DII tool since 2019 to verify the climate alignment of certain SRI funds. The entity recently launched a collaboration with Carbone 4, a data and analysis provider. During 2021, we will integrate various climate-related data into our portfolio management tool. This data will make it possible to monitor and manage the climate profile of our investments. Climate alignment reports will also be available.

Climate-related financial risks refer to all potential risks:

- › That may result from climate change,
- › That may have an impact on the safety and soundness of individual financial institutions,
- › That may have broader implications for the financial stability of the banking system.

We distinguish between physical risks and transition risks. Physical impacts include the potential economic costs and financial losses resulting from the increased severity and frequency of extreme climate change events, as well as incremental longer term climate changes. The impacts of the transition are related to the process of adaptation to a low-carbon economy.

Alignment target

Two of the cross-functional Asset Management targets for 2021–2024 focus on the climate. All Asset Management entities will formalise their roadmap, supported by the expertise of Edmond de Rothschild Asset Management (France).

In view of the objectives of the Paris Agreement, immediate action is required to support the financial well-being of our clients and communities. We are committed to playing our part in the responsible transition to a zero-emission economy. With a focus on reducing our own emissions, we continue to advance our actions through our investment strategies, our funds and our portfolios.

¹ [iea.org](https://www.iea.org) ² [iea.org/reports/world-energy-model/sustainable-development-scenario](https://www.iea.org/reports/world-energy-model/sustainable-development-scenario) ³ sciencebasedtargets.org

Our ISR Funds and ESG Requirements

Proprietary expertise

Launching a fund with environmental, social and governance (ESG) criteria is anything but ordinary. This requires cutting-edge technological capabilities and expertise in analysing the ESG criteria of each company.

We are proud to have developed our patented ESG proprietary model more than ten years ago. Revised and improved on a regular basis, this tool allows our analysts to express our non-financial convictions, without resorting to external databases. It is an asset that complies with the highest standards of non-financial analysis. It is informed by detailed and balanced research focused on the three ESG pillars and the practices of our Responsible Investment team. It allows for great responsiveness and positioning in innovative companies. Since 2018, it has included the United Nations' 17 Sustainable Development Goals.

Our team works closely with our investment professionals to develop industry-leading practices. The year 2020 saw the acceleration of the development of our SRI range of listed assets via the transformation of existing funds and the launch of new funds. In addition to European equities and bonds, we have extended our SRI range to international and emerging strategies and diversified management. In 2020, we received the French SRI label

Development of our range

At the same time, we launched a themed SRI range, focusing on issues at the heart of the Edmond de Rothschild universe and contemporary challenges. For example, we have transformed the first health fund launched in 1985 into an SRI fund incorporating impact themes such as access to healthcare and unmet medical needs.

In addition, **three new SRI thematic funds were created:**



A fund focused on the challenges of the climate and energy transition



A fund that puts human capital at the centre of its approach



A fund to support the technology ecosystem in Europe

The latter obtained the “Relance” (“recovery”) label from the French Ministry of the Economy, Finance and Recovery. This award is a recognition of our commitment of more than 20 years alongside French companies.

At the initiative of Ariane de Rothschild in 2018, the theme of Human Capital was discussed with the Group's chief economist. Since then, the Group has wanted to put Human Capital at the center of its reflections. The Responsible Investment and International Management teams joined in these analyses. Thanks to the Group's proprietary work and experience on Human Capital and the analysis of intangible assets, this work led to the launch of a pioneering equity fund on Human Capital at the end of 2020.

Confirmation of our convictions

At the end of 2020, we have 11 labelled funds. We have also seen positive momentum for our dedicated SRI funds despite the Covid-19 crisis. For example, we implemented an ESG analysis mandate for a partner fund focused on strategic equity investments in companies. Net inflows are positive overall. This progress and the acceleration of our developments are proof of the rigour of our methodology, our approach and our convictions. They also reflect the quality of our responsible investor approach and the sincerity of our commitment.

“One of the many positive aspects of Responsible Investment is the range of possibilities offered. There are many ways to invest sustainably. The success of our growth is based on our convictions, our long-term approach and the expertise of our teams. The direction in which the financial sector must evolve is clearly defined. In the future, Responsible Investment will simply become essential.”

Jean-Philippe Desmartin

RI Director of Edmond de Rothschild Asset Management (France)

¹ Part I, versus l'indice MSCI EMU

ASSET MANAGEMENT

Dialogue and Engagement to contribute to change

Our role as a responsible investor

Active shareholding is an integral part of our investment process. We see engagement as an opportunity to drive continuous improvement. The voting policy is available on the Edmond de Rothschild Group website. It applies to the entire scope of Edmond de Rothschild Asset Management (France).

The exercise of voting rights is the responsibility of the managers. Edmond de Rothschild Asset Management (France) strives to facilitate this approach and ensure its consistency. As such, as part of its general SRI approach, the entity has set up a specific organisational structure. It centralises and coordinates all information necessary to exercise the voting rights attached to the securities held by the funds it manages.

The principles of this voting policy are consistent with the RI approach deployed by Edmond de Rothschild Asset Management (France). They cover the fundamental aspects of governance in detail. In addition, they announce the Company’s position in the event of environmental and social resolutions submitted to shareholders’ votes.

Formalisation through engaged governance

In 2020, Edmond de Rothschild Asset Management (France) updated its voting and engagement policy. Under the direction of the CIO Asset Management, a Dialogue and Engagement Committee was created to strengthen the support provided to companies. The pre-existing Votes and Engagement Committee now focuses on votes. Edmond de Rothschild

Asset Management (France) also strengthened its engagement with the companies in its portfolios.

Bimonthly steering committee meetings were set up in October 2020. They bring together representatives from senior management and the areas of equities, bonds, asset allocation, responsible investment, as well as product, marketing and communications specialists. Chaired by the Global CIO Asset Management, this steering committee is responsible for defining, validating, monitoring and reporting on our engagement activities.

In 2020, Edmond de Rothschild Asset Management (France) joined a coalition of eleven European investors. In May 2020, at the Annual General Meeting of Total, this coalition initiated the tabling of the first climate resolution to be submitted to shareholders in France.

Edmond de Rothschild Asset Management (France) wishes to continue its engagement with regard to the environmental impact of meat production. Thus, the entity joined the FAIRR initiative in early 2020. This network of collaborative investors aims to raise awareness of the environmental, social and governance (ESG) risks and opportunities generated by intensive farming.

Finally, our expertise has been recognised with the participation of Edmond de Rothschild Asset Management since 2020 in the working group of the EFRAG (European Financial Reporting Advisory Group). The latter focuses on the reporting of non-financial risks and opportunities.

408

general meetings
at which we voted in 2020
GRI 102-21 / G4-FS10

131

dialogue and engagement
activities undertaken in 2020
GRI 102-21 / G4-FS10

5,610

resolutions voted on
GRI 102-21 / G4-FS10

Infrastructure debt is anchored in the real economy

A profession of conviction

Infrastructure debt is attracting a growing number of investors. Since 2014, the Edmond de Rothschild Group has had a platform to support the financing of infrastructure projects in Europe and beyond. Our approach and the selection of projects combine the desire to have a positive impact on society and the Group's convictions as a responsible investor.

We favour projects that address the issues of the current world in order to give meaning to our commitments and have an impact on the real economy. We are looking for solutions that create long-term value.

We rely on the quality of our approach and our tangible benefits:

- › Our achievements,
- › Our history,
- › Our interventions as a true alternative arranger of infrastructure debt,
- › Our commitment to sustainability in all its aspects,
- › Financing the real economy,
- › The size of our international team,
- › Our independence.

We ensure that we are consistent with the Rothschild family heritage and the Group's clear strategic focus on private markets alongside private equity and real estate. Also, our selective and specific activities embody the Group's commitment to sustainability.

Resilience and strengths

There are significant opportunities for diversification between sectors and sub-sectors, industries, countries, regions, technologies, industrial and financial sponsors, equipment manufacturers and operators. In terms of renewable energy, for example, the solar sub-sector allows a choice of CSP or photovoltaic technologies. In situations such as the Covid-19 crisis, this diversification helps protect investors from systemic risk in the event of difficulties in a given sector, country or regulatory framework.

In addition, the assets of an infrastructure debt portfolio often benefit from long-term public or corporate contracts. These contracts provide visibility on the future revenues of the financed project. As a result, investors can predict the interest generation profile and the capital repayment of the amounts they have entrusted to a manager, even in the event of a crisis. Digital infrastructures have proven to be very resilient during the health crisis. Broadband access and increased bandwidth have been an essential support for work and home education, for example. In the future, the emergence of smart cities will further support the need for digital infrastructure.

When Covid-19 is contained, we will no doubt see the persistence of certain behaviours and partial working from home. Initial home medical diagnosis should also progress. In addition, the digitisation of infrastructure contributes to reducing the carbon footprint with increased selectivity of professional travel.

“Renewable energies embody the energy transition and green infrastructure, but an asset manager must not focus solely on this segment, as this may not be able to cope with events such as those encountered in 2020. Infrastructure covers a large and diversified universe, with a significant contribution to ESG issues and criteria. Financing green infrastructure means participating in the energy transition, but also in digital infrastructure, the modernisation of public services, mobility – particularly green – and social infrastructure that meets energy efficiency criteria, in the fields of healthcare and education, for example. This diversification strategy has proven to be both key and resilient during the Covid-19 crisis.”

Jean-Francis Dusch

CEO Edmond de Rothschild Asset Management (UK), CIO BRIDGE¹

¹ BRIDGE is the name of the Edmond de Rothschild Group's infrastructure debt platform: Benjamin de Rothschild Infrastructure Debt Generation

INFRASTRUCTURE DEPT

Limpio Project

The investment in debt in the Limpio project in Spain is a good example of public service financing. We have focused here on waste treatment in the form of public-private partnerships, a central theme in the infrastructure sector. Renewable energies are a key sector of green infrastructure and a significant part of the portfolio of infrastructure debt managers, but they also represent an important element of diversification thanks to the different sub-sectors they include.

The Limpio project involves financing a modern waste treatment plant, a landfill and 14 eco-parks in Spain. With a processing capacity of 120,000 tonnes of waste per year, this project benefits more than 180,000 inhabitants.

The borrower must provide an external annual report in order to measure the ethical and sustainability impact based on the Green Loan Principles, established by the Loan Market Association (LMA), and the Equator Principles, benchmarks for the assessment of ESG risks. The concession agreement imposes penalties in the event of underperformance, for example in the rate of waste rejection. This may lead to an increase in the lock-up clause limiting the borrower's ability to pay dividends. This is a positive incentive for the implementation of best practices.

The importance of transparency

The ESG dimension remains, and will become even more so, a key element of investment strategies and portfolio construction. This is all the more true in the context of recent European decisions covering the Sustainable Finance Disclosure Regulation (SFDR) or the taxonomy of sustainable businesses.

Smart infrastructure debt managers have integrated specific ESG criteria into their asset selection and structuring process. These criteria impose certain obligations (covenants) on borrowers over the term of the debt instruments. This involves, for example, the control and measurement of CO₂ emissions or the contribution to the objectives of limiting global warming provided for by the Paris Agreement.

The monitoring and reporting of these ESG criteria are increasingly exhaustive. Investors face demanding requirements and high expectations in this area. Asset managers who have anticipated this trend are well placed to develop diversified, resilient and high-performance infrastructure portfolios while

having a positive impact on the environmental and social criteria of sustainability.



Our progress in 2020

Investors consider infrastructure debt to be one of the winning asset classes in the complicated context of Covid-19 and we have been able to seize a number of opportunities. One of our compartments is ranked 9th globally as an infrastructure asset manager. In addition, Edmond de Rothschild Asset Management (UK) received the Deal of the Year award from Project Finance magazine for the Astérix transaction in France.

In 2020, several steps were taken within our platform:

- › **Establishment of a proven ESG process for asset selection, structuring and closing of investments, monitoring and reporting and also**
- › **commitments in France, Germany, Ireland, the Netherlands, Bulgaria, Portugal, Spain and Sweden, in terms of financing:**
 - › Solar energy,
 - › Biomass,
 - › Optical fibre,
 - › Healthcare,
 - › Transport, including green mobility,
 - › Urban heating,
 - › Storage of natural resources,
 - › Public service assets.

The success and appeal of our platform lies in our ability to provide a fully integrated offer and service to our clients.

Growth and commitments in Real Estate

Investments including environmental, social and governance (ESG) criteria have accelerated over the last four years on a global scale. The year 2020 was marked by constant flows on topics related to climate issues. We are seeing a general awareness of the impact of climate change on the environment and health, a phenomenon accentuated by the current pandemic. Sustainability is paramount for the real estate industry in the face of increasing demand for new green buildings.

Green investments will have to be accelerated thanks to political support and the continuous improvement of the competitiveness of green technologies. This concerns new buildings which apply the latest standards, but the main challenge lies in upgrading and renovating the existing building stock. In the context of real estate investments, this is the single most important issue. At Edmond de Rothschild Real Estate Investment Management (REIM), we continue to integrate sustainability into our activities more and more extensively. Our aim is to remain innovative and embody the Group's vision.

Real estate has a considerable impact on the environment. Buildings are responsible for 36% of CO₂ emissions and 40% of energy consumption in the European Union. In addition, with the increase in the global population and the massive development of cities, this sector plays a key role.

56%

of property under direct management with integration of ESG criteria

Trends and requirements

As an active investor, we also take into account the trends and requirements that guide the management of sustainability risks in our industry, including:

› Intensification of climate legislation

setting performance standards for buildings. Energy benchmarking policies for buildings which are increasingly developed. Some cities setting increasingly stringent minimum performance standards.

› Increased demand from investors on ESG issues

Real estate funds are increasingly structuring their approach, including performance measures, in order to monitor improvements. ESG criteria are essential for taking into account the long-term return of investments and the impact on society.

› The evolution towards a circular economy

To fully take into account the environmental impact of buildings, real estate must evolve towards a circular economy where wastage of materials is minimised. This includes the incorporation of a mechanism to reduce, reuse and recycle construction materials.

ESG policy

In 2020, a new ESG policy was put in place for all Edmond de Rothschild REIM entities. Among other things, it provides for a commitment to zero carbon emissions, by 2030 for Scopes 1 and 2, and 2040 for Scope 3. All funds under discretionary or semi-discretionary management are committed to the implementation of ESG policies.

Our entity has set up a working group called the Sustainability Team. This group met regularly in 2020. It is composed of representatives of the different entities and functions of the platform (sales, fund management, investments and asset management).

Our aim is to integrate ESG considerations into all of our operational and investment processes.

Our priorities are as follows:



Improve the sustainability of existing assets,



Put users at the heart of our approach,



Act with meaning and commitment.

+ 50%

of funds with ESG integration in 2020

REAL ESTATE

Convictions and ambitions

The best practices implemented in terms of sustainability allow our clients to invest according to sustainable and responsible criteria. Our subsidiaries in the United Kingdom, Benelux and Germany are all signatories of the United Nations Principles for Responsible Investment (UNPRI). This approach will be extended to all entities of the Edmond de Rothschild REIM platform. In addition, in November 2020, we implemented awareness training for all our employees through a webinar. This will be followed by more specific sessions on our activities in 2021.

At Edmond de Rothschild REIM, the following principles guide our approach to sustainability, based on impact and proportionality:

- › **Improve risk-adjusted investment performance by integrating ESG considerations into our investment processes,**
- › **Implement sustainable practices through innovation and the sharing of best practices in the portfolios we manage,**
- › **Act responsibly as a manager by addressing environmental impacts while improving operational efficiency and values,**
- › **Recognise the social impact and take into account the local communities in which our assets are located.**

Edmond de Rothschild REIM is gradually aligning all the policies of the funds managed and in 2021 will establish country-specific guidelines to address the issue at the entity level. These processes are based on the ambitions expressed in the Responsible Investment Policy of the Group and Edmond de Rothschild REIM and also on the requirements expressed in the European Sustainable Finance Disclosure Regulation (SFDR). All direct property investment funds aim to meet at least the requirements of Article 8 of the

SFDR, or even Article 9 for one of our funds managed in the United Kingdom.

We have already achieved several ESG goals, and we will implement others as part of the objectives of some of our funds. These include:

- › **Energy renovations (facades and windows),**
- › **Installation of photovoltaic solar panels,**
- › **Electricity contracts at green tariffs,**
- › **Heat production with renewable energy,**
- › **Water consumption reduction devices,**
- › **Connection to urban heating networks.**

Systems for measuring fluids such as energy, water and electricity are being installed in Benelux, Switzerland and France to monitor consumption in relation to the objectives set either by the fund's governance or local regulations.

Lastly, in order to compare portfolios and buildings, we have integrated SRI certification or Good Economy Partnership approaches, BREEAM, LEED or MINERGIE certification, or classification in relation to benchmarks such as GRESB or SSREI. All newly built or renovated properties with parking facilities are equipped with electric vehicle charging stations and bicycle parking facilities.

Positive social impact

Our affordable housing fund focuses on a single, strong social impact strategy. Its mission is as follows: "Supporting the affordable housing sector in the UK to increase the supply of affordable housing, deliver positive social value and provide attractive, stable and incremental returns to investors."

More than ever, the future of real estate lies in its ability to meet technological, social, demographic and environmental challenges. We are committed to providing concrete solutions through forward-looking strategies that automatically integrate non-financial criteria.

"CO₂ emissions reduction targets will only be achieved if significant actions are taken on existing buildings. We are committed to improving their efficiency, optimising their use of natural and renewable resources, and improving their biodiversity and social components."

Pierre Jacquot

CEO Edmond de Rothschild Real Estate Investment Management

Private equity strategies designed to address sustainability issues

A revealing year

The pandemic has affected us all in unprecedented proportions. For the first time, it highlighted a link between:

- › The overexploitation of resources,
- › The destruction of ecosystems,
- › Intersections of people and wildlife,
- › The potential for the development of zoonoses.

This crisis has forced us to rethink the way we consume, produce and manage natural resources. It highlighted, or confirmed, the key components of a resilient business model.

Since our creation, we have never chosen simplicity. With an entrepreneurial and pioneering spirit, we have always focused on ambitious, innovative and differentiating private equity strategies. We strive to link financial performance with social and environmental benefits.

More than just a marketing tool, the integration of ESG criteria has been at the heart of our long-term vision for many years.

This approach has enabled us to build investment strategies that are sustainable and resistant to shocks and that generate positive societal impacts. They cover, among other things, pollution control and urban development, environmental infrastructure, growth capital in Africa, and the support for the growth of SMEs. They respond to many economic, environmental and social issues raised by the crisis, including:

- › The protection of natural resources,
- › Biodiversity preservation,
- › Promoting the circular economy,
- › Human capital development,
- › Poverty reduction and food security,
- › Support for innovation and technology.

We have defined the 2021-2024 objectives for all asset management activities. They reflect our long-term commitments and bring synergies to sustainable finance. Our approaches allow us to respond to current social and environmental challenges and create long-term value.



Outstandings 2020 of Edmond de Rothschild Private Equity:

CHF 2,741 billions*

93% of assets in Responsible Investment, thereof:

45% in ESG integration

34% in sustainable themes

21% in impact strategies

“2020 has confirmed our investment convictions and our role as a responsible investor. More than ever, finance must position itself as a driver of change to support more resilient economies. This period also showed us the importance of going back to basics and asking ourselves what really makes a company perform. Sustainability and human capital must therefore be put back at the centre of business models. We will continue to be actors in these transformations, devoting all the energy, time and skills of the teams that support us in our various strategies.”

Johnny El Hachem

CEO of Edmond de Rothschild Private Equity

* Private Equity outstandings for third parties at Edmond de Rothschild = CHF 2.74 billions of which assets under management by Edmond de Rothschild Private Equity = CHF 2.55 billions

PRIVATE EQUITY

Human capital: A key element of sustainable business development

The special year of 2020 underlined the need to rethink production models and value chains, for greater geographical autonomy and short supply chains.

Regional SMEs, often the largest local employers, are more than ever essential to economic development.

As part of our strategy dedicated to business succession, we have invested in an SME specialising in the automation of production lines. This investment meets the dual challenge posed by the transmission of family SMEs and support for local economies.

We have placed human capital at the heart of our approach. Thus, the success of the operation depends above all on the arrival in the company of a new manager, alongside the founders, who will bring

additional expertise and know-how. The strategy combines human and financial capital. It contributes to the sustainability of the company's business model and the growth of the company in the new market conditions dictated by the crisis. It also helps to preserve its independence, culture and values.

The "Relance" ("recovery") label from the French Ministry of the Economy, Finance and Recovery was obtained in November 2020. It has supported the company's management in the implementation of a sustainability action plan integrating, for example, waste management or sustainable energy consumption.

Other measures in terms of diversity, employee safety, training and governance bodies have also been put in place.

Diversity at the heart of resilient urban development

Today, the development of spaces is an effective solution to the urban (artificialisation of soil, pollution, noise), economic, social and environmental challenges of our cities.

To do this, the approach must move away from short-term solutions and focus on sustainable development strategies. These strategies will be accompanied by objectives defined upstream of the project in response to the challenges. It is also necessary to find the right partners - architects, developers, socio-economic and political players - in phase with this vision.

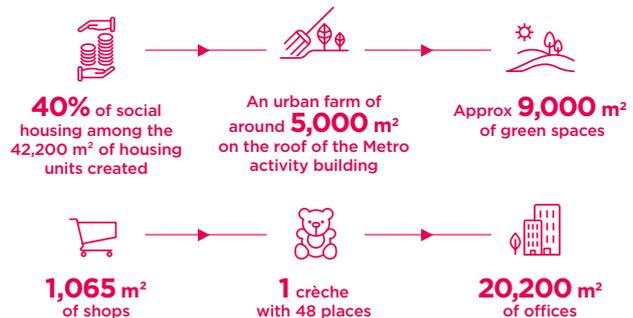
Our strategy for decontamination and sustainable urban development excludes the "industrial wastelands of tomorrow" with buildings that are obsolete after 20 or 30 years.

Since its inception, projects have been designed with a view to sustainability, in collaboration with the partners. Buildings must be flexible to meet new uses such as co-living and co-working.

They must also be adaptable and convertible, from offices to housing, for example. They will thus offer more resilience in terms of buildings, neighbourhoods and cities.

The economic regeneration of neighbourhoods and the quality of life of its occupants are key to the viability of projects. Far from the concept of a dormitory city, the aim is to develop a city that is alive, day and night, where economic, cultural and social activities maintain the attractiveness of the city.

To do this, diversity is essential. It can be functional by mixing uses such as offices, shops, housing or hotels, or by reintegrating nature into spaces but also social through housing with affordable rents or the promotion of home ownership, the creation of nurseries, proximity to public transport or the theming of public spaces (cultural associations, youth and sports activities) to strengthen the life of the community.



The essential role of technologies

The Covid-19 crisis has forced us to reinvent the way we work, communicate and travel.

Digital technologies have played an essential role in the face of the challenges arising from travel bans. They have also enabled teams to work together and with their clients.

They have offered more flexibility, efficiency and rapid adaptability to support business continuity. Our dedicated technology strategy has fostered the development of services for companies such

as software platforms. These platforms covered recruitment and training, performance management, logistics management and home delivery.

Our strategy has made it possible to respond to multiple challenges:

- › **Mobility,**
- › **Human capital development,**
- › **Skills development,**
- › **Pooling of know-how and sustainability of business models.**

Better management of natural resources in Europe

Our positive impact investment strategy in European environmental infrastructure responds to the challenges of the energy transition. It is mainly focused on water and waste management and the production of renewable energy.

The first investment under this strategy is in Croatia, in the forest region of Slavonia. It concerns Energy 9, a biomass cogeneration plant with a power of 5 MW based on wood residues.

Commissioned in 2018, Energy 9 recovers co-products and waste from the wood industry, thus producing carbon-neutral energy. The asset makes it possible to convert more than 55,000 tonnes of waste into energy per year and contri-

butes to reducing CO₂ emissions equivalent to 25,000 tonnes per year.

While supporting local forestry, the electricity produced will supply other local industries, particularly agriculture. Support for the economic and social development of the region is an important pillar of the strategy that:

- › **Contributes to the energy needs of local manufacturers through the production of green energy,**
- › **Boosts job creation in a remote area of the country,**
- › **Provides a sustainable solution to the dual environmental and social challenge.**



In 2020:

39,100 MWh
Electrical power generated

58,300 MWth
Thermal energy produced

25,600 t eq. CO₂
Avoided emissions

55,000 tonnes
Waste recovered as energy

49 ETP
Jobs created - including 14 direct jobs

PRIVATE EQUITY

Restoring biodiversity

Our sustainable urban development strategy considers landscape planning as an integral part of its approach to redevelopment. It contributes to restoring biodiversity on former polluted and/or obsolete industrial sites.

We are involved in the rehabilitation of the former printing plant in Uccle (Belgium), which was polluted with heavy metals and hydrocarbons. This project returns almost half of the site to nature. Three communal gardens and one public park will be spread over 2.3 hectares.

Biodiversity does not like uniformity. More than 100 trees will coexist with the local vegetation, composed of plants and shrubs of undergrowth and open meadows. The planting conditions and the sought-after ecosystem services governed the choice of this range of indigenous plants. This importance given to biodiversity for each project

also makes it possible to better manage the risks related to climate change.

The creation of green spaces will reduce the effects of heat islands induced by buildings, with vegetation being the most effective source of temperature control. It will create infiltration areas conducive to flood reduction.

In Malaga, Spain, on the site of a former power plant acquired in 2017, 2.1 hectares will be dedicated to green spaces and biodiversity. The roof gardens will be an extension of the green spaces. They will help to insulate the buildings and collect rainwater. Permeable paving stones will allow better natural infiltration into the soil and help to recharge the water table. As in Uccle, the stored rainwater will be reused for watering the gardens and, as the case may be, for the sanitary facilities of the housing units.



Key figures & Objectives for the two vehicles of the strategy

+ 45 million € invested in the management of environmental liabilities

800 social housing units among the total of more than 4,000 created

+ 67 hectares of wasteland returned to the city (nearly 240 hectares of agricultural, forest and natural land not developed)

Strengthening food security in Mozambique

Agribusiness is a key sector directly linked to the ability to provide quality products to local communities. This approach is at the heart of our investment strategy dedicated to growth in Africa.

In 2018, we invested in the company Merec, in Mozambique, helping it strengthen its position in the local market and diversify its wheat-based product range. A key player in the Mozambique flour industry, Merec provides half of the national production of flour and wheat products (bread, pasta, biscuits).

With local production and processing, Merec promotes short supply chains and contributes to strengthening the country's food security. It is able to provide quality products at affordable prices to millions of Mozambicans. The Group also contributes to the added value produced by the country and its economic development.



50% of the country's flour, enabling the bakers to produce five million baguettes per day



16,500 packages of pasta produced by Merec sold every day



499 employees



50 jobs created in 2020

Combining the preservation of natural capital, economic development and social function

In Mali, mangoes are often called “Mali’s green gold”. Even as the leading mango producer in Africa, the country exports only 40% of its production.

The remaining 60% is unused, due to a lack of transport and adequate means of preservation and/or processing.

This represents a considerable shortfall in potential income for the Malian economy, particularly for rural populations.

Comafruits responds to this opportunity with the local transformation and processing of more than 6,000 tonnes of mangoes per year, in the form of purees or fruit juice. In 2019, the company strengthened its supply chain.

It works in close collaboration with several farmers and their cooperatives to obtain certifications such as Fair Trade and Rainforest Alliance. These labels make it possible to meet the purchasing criteria of the processing plant.



At the same time, Comafruits has partnered with GIZ* to train farmers and lay the foundations for contract farming. 1,750 producers have been trained in good agricultural practices, orchard maintenance, irrigation and surface water harvesting.

* German International Development Cooperation Agency
<https://www.giz.de/en/html/index.html>



10 investments in **8 countries** for our impact on agroforestry strategy:
1,721 hectares sustainably managed • **75** job opportunities • **2,503** suppliers

Supporting businesses during the crisis

This year, our teams of agroforestry experts focused on managing the health crisis in their companies.

The implementation of strict rules and the provision of equipment strengthened the protection of employees in their workplace. The measures adopted included:

- › checks initiated at the entrance to the facilities,
- › compliance with social distancing rules,
- › the multiplication of hand washing stations,
- › the distribution of masks and gloves.

These measures are evident in urban or peri-urban areas, but are much less so in the remote rural areas of West Africa where our experts operate. Access to medical equipment is often difficult. Some companies have been forced to manufacture masks or hand sanitizers themselves. As with environmental protection, social impact is one of the central pillars of this investment strategy.

More than ever, its role in improving the living conditions of communities has been essential.

Companies are an important driver for reaching out to surrounding communities and have also played a key role. Their commitment to farmers has given rise to numerous initiatives:

- › **The company Bovid (Ghana)** distributed relief packages, including agricultural tools and seeds, to more than 700 smallholders in 60 communities,
- › **Comafruits (Mali)** developed a partnership with the local health centre and the occupational physician to raise awareness among communities about preventive measures,
- › **Tolaro (Benin)** set up hand washing stations and distributed masks, disinfectants and food supplies to local communities.

PRIVATE EQUITY

Naivas: Solidarity Project

The formalisation of retail and distribution is fundamental to improving the quality and safety of food products.

Through our dedicated growth strategy in Africa we invested in Naivas, the largest Kenyan supermarket chain.

Naivas ensures access to quality products in urban and rural areas and has:

- › **70 stores in Kenya for**
- › **5 million customers served each month.**

The local footprint of Naivas also played an important role in the distribution of food during the Covid-19 crisis.

The pandemic has had profound repercussions on food security and nutrition.

Traffic restrictions and lockdown measures have disrupted food supply chains. The impact is harsh and persistent for the most disadvantaged households and people working in the informal economy.

In June 2020, Naivas launched an initiative in favour of these communities by providing basic necessities.

This initiative led to the delivery of more than 4,000 baskets of essential items. It targeted the most disadvantaged households in Nairobi and in local communities in Narok County and the coastal region.

In the field, the goods provided by Naivas were distributed thanks to a local NGO, Shamas, and to the local strategy teams.





Environmental Impact

Mission & Objectives

At Edmond de Rothschild, we consider climate risk to be a major and emerging risk. It refers to the possibility that climate changes associated with our activities or stakeholders may affect our Group.

We began reporting on the direct environmental impacts of our activities in 2014. Our mission is to ensure our results keep coming down.

We have set out environmental principles:



Comply with applicable environmental laws and regulations, as well as voluntary standards and initiatives adopted by the Group



Integrate the assessment of environmental risks for operational efficiency compatible with the reduction of the environmental impact



Measure and publicly report each year on the Group's environmental performance

We follow the Greenhouse Gas Protocol standards to measure and report greenhouse gas (GHG)

emissions under Scopes 1 and 2. We also report CO₂ emissions under Scope 3, as related to business travel by plane and car. Climate change requires a multidisciplinary approach. Our wealth management and asset management businesses are committed to responsible investing.

The integration of ESG factors into the investment process helps improve returns, manage non-financial risks and deliver on our commitment to sustainable growth and returns. The integration of climate risk into our investment activities is detailed in the Responsible Investment chapter on page 26.

The risks and opportunities that climate change represents for our Group are taken into account by the Group Executive Committee, in which all our business lines are represented. As a responsible company, we have a duty to combat climate change through commitments and actions that create the right conditions to build the world of tomorrow. We have set the targets for 2021–2024 in line with the previous cycle of targets in order to monitor the efforts made by our house services teams and employees to reduce our environmental impact.

GRI 102-20

Our Mission

Limit and control our environmental impact

2021–2024 Objectives

- ▶ **Optimise energy consumption**
- ▶ **Maintain offsetting of our CO₂ emissions**
- ▶ **Make progress in responsible waste managements**

See the "Management of our environmental impact" appendix for more information about our processes.



Reduce our impact through pragmatic actions

Managing the risk related to climate change involves reducing the environmental footprint and taking reasoned actions.

In line with our environmental policy, the achievement of our overall objectives requires:

- › Integrating climate risk into our investments,
- › Reducing our carbon footprint,
- › Offsetting our CO₂ emissions,
- › Purchasing recycled or certified paper,
- › Controlling our energy consumption,
- › Waste reduction and sorting.

According to a briefing note published by the European Environment Agency (EEA), the Covid-19 pandemic and the restrictions imposed have had positive short-term effects on the environment. These include temporary improvements in air quality, a reduction in CO₂ emissions and a reduction in levels of noise pollution. However, the note underlines that there have been negative consequences such as the increased use of single-use plastics. The means to counteract this involves rethinking our unsustainable production and consumption systems to achieve long-term benefits.

The Covid-19 crisis has also accelerated interest in ESG. Sustainable funds performed better during the economic slowdown caused by the pandemic, highlighting the resilience of responsible investment.

Maintain our efforts

We are continuing our commitments to take action to control the risks associated with climate change and reduce our impact. In 2020, we started replacing

employees' computer equipment in all our Paris offices. In this type of project, sustainability factors are integrated into the overall process. This dimension is essential because computer equipment is a category of waste with a high environmental impact.

In this specific case, the supplier was selected following an audit of its value chain. It fulfilled the major criteria that we had established:

- › The choice of a short supply chain thanks to a presence throughout France,
- › Priority given to recycling equipment,
- › Valuing inclusion, in particular by hiring people with disabilities.

A total of 498 central units were recycled. Equipment that can be recycled and reused has been reprocessed by the same supplier for resale. A portion of the proceeds was donated to the Edmond de Rothschild Foundations.

In our Geneva entities, we replaced the main lighting with an LED system. These changes, which were gradual during the year 2020, have enabled us to reduce consumption by 350 kWh over the year and create a more pleasant lighting for the eyes. The desk lamps were also changed to an LED system. This type of project meets the requirements of the Universal Objective Agreement signed with the Canton of Geneva. The main objective is to reduce our energy consumption. Other projects related to boilers, ventilation and air conditioning will start in 2021 to strengthen our commitments and achieve our objectives.

GRI 102-29 / 102-49



Recycling management

Recycling management GRI 306-2	2019	2020
% of employees with access to a paper recycling system	97%	97%
% of employees with access to a plastic recycling system	58%	58%
% of employees with access to an aluminium recycling system	60%	61%
% of employees with access to a glass recycling system	58%	59%
% of employees with access to a cardboard recycling system	67%	66%
% of employees with access to an organic waste recycling system	25%	25%
Paper Recycling		
Recycled paper waste (tonnes)	154.5	89.1

Access to sorting systems was stable compared to 2019. Our paper waste decreased by 42% compared to 2019 and by 66% compared to 2014. The overall quantity of waste decreased by 77% compared to 2014. Teleworking was a major contributor to these results. We also recycled more than 7 tonnes of computer equipment in 2020.

Our insetting programme to offset CO₂ Emissions

Since 2016, we have chosen to offset our CO₂ emissions corresponding to Scopes 1 and 2 through a targeted insetting programme. Unlike traditional offsetting, which offsets emissions through players and techniques outside the company's activities, insetting makes it possible to integrate socio-environmental commitments at the heart of our value chain.

We chose to plant forests, precious wood and fruit trees in rural areas within the sphere of influence of our impact investing activities, and more specifically of our agroforestry strategy in Nicaragua. This insetting programme will end in June 2021. Our desire to pursue the programme will enable us to continue to actively support coffee producers.

Our goal is to support local players who aim to remove barriers to the adoption of agroforestry systems by coffee farmers affected by coffee rust and the adverse effects of climate change, through:

- › An inclusive landscape approach,
- › Research and development programmes,
- › Training and capacity building,

- › Adoption of agroforestry systems that increase the resilience of local communities, improve their livelihoods and preserve the region's biodiversity and forests.

Since 2017, we have supported 109 local producers from 6 different communities. This includes 25 women in a region where 90% of women are unemployed. The varieties used are mainly local varieties of precious wood, which also allows for economic growth in the area, as the value of the small-scale coffee farm increases. To satisfy requests from farmers, fruit trees have also been planted to ensure their food security and to enable them to diversify their sources of income.

The impact of tree planting on carbon sequestration can now be assessed in real time thanks to an online platform developed by Taking Root, through which it is possible to monitor the establishment of the plantation as well as the amount of carbon sequestered. The platform also includes a georeferencing of producers' properties, a presentation of the beneficiaries of the programme and a description of their smallholdings. To date, 109 producers and 162 plots have been registered and mapped. **GRI 413-1**



Improve the livelihoods of rural communities

In addition to acting as a catalyst for agroforestry and sustainability, our Insetting programme generates environmental, economic and social benefits on several levels. Globally, it helps to adapt to climate change and reduce the damage it causes. For local communities in reforested areas, our Insetting programme pools resources to protect water sources, preserve biodiversity and enrich the soil.

The Edmond de Rothschild Group offsets its carbon footprint while generating values shared within its industry. The smallholders who benefit from the programme have access to agroforestry and can thus ensure the food security of their families by planting fruit trees, diversifying their crops and enhancing the value of their property. All the technicians working on planting and monitoring the programme are local talents.



12,095 tons
CO₂ eq. offset

477 smallholder
beneficiaries

987 families impacted
by agroforestry training

48,380 trees planted

127 hectares reforested

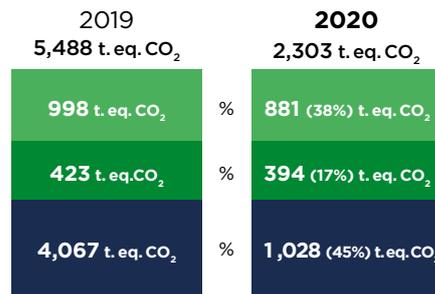
Our 2020 carbon footprint impacted by the health crisis

Active engagement and agility are essential to optimise our environmental impact. We also recognise that continuous review and adjustment of our actions is inevitable as we deepen our engagement. Taking 2014 as a reference year, our objective of reducing the intensity of our CO₂ emissions per employee by 15% by 2020 was largely achieved, since we had reduced it by 25%. Similarly,

the reduction in our overall carbon footprint since 2014 was 30%. We maintain our commitment to reduce our combined direct (Scope 1) and indirect (Scope 2) carbon emissions. We will achieve this through a combination of efficiency improvements, the development of renewable energy projects and other measures to offset our greenhouse gas emissions. **GRI 102-15 / 102-49**

Carbon footprint of the Edmond de Rothschild Group (tons CO₂ eq.)

The Group's overall carbon footprint in 2020 was strongly impacted by the Covid-19 crisis. The sharp drop of 75% in scope 3 is due to the cancellation of most professional travel. As a result, our carbon footprint decreased by 58% compared to 2019 and by 69% compared to 2014. The footprint per employee also decreased to 0.96 tons CO₂ eq. compared to 2.22 in 2019. It decreased by 67% compared to 2014. The Scope 3 items, professional travel by air, company cars and waste, accounted for 45% of our emissions in 2020, compared to 74% in 2019. **GRI 305-5 / 102-48**

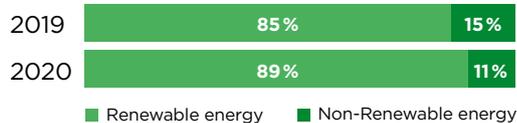


Carbon footprint of the Group (tons CO₂ eq.) **GRI 305-1 / 305-2 / 305-3**

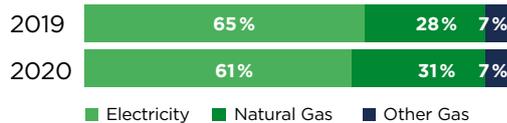
Energy consumption

The Group's energy consumption fell by 9% in 2020. Employees switched to teleworking but the use of energy has been necessary to maintain our activities. Electricity therefore still accounted for 61% of our energy consumption, compared to 65% in 2019. The Group's share of total electricity from renewable sources increased from 85% to 89%. Energy consumption per employee has fallen by 6% since 2014. **GRI 302-1 / 302-4**

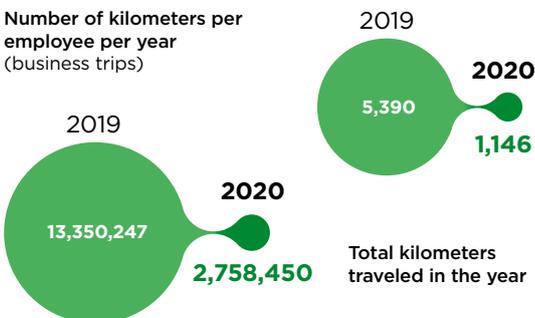
Energy consumption of the Group



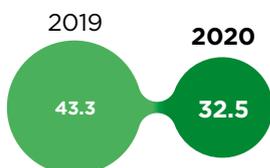
Origin of energy sources



Number of kilometers per employee per year (business trips)



Paper consumption per employee (kg)



Business travel by employees

Mandatory lockdowns and the stoppage of air traffic due to the Covid-19 crisis strongly impacted our results. Meetings and appointments with clients via the internet have become the norm. Despite these upheavals, we continued to serve our clients without interruption. Kilometres travelled by company car fell by 76%, while kilometres of air travel were down by 80%. **GRI 305-3**

Waste management and paper consumption

The Group's overall paper consumption fell by 27% in 2020 and by 66% since 2014. Consumption per employee has decreased by 62% since 2014 and we are maintaining our target of using 100% recycled or FSC/PEFC certified paper. Today it represents 89% of the paper used. **GRI 301-1 / 301-2**



Impact on Society

Mission & Objectives

All the businesses of the Edmond de Rothschild Group interact with each other. They transform in contact with each other with the aim of creating shared value for a global and local impact.

We are committed to finding and catalysing effective solutions to pressing societal issues and prioritising sustainability. We partner internally and externally to make a difference in society. We are attentive to societal changes in order to provide our expertise through social and societal impact programmes.

Our societal impact is focused on three key topics:



The overall social and societal impact thanks to our responsible investment and impact strategies,



The local social and societal impact thanks to the commitment of our employees,



The integration of societal impact factors in our external collaborations.

Collective efforts and commitments to meet certain complex social and societal challenges underpin our

long-term vision, anchored in the real world. The desire to carry out pragmatic, clear and measurable actions is embodied in the individual or collective commitments, partnerships and interactions established within the Group.

Our banking teams work for a positive financial, social and societal impact through investment initiatives focused on finding concrete solutions to major current challenges.

Based on the expertise and experience of the Edmond de Rothschild Foundations, which are managed completely independently from the Group, we offer employees opportunities to make a specific contribution to concrete projects as a way to use our know-how for the common good.

The quality of our partnerships is essential to maintain sustainable and responsible businesses. Our commitment to our partners means ensuring that we take all possible measures to be aligned with our requirements, our management of non-financial risks and our alignment with the United Nations Sustainable Development Goals (SDGs), and in particular Goal 17 “Partnerships to achieve the goals”.

GRI 102-12 / 102-49

Our mission

Help to build a sustainable society

2021-2024 Objectives

- ▶ **Have a societal impact through our value chain**
- ▶ **Report on the impact of our commitments**
- ▶ **Protect our stakeholders**

See the “Our commitment for a sustainable society” appendix for more information about our processes.



Have a societal impact through our value chain

The challenges posed by societal and environmental issues, but also those generated by the Covid-19 crisis, bring with them development opportunities within value chains.

Our entrepreneurial DNA drives our teams to identify innovative investment themes with a view to generating real impacts for communities and developing visionary projects. Edmond de Rothschild is an investment house with convictions.

This means that we have an active vision of investing to make a difference in the real economy. Whether through private equity activities, our thematic funds, our investments in real estate or our infrastructure projects, we look for solutions that can have a real impact while contributing to the development of new, sustainable business models.

More than ever, the search for positive impact is essential to help build a more equitable and resilient society. The expertise recognised within our Group has already demonstrated our investment convictions by developing a differentiating offer that combines financial performance and societal utility.

We align our strategies with the UN Sustainable Development Goals to ensure that we respond precisely to global and local challenges and goals. We count, among others, the following themes among our value creation strategies:

- › Land remediation and rehabilitation on former industrial sites,
- › Implementing sustainable agricultural models to improve land management,
- › Preserving biodiversity,
- › The development of affordable housing for affected populations,
- › Supporting local economies through financial inclusion,
- › Human capital as a source of economic and social performance.

Serving committed clients

True to the pioneering spirit of our history, we share our innovative and disruptive collaboration models with our clients. Transparency, technology and changing attitudes towards wealth are altering the approach to and definition of philanthropy and the year 2020 will certainly have been a turning point. The precise definition of objectives and the intervention strategy as well as the measurement of impact and the development of collective initiatives are an integral part of the expectations in terms of philanthropy.

The events of 2020 have forced everyone to re-examine their values, in particular the way they can commit to serving society. In a context of unprecedented distancing, listening to beneficiaries is more crucial than ever. To remain relevant and efficient in supporting their partners, co-construction offers a particularly useful avenue for philanthropists.

In this unusual environment, we have continued to support our clients in their search for ways to commit. We have set up training courses on these topics for all employees most concerned by them, in order to support them in this process of listening and guidance.

In 2020,
training sessions on philanthropy
and engagement were attended by
314 employees

Supporting women's entrepreneurship in Mozambique

In 2020, the Edmond de Rothschild Group and the Foundations joined forces to support a female entrepreneurship programme in the province of Niassa in northern Mozambique: "Mais Mulheres".

This six-month support programme for 120 women in Niassa was implemented in the first half of 2020 thanks to a crowdfunding campaign launched within the Group in 2019. It brought together nearly 300 employees from different regions.

The private foundations of the Rothschild family have pledged to match the total amount raised.



This programme was developed in four areas:

- › Establishment of a business centre fitted with computer equipment for training and peer-to-peer learning sessions,
- › Mentoring by 12 women, themselves at the head of companies, who support the participants of the programme in making their micro-enterprises a reality,
- › Comprehensive training on three themes: leadership, negotiation & decision-making and finance & management, in partnership with an ecosystem of experts developed locally by the Edmond de Rothschild Foundations and their partner United Purpose,
- › Financing by connecting with local micro-credit bodies and promoting community savings schemes.

GRI 102-12 / 413-1



Report on the impact of our commitments

Societal engagement programmes

The Edmond de Rothschild Foundations are independent of the Edmond de Rothschild Group, but thanks to the interactions that exist within our unique ecosystem, we have created bridges that allow us to use each other's skills and experience for philanthropic programmes. Our employees share their know-how to create opportunities and value.

In 2020, Edmond de Rothschild employees were able to share their expertise through the following programmes. GRI 413-1

SINGA Acceleration

SINGA Acceleration is a 12-month leadership and support programme for refugee entrepreneurs and entrepreneurs working in refugee reception who are in the process of scaling up their activities. The companies selected receive five months of tailored support, including mentoring on strategy and finance, peer-to-peer learning, meetings with investors and the provision of a workspace. The Group employees provide them with access to their network and expertise, specifically in the areas of fundraising, communications and project management.

In 2020, 6 structures were supported by 6 employees. GRI 413-1

TEKHNÈ / Liberté Living-Lab

The TEKHNÈ acceleration programme is aimed at entrepreneurs from different backgrounds who are committed to civic and social technology innovation and are looking to develop organisational models

for the common good. These ambitious initiatives, be they in response to the major challenges of education, employment, the environment, health or public service innovation, need to be supported and assisted. The winners benefit from a 12-month support built on the basis of their specific needs, including the provision of cutting-edge technical expertise from the Liberté Living-Lab ecosystem (Big Data, Blockchain, Artificial Intelligence, Virtual Reality), and support from Group employees.

In 2020, 8 start-ups were supported by 14 employees. GRI 413-1

L'École de la Philanthropie

École de la Philanthropie (Philanthropy School) is working to train a new generation of enlightened and committed citizens in a world which is undergoing multiple social, ecological and political crises. The association teaches children between the ages of 8 and 11 how they can contribute to the public interest, both at school and in their life outside school. The civic engagement programme combines an awareness phase and an action phase in support of a cause chosen by the children. Each year, the employees of the Edmond de Rothschild Group are invited to commit themselves over a period of one year through classroom interventions to mobilise children and support them in identifying and soliciting public interest bodies with which they wish to act.

In 2020, 9 employees provided support to 7 classes before schools closed. GRI 413-1

Protecting our stakeholders

As a signatory of the United Nations Global Compact, the Edmond de Rothschild Group is committed to promoting and respecting human rights, labour law, environmental protection and the fight against corruption.

As part of this commitment, we have put in place a responsible purchasing policy to define the principles for the procurement of products and services that take these aspects into account.

The policy will be updated and redistributed in 2021. At the same time, the "Responsible Supplier

Purchasing Charter", which was implemented in 2017, will be reassessed.

Internal processes to communicate and apply this policy will be examined and applied.

We also plan to formalise a reasoned due diligence process as part of the requirements criteria during the evaluation and selection of service providers and suppliers. This process will be aligned with our internal requirements and our commitment to apply responsible and sustainable practices in all our activities. **GRI 102-49 / 102-42 / 102-43 / 102-44**



EDMOND DE ROTHSCHILD FOUNDATIONS

CO-CREATING THE FUTURE

The Edmond de Rothschild Foundations push the boundaries of philanthropy. At this incredible think tank, we develop innovative and disruptive collaboration models. Through an entrepreneurial approach, we support sustainable initiatives serving a society based on inclusion and diversity. We build numerous bridges with civil society, the private sector and public institutions. It is working together that we will have a more lasting impact.

The Edmond de Rothschild Foundations coordinate an innovative ecosystem based on four areas of excellence:

- ▶ HEALTHCARE
- ▶ ENTREPRENEURSHIP
- ▶ ARTS
- ▶ EXPERTISE PHILANTHROPY

The many societal challenges we are facing, the resolution of which could still leave the illusion of the medium-term, have for the most part been exacerbated by the current health crisis. While the race for the Sustainable Development Goals (SDGs) is being undermined in

this context, our commitment remains key in many sectors.

Our approach based on convergence deserves to be strengthened, bringing together various stakeholders behind shared values, whether from civil society, business or government. This is the bet made by the Edmond de Rothschild Foundations, guided by the conviction that the union of these complementary universes represents an opportunity for systemic change and sometimes unexpected alliances. Perhaps the distance that the crisis has imposed on us will underline the extent to which we are interconnected and how our power to act is bolstered by a lack of silos.

We are convinced that the unprecedented crisis that we are going through offers an opportunity to imagine the world of tomorrow and work towards it. Let us continue to shape the future together and salute the resilience of those who continue to inspire it. This is how we pay special tribute to the dedication and courage of medical and hospital staff around the world, like the teams at the Adolphe de Rothschild Foundation Hospital in Paris. On a daily basis, they embody the spirit of a humanism that finds all its greatness in facing the challenges of today and accompanies us towards new promises.



A PHILANTHROPIC TRADITION WITH A REAL IMPACT

The commitment of the Edmond de Rothschild Foundations has its roots in the 19th century. The philanthropic initiatives of one generation inspire those of the next, leading to innovative and creative solutions to meet the social challenges of each era.

Today, the Edmond de Rothschild Foundations identify the most inspiring projects and the most innovative partners, manage risks and pass on tools and methods. They assess impacts to ensure continued performance over time. This philanthropic commitment and this desire for social transformation are based on the pursuit of an entrepreneurial strategy.

Gifts are inspired by generosity and come from the heart. While philanthropy must maintain this attention to others, it is also important to seek efficiency and sustainability. To do so, the Foundations forge innovative models and use the entrepreneurial approach to improve society.

The Edmond de Rothschild Foundations coordinate an innovative ecosystem based on four areas of excellence. They contribute to many of the Sustainable Development Goals (SDGs) established by the United Nations.



The health crisis has led to a collective awareness of the urgency to act. For entrepreneurs, we have stepped up our support for the digital transition and emergency financing solutions. The Adolphe de Rothschild Foundation Hospital, already mobilised in favour of patients suffering from Covid-19, has accelerated its scientific investigation of the virus.

In order to address digital inequalities in schools and the risk of dropping out, we have joined forces with innovative players to support students and their parents. And for artists, largely forgotten by the crisis, we have stepped up our support for professional integration and have particularly supported initiatives to provide musical training remotely using 100% online tools.

“At the Edmond de Rothschild Foundations, we are more committed than ever during the health crisis when our empowerment, inclusion and cooperation become even more crucial. Our unique ecosystem enables a presence on several fronts. While the Adolphe de Rothschild Foundation Hospital faced the crisis with unprecedented efficiency, exceptional funding was made available for equipment and research in Europe and Israel. We are fighting against the digital divide revealed by the closure of schools. We support impactful entrepreneurs through our philanthropic network to transform this crisis into a driver of change. In this context of economic uncertainty and social unrest, we amplify the voices of our partners who speak out for solidarity and equity.”

Firoz Ladak

CEO Edmond de Rothschild Foundations



HEALTHCARE SEE, THINK, RESEARCH

MISSION

- ▶ Defending access to high quality healthcare for all within the Adolphe de Rothschild Foundation Hospital for Ophthalmology, the first Paris hospital that was free and open to everyone, inaugurated in 1905,
- ▶ Supporting and disseminating research work in neurosciences and ophthalmology, thus spreading innovation,
- ▶ Initiating sustainable cooperation models based on the transfer of medical skills to emerging countries.



A HOSPITAL FULLY MOBILISED IN THE FACE OF THE HEALTH CRISIS

Transformed into a veritable field hospital in a few weeks to respond to the urgency of the health crisis. The Adolphe de Rothschild Foundation Hospital teams had never expected to experience such a situation. In a few weeks, they adapted, trained, learned to protect themselves and looked after each other. Despite a quality of life impacted by the pace of taking up a new position and increased daily working hours, it is the volition, involvement and agility of all that have made it possible to take good care of patients and come through the crisis even stronger. In 2020, the Adolphe de Rothschild Foundation Hospital's commitment resulted in the care of 233 patients affected by Covid-19, the establishment of 3 intensive care facilities for a total of 39 beds, compared with the usual 10, and 17 research projects linked to Covid-19, including 11 graduates from the Rothschild Foundation Hospital.



ENTREPRENEURSHIP SUSTAIN, TRANSFORM, CONVERT

MISSION

- ▶ Identify entrepreneurs with high potential impact and accelerate their upscaling with customised support programmes,
- ▶ Support convergence between market economy players and impact entrepreneurship by mobilising and bringing together academic research, investors, major companies and entrepreneurs,
- ▶ Create an active community of leaders for change,
- ▶ Promote sustainable capitalism that combines performance and the public interest.



CREATION OF AN EMERGENCY FUND FOR REFUGEE ENTREPRENEURS

Aware of the difficulties encountered by the refugee entrepreneurs they support, the Edmond de Rothschild Foundations and the FAIRE investment fund have decided to join forces to create an emergency fund in response to the Covid-19 crisis. This exceptional aid was dedicated to the entrepreneurs of the SINGA Acceleration programme, co-created by the SINGA France association and the Edmond de Rothschild Foundations in 2018. This unprecedented initiative was a concrete response for entrepreneurs who had experienced a decline in their activity, a need for cash, a loss of financial resources or an inability to claim State aid due to their status. Support was provided in the form of subsidies or donations to five entrepreneurs working in various sectors: metal recycling, catering activities, social housing.



ARTS REVEAL, UNITE, INCLUDE

MISSION

- ▶ Continue the Rothschild family's visionary direction of cultural philanthropy serving inclusion, social transformation and personal development,
- ▶ Promote education through the transmission of arts between famous and emerging artists and audiences with little knowledge of their artistic culture or practices,
- ▶ Develop external cultural mediation actions to initiate community participation processes which catalyse the ability to act individually or collectively,
- ▶ Boost the activism of art scenes and foster professional, social and political debate in favour of cultural diversity.



“MUSIQUE EN TÊTE” (MUSIC IN YOUR HEAD)

In 2020, the Edmond de Rothschild Foundations and the Adolphe de Rothschild Foundation Hospital launched an unprecedented initiative combining a live music system in the hospital with research evaluating the impact of live music on healing processes against the background of the health crisis: “Musique en tête” (Music in your head). This is the first study of this type to include the issue of Covid-19. The results will be released in 2022.

The “Musique en tête” project was inspired by MIR, an initiative developed in 2016 by the Edmond de Rothschild Foundations in Spain.



EXPERTISE IN PHILANTHROPY INSPIRE, FEDERATE, DISTRIBUTE

MISSION

- ▶ Disseminate philanthropic values by raising awareness among young people,
- ▶ Amplify the impact of the programmes by bringing together foundations, donors, experts, academics and practitioners around the exchange of good practices and a positive societal transformation,
- ▶ Promote transversality and pluralism for more efficient philanthropy, as a vector of innovation.



“LA TROUSSE À PROJETS” (THE PROJECT TOOLKIT)

In 2020, the Edmond de Rothschild Foundations joined forces with “La Trousse à Projets”, a collaborative digital platform bringing together schools and educational projects within schools. The aim is to support students in the Île-de-France region who are dropping out of school. This initiative: “100% of families connected” was created in response to the closure of schools and the growing digital divide. It consists of two components meeting short- and medium-term objectives: the distribution of computer equipment to identified students and their families, and the implementation of digital learning to teach and pass on the mastery of these tools to the beneficiaries.



EDMOND DE ROTHSCHILD HERITAGE

Like the other divisions of the Edmond de Rothschild ecosystem, our lifestyle entities have had to adapt, reorganize and work under more restrictive conditions while respecting the barrier gestures in order to protect the health and safety of all.

Courageous and resilient, the Edmond de Rothschild Heritage teams have also shown patience and creativity in reinventing themselves to ensure the continuity of activities at the wineries, the farm and the hotels in Megève and Samaniego.

As a refuge in these unstable times, our art of living, which is based on the know-how of passionate craftsmen, has endured thanks to various initiatives. Here are some examples.

“The pandemic context has forced us to accelerate our decisions. The art of living and luxury markets were already being impacted by the arrival of new consumption modes. In particular, we had to meet the expectations of Generation Y, which is extremely vigilant about ethical and ecological commitments. Today, we also have to deal with the restrictions of geographical travel, encouraging us to strengthen our digital presence. The stakes are high for a brand like ours. We must know how to constantly renew ourselves, adopt new codes, innovate, while remaining faithful to our values, which have been the foundation of our identity for generations.”

Alexis de La Palme

Chairman, Edmond de Rothschild Heritage Management Board

New way of working

From the very first containment, Edmond de Rothschild Heritage adapted to the health constraints by maintaining only the essential activities on site.

Thoughts on the integration of home office in our organizations predate the health crisis, the latter acted as a gas pedal in the transformation of the organization.

A teleworking charter was ratified in July 2020, with the introduction of a common weekly teleworking day for the entire corporate team. This organization has been very popular with employees, who appreciate the flexibility it gives them, and has helped improve their work-life balance. This rapid transformation was a real asset in Edmond de Rothschild Heritage's adaptation when teleworking became a daily imperative.

The teleworking charter and the tools developed by the bank, such as the “Teleworking Guide”

and the e-learning training module, have been effective in supporting employees, and the Internet networks have been improved to facilitate this change. While it is not intended to become the new norm, teleworking is now a valuable tool in the organization of work, offering greater flexibility, attraction and retention of talent. The pandemic has forced teams to limit business travel to “essential” trips. At Edmond de Rothschild Heritage, this has been drastically reduced.

Edmond de Rothschild Heritage Paris has also introduced a sustainable mobility package from June 1, 2020 for employees using an alternative means of transport to get to the office, such as cycling.

From now on, remote transmission tools and train journeys are preferred in order to limit the carbon footprint of employees.

Acceleration of e-commerce

Between barrier gestures and social distancing rules, confinement has changed the way we work, but also the way we consume. Naturally, the limitation of travel has favoured short circuits and boosted online sales, confirming France's position as the number one online food retailer in Europe*.

Some consumers, who did not use the internet for their daily purchases, have taken on new habits during the confinement and are permanently converted for their purchases of organic products and fresh products from short circuits.

This is precisely what the Edmond de Rothschild Heritage online grocery store is designed to meet. Although the teams were prepared for the shift in consumer buying habits to the web, they had not anticipated such an explosion in demand. From a gradual strategy, they had to accelerate the online services development by surrounding themselves with an expert who had worked for *venteprivée.com* for over 15 years.

From its launch in June 2019, our online site epicerie.edmondderothschildheritage.com offered all Edmond de Rothschild Heritage estate wine references and our two signature cheese varieties. Since then, the cheese range has expanded and new products have been launched: terrines, honey, cashew spread, olive oil and other recipes are in development.



The e-commerce process is based on two essential components: the digital interface and logistics. Each of these areas is undergoing profound changes for Edmond de Rothschild Heritage grocery store in order to offer a more immersive experience to the Internet user and a more reliable logistical efficiency as of May 2021.

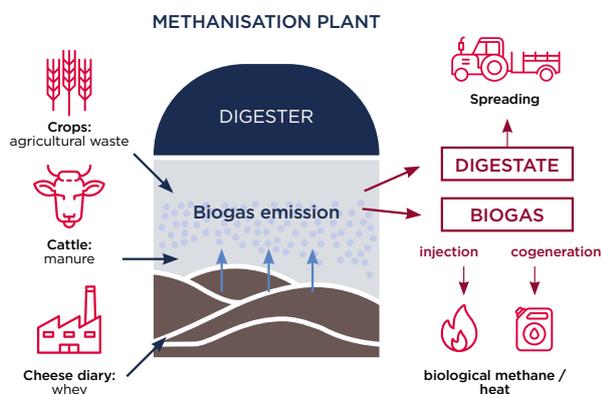
Beyond the catalog of the offer, the online grocery store will focus on engaging a more personal relationship with the web user, offering a certain quality of experience that captures the spirit and philosophy of the Edmond de Rothschild Heritage brand. Through the creation of content (videos and editorial), the aim will be to bring our art of living to life and make it shine through exclusive products that are, as always, produced with respect for nature and know-how.

Creation of a green energy

Beyond the prioritized initiatives due to the pandemic context, Edmond de Rothschild Heritage has focused on meeting the deadlines of its strategic projects for the benefit of the environment.

The methanization unit, which construction began in 2019, will go into production as planned, in September 2021. With 10,330 tons of waste injected into the methanizer, 6 million kWh of biomethane will be produced each year.

In addition to the biogas created, the methanizer will release valuable organic matter for the farm: spread on the fields, it will be an excellent quality natural fertilizer in the respect of nature and know-how.



* (Source : Nielsen ScanTrack. Scope: Drive+Hom Delivery incl. Amazon Data from April 12, 2021)



GITANA

No competition and sporting achievements without resilience



Setting off again, re-mobilising after sustaining damage and returning to port, always keeping in mind the final objective that you have set yourself, knowing how to learn from mistakes... In sport, and even more so in a high-precision mechanical sport like ocean racing, being a runner-up or withdrawing are never a failure in themselves. They naturally generate temporary disappointment, even frustration at not seeing one's work and investment rewarded, but it is these setbacks that allow our great sailors, and the members of the Gitana Team, to move forward, grow and progress. Resilience is an integral part of the DNA of our ocean racing team.

Pionniers of offshore flight

By choosing the path of flying boats and technological disruption, Ariane and Benjamin de Rothschild and the members of the Gitana Team have made a bold choice. Faithful to the pioneering and visionary spirit that has characterised their family but also the Gitana saga since its inception in 1876, our shipowners have not hesitated to think outside the box, thus marking the beginning of a new generation of large ocean-going multihulls.

In 2015, when the construction of the 32 metre giant began in Brittany, few believed in the future of offshore flight and many looked upon the decision of the five arrows stable with open curiosity. Since then, all those involved in this type of boat have followed the path laid out by the Gitana Team!

Redesigning the codes of a discipline is naturally an exciting challenge and an opportunity that each member of the team appreciates on a daily basis, but it is also a path strewn with pitfalls that requires regular rethinking inherent to the degree of innovation. Since the launch of Gitana 17 (its baptismal name), the team is constantly wavering between excitement and the harshness of discovery. Ocean racing is the beginning of offshore flight and to maintain the advantage gained in recent years, the five arrows team must continue its research and development efforts and innovate still further! All the more so as two new boats, which have greatly benefited from the progress made by the Gitana Team, are joining the ranks of the "Ultimes" in the Transat Jacques Vabre in November.

Jules Verne Trophy, a new attempt at the end of the year

After two unsuccessful attempts last year, the men of the Edmond de Rothschild maxi yacht will set off again in pursuit of the absolute speed record for sailing around the world. This Jules Verne Trophy, held since 2017 by Francis Joyon and the men of Idec Sport with 40 days, 23 hours and 30 minutes, is the grail, just as much as it is the ambition of being the first crew to come in under the very symbolic bar of 40 days.

Forced to turn back at the entrance to the South Seas following the breakage of their starboard float rudder, Franck Cammas, Charles Caudrelier and their four crew members had nevertheless made a very promising start to their journey by recording a few days earlier the best time ever at the tip of South Africa, racing down the Atlantic in 11 days, 14 hours and 3 minutes. The adventure ended abruptly and this unfinished business is now driving the team with the five arrows to set off again at the end of the year!

For Cyril Dardashti, the director of the Gitana Team, setting out again on the Jules Verne was obvious despite the tight schedule that the team will have to manage:

"Sure, it's tight and ambitious, but today I believe that the experience acquired on board by our skippers and their crew, and the expertise shown by the technical team to prepare the Edmond de Rothschild maxi yacht allow us to be bold. The idea of leaving this year came immediately, a few hours after our U-turn. We want to win this Trophy and we must give ourselves the means to do so. We will have to take the races one after the other and keep a cool head because our discipline remains ocean racing with all the risks that it entails. We are once again extremely fortunate to be able to surpass ourselves thanks to the unwavering and constantly renewed support of Ariane de Rothschild, our owner, and the Edmond de Rothschild Group. The best way to thank them is to perform on the water."

But also...

In addition to the Jules Verne Trophy, which will conclude an intense and ambitious sporting year, two other major events are on the Gitana Team calendar for 2021.

#1 Rolex Fastnet Race

In early August, Franck Cammas, Charles Caudrelier and their crew will go to defend their title on the English waters of the Solent. The Maxi Edmond de Rothschild will be at the start of the legendary Rolex Fastnet Race; a 49th edition where they hope to make an impression as they did two years ago, when they were victorious but also won the speed record in the event. Gitana 17 thus joined another winner of the race from the Gitana saga. This is Gitana IV a magnificent wooden monohull of 27 metres, which, sailed by a crew led by Baron Edmond de Rothschild, won the race in 1965 and held the record for nineteen years!

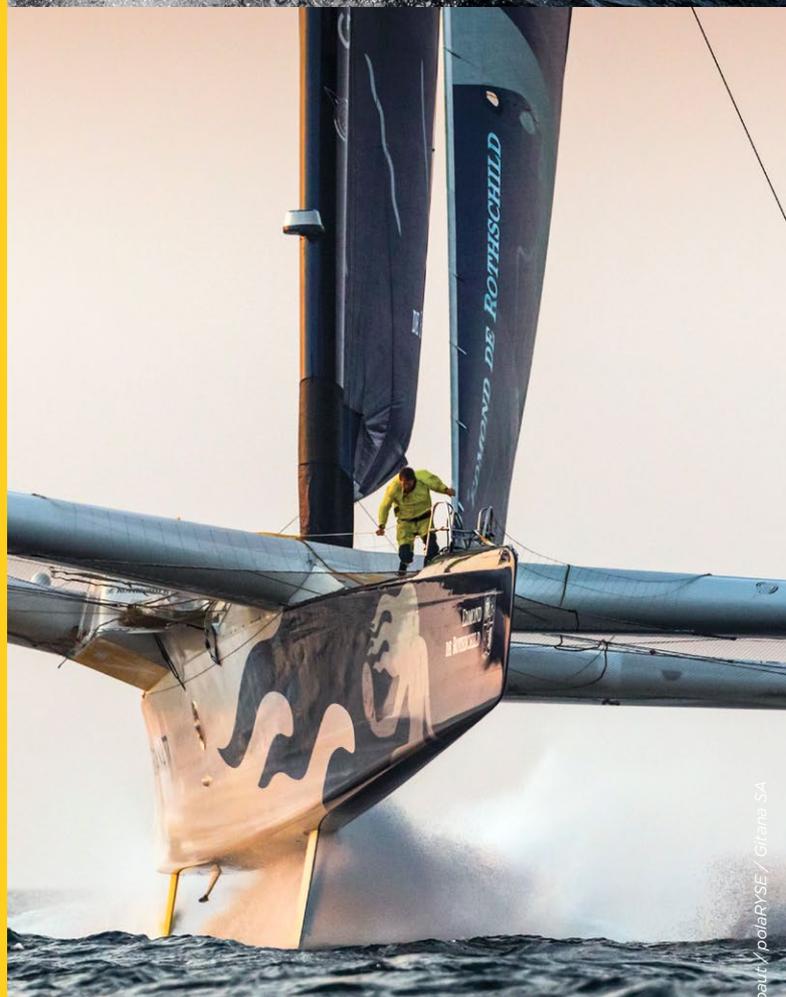


#2 Transat Jacques Vabre

From the start of the school year, our two skippers will focus on the double in preparation for the Transat Jacques Vabre. This transatlantic race, initially known as the Route du Café, which traditionally sets off from Le Havre will have Fort-de-France and Martinique as its destination this year for the first time in its history. But the organisers have concocted an XXL course of 7,500 nautical miles (nearly 14,000 km) across the North and South Atlantic for the fleet of giants to enjoy a playground fit for their size. The pair of sailors will have to go to the Brazilian archipelago of Trindade and Martim Vaz, in the northeast of Cabo Frio off the coast of Rio de Janeiro, before heading north to the Antilles.

On 28 October, the Maxi Edmond de Rothschild is expected to return to the Eure basin and the festivities that accompany the preparations for the Transat Jacques Vabre. Four years ago, this meeting was the giant's inaugural race, its first transatlantic flight. Since then, the maxi-multihull has sailed more than 100,000 nautical miles and has added some fine results to its track record. Accustomed to the Normandy event, Franck Cammas and Charles Caudrelier together have five wins in the event: 2001, 2003 and 2007 for Franck in multihulls and 2009 and 2013 for Charles in a monohull then a multihull!

The departure is scheduled for 7 November off the cliffs of Étretat and the race of the Edmond de Rothschild maxi yacht and its competitors should last around two weeks according to the first theoretical routings based on the maxi yacht's initial calculations.



GRI content index GRI 102-55

General information elements

GRI STANDARD REFERENCE	Title	Page number (or link)	External Assurance
GRI 103	Strategy and analysis	Annexe Approche de Gestion	
GRI 102-14	Strategy and analysis	8	No
GRI 102-15	Strategy and analysis	49	No
GRI 102-1	Organisation profile	4	No
GRI 102-2	Organisation profile	6	No
GRI 102-3	Organisation profile	4	No
GRI 102-4	Organisation profile	6	No
GRI 102-5	Organisation profile	4	No
GRI 102-8	Organisation profile	6, 22	Yes
GRI 102-9	Organisation profile	6	No
GRI 102-11	Organisation profile	Given the nature of our activities, the principle of precaution is not applicable to our organization	
GRI 102-12	Organisation profile	4, 50, 52	No
GRI 102-45 / 102-46 / 102-47	General Disclosure	4	No
GRI 102-46	General Disclosure	4	No
GRI 102-47	General Disclosure	9, 11, 12	No
GRI 103-1	General Disclosure	4, 12 DMA on each material topic	No
GRI 102-48 / GRI 102-49	General Disclosure	4, 47, 49, 50, 53	No
GRI 103	Stakeholders	Annex Management Approach	
GRI 102-40 / GRI 102-42	Stakeholders	13, 53	No
GRI 102-43 / GRI 102-44	Stakeholders	12, 13, 53	No
GRI 102-50 / GRI 102-51	Report Profile	4	No
GRI 102-52 / GRI 102-53	Report Profile	4	No
GRI 102-54 / GRI 102-55 / GRI 102-56	Report Profile	4	No
GRI 102-18 / GRI 102-19	Governance	15	No
GRI 102-20 / GRI 102-21 / GRI 102-22	Governance	15, 35, 46	No
GRI 102-23 / GRI 102-24 / GRI 102-25	Governance	Annex Management Approach	
GRI 102-26	Governance	15	No
GRI 102-27 / GRI 102-28 / GRI 103-1	Governance	Annex Management Approach	
GRI 102-29 / GRI 102-30 / GRI 102-32	Governance	15, 16, 17, 18, 47	No
GRI 102-35	Governance	25	No
GRI 102-16	Ethics and Integrity	16	No
GRI 102-17 / 103-1	Ethics and Integrity	Annex Management Approach	
GRI 201-1	Economic Performance	10	No
GRI 103	Employment	Annex Management Approach	
GRI 401-1	Employment	22	Yes
GRI 103	Employment	Annex Management Approach	
GRI 404-1	Employment	24	Yes
GRI 404-3	Employment	22	Yes

General information elements

GRI STANDARD REFERENCE	Title	Page number (or link)	External Assurance
GRI 103	Diversity and equal opportunities	Annex Management Approach	No
GRI 405-1	Diversity and equal opportunities	23	Yes
GRI 103	Fighting corruption	Annex Management Approach	
GRI 205-2	Fighting corruption	19	Yes
GRI 103	Product portfolio	http://www.edmond-de-rothschild.com/SiteCollectionDocuments/asset-management/isr/EDRAM-politique-investissement-responsable.pdf et Annexe : http://www.edmond-de-rothschild.com/SiteCollectionDocuments/group/sustainable-development/annexe/l-innovation-au-service-de-l-investissement-responsable.pdf	
G4-FS7 / G4-FS8	Product portfolio	26, 27	Yes
GRI 103	Active ownership	35	Yes
G4-FS10 / G4-FS11	Active ownership	35	Yes
GRI 103	Society	Annex Management Approach	
GRI 413-1	Local communities	52, 53	No
GRI 103	Environment	Annex Management Approach	
GRI 301-1 / GRI 301-2	Materials	49	Yes
GRI 302-1 / 302-3 / 302-4	Energy	49	Yes
GRI 305-1 / GRI 305-2 / GRI-305-3	Emissions	49	No
GRI 305-4 / GRI 305-5	Emissions	49	Yes
GRI 306-2	Waste by type	47	No

Reasonable assurance report by one of the statutory auditors of Edmond de Rothschild (France) on selected social and environmental information published in the Edmond de Rothschild Group's 2020 Sustainability Report. GRI 102-56

Year ended December 31, 2020

At the request in our capacity as statutory auditors of Edmond de Rothschild (France), we have performed work designed to provide reasonable assurance on selected social and environmental information published in the Edmond de Rothschild Group's 2020 sustainability report.

Social information:

- › Diversity: Headcount as of December 31, 2018; breakdown by gender and geography, percentage of permanent contracts, number of hiring and departures 1
- › Gender equality: percentage of women in senior management
- › Number of training hours, percentage of employees who attended at least one training course, percentage of woman within employees trained
- › Percentage of employees having taken part to the annual performance review, percentage of employees having completed their review
- › Total training hours on business ethics and compliance, total number of participants, number of employees having attended at least one training session on business ethics and compliance

Environment:

- › Greenhouse gas emissions for the Edmond de Rothschild Group (Scopes I, II, and III) and GHG footprint per employee
- › Energy consumption in the Edmond de Rothschild Group by source (in MWh), renewable energy consumption, and energy consumption per employee
- › Edmond de Rothschild Group's business travel by air

Responsible Investment:

- › Total Group assets under management in Responsible Investment, including ESG integration, SRI strategies and impact (millions CHF)
- › Percentage of Edmond de Rothschild (France) open funds that calculated their carbon footprint

Society:

- › Number of employees who participated in community engagement programmes

This information was prepared under the responsibility of Alexia Breed, Sustainability Manager of the Edmond de Rothschild Group, in accordance with the sustainable development report guidelines, which are available upon request from the Group. It is our responsibility, based on our work, to express a reasonable assurance conclusion on this selected information; a higher level of assurance would have required more extensive verification work. The conclusions set out below relate to the selected information and not to all the CSR information contained in the sustainability report.

Nature and scope of our work

We conducted the work described below in accordance with the professional standards of the "Compagnie Nationale des Commissaires aux Comptes" (CNCC) relating to this type of engagement, as well as with the international standard ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information). We performed the following procedures to obtain reasonable assurance about whether the social and environmental information selected by the Edmond de Rothschild Group has been prepared, in all material respects, in accordance with the sustainable development reporting framework. We have examined the appropriateness of the reporting procedures drawn up by the Edmond de Rothschild Group at Group level with regard to their relevance, completeness, reliability, neutrality and comprehensibility.

We have verified that a collection, compilation, processing and control process has been put in place to ensure the completeness and consistency of the information, and we have examined the internal control and risk management procedures relating to the preparation of this information. We performed analytical procedures and verified, on a test basis, the calculations and the consolidation of the data. This work was based in particular on interviews with the people in the Human Resources Department of the Edmond de Rothschild Group responsible for the preparation and application of procedures and the consolidation of data. We selected a sample of entities:

- › Edmond de Rothschild (France) SA ("Hub Paris")
- › Edmond de Rothschild (Suisse) SA ("Hub Geneva")
- › Edmond de Rothschild (Europe) ("Hub Luxembourg")

At the level of the selected entities, we have verified, on the basis of interviews with the persons in charge of preparing the data, the proper understanding and application of the procedures; we have carried out detailed tests, on the basis of samples, consisting of verifying the calculations made and reconciling the data with supporting documents. These Edmond de Rothschild Group entities represent 100% of the group's workforce and between 73% and 100% of the social and environmental information selected. We called on our CSR experts to assist us in carrying out this work.

Conclusion

In our opinion, the social and environmental information selected by the Edmond de Rothschild Group and referred to above, published in its 2020 Sustainability Report, has been prepared, in all material respects, in accordance with the framework used by the Edmond de Rothschild Group and applicable in 2020. This report, including the conclusion, has been prepared solely for the company's directors as such, in order to help them communicate on the Group's corporate responsibility performance and activities. We allow this report to be released with the 2020 Sustainability Report, to enable the Directors to demonstrate that they have fulfilled their governance responsibilities by commissioning an independent assurance report as part of the 2020 Sustainability Report. To the extent permitted by law, we do not accept or assume responsibility to any persons other than the Directors or the Company for our work or this report, except where the terms are expressly agreed and with our prior written consent (*). (*) The maintenance and integrity of the Company's website is the responsibility of the Directors; the work performed by the Assurance Provider does not address these matters and, therefore, the Assurance Provider accepts no responsibility for any differences between the 2020 Sustainability Report on which the Assurance Report was issued or the Assurance Report that was issued and the information presented on the website.

PricewaterhouseCoopers Audit

Philippe Chevalier

Associé

Pascal Baranger

Director in the Sustainable Development Department

Neuilly-sur-Seine, 22 June, 2021

Philippe Chevalier



Thanks to all contributors:

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The Edmond de Rothschild Group has opted to offset the CO₂ emissions generated by the printing of this report. This offsetting is carried out in collaboration with ClimatePartner through the financing of a specific project to reduce impact on the climate and support development programmes.

The reference number of the project is shown on the back cover of this report and can be viewed on the website www.climatepartner.com

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