Rothschild & Co

Annual Report
2021

This annual report including the annual financial report is a reproduction of the official version which has been prepared in ESEF (European Single Electronic Format) and is available on **www.rothschildandco.com**

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Message from the Chairman of the Supervisory Board

David de Rothschild
Chairman of the Supervisory Board of Rothschild & Co

Dear Shareholders,

As always, I would like to thank all the members of the Board for their loyalty, incisiveness and the high calibre exchanges that we enjoyed during the five separate occasions on which we met this year, as we continued to juggle with the on-going impact of COVID-19.

The Managing Partner, represented by Alexandre de Rothschild, Executive Chairman, and the three Managing Partners, Marc-Olivier Laurent, Robert Leitão and François Pérol, delivered exceptional results across all three business lines thanks to clear established strategies and favourable market conditions. They have demonstrated strong leadership during another complex year and successfully navigated the Group through this particular period.

Over the last 12 months, we were delighted to welcome two new members to the Board: Lord Mark Sedwill and Jennifer Moses.

Lord Sedwill already has a close relationship with the Group as a Senior Adviser. He is a former Cabinet Secretary, Head of the UK Civil Service and National Security Adviser in the United Kingdom. He is also Chair of the G7 panel on Global Economic Resilience and the Pacific Future Forum. This exceptional diplomatic career coupled with Lord Sedwill's proven strategic perspective will bring a new level of expertise to the Board. Considering his extensive knowledge of ESG issues, Lord Sedwill was also appointed a member of the Board's Sustainability Committee.

"The Managing Partner delivered exceptional results across all three business lines thanks to clear established strategies and favourable market conditions."

Jennifer Moses is currently involved in the Education sector and particularly with ventures relating to EdTech. Jennifer Moses' career has combined finance and public policy in the United States and abroad. She subsequently served as the Senior Policy Adviser to Prime Minister Gordon Brown. She obtained an MBA from Harvard University in 1989 and a BA in History of Science from Brown University in 1983. Jennifer's remarkable career and achievements both in the investment banking and the Tech ecosystems, in the United Kingdom and the United States, will be invaluable for Rothschild & Co.

We are delighted that both Lord Sedwill and Jennifer Moses have accepted to join the Board and we are fortunate that we have already benefited from their sound advice.

Anthony de Rothschild and Luisa Todini both left the Board. Anthony remains a Senior Adviser to the Group and joined the Board of N.M. Rothschild & Sons Limited on 30 November. I would like to thank Anthony for his valuable contribution to the Board and its Corporate Responsibility Committee during his mandate. We are delighted that he will remain with the Group and continue to contribute to our development, particularly in the UK through his new role. I would also like to take this opportunity to thank Luisa for her significant contribution and astute insights during her mandate on the Board, in particular, through her membership of the Remuneration and Nomination Committee.

At the Annual General Meeting held on 20 May 2021, the shareholders ratified the appointment of Véronique Weill as a member of the Supervisory Board as from 14 May 2020 to replace Angelika Gifford. In addition, they renewed the appointments of Lucie Maurel-Aubert, Adam Keswick, Sir Peter Estlin, Sylvain Héfès, Sipko Schat and my own as members of the Supervisory Board.

Over the past few years, the Group has established a credible position on sustainability matters, which across the Group play an ever-increasing role in the advice given to private and corporate clients. In recognition of the fact that the Group's expertise and influence can have a real impact on its clients' ESG challenges and our wider stakeholders, 2021 has seen the formal integration of sustainability into the Group and business line strategy, with the long-term objective to support the sustainability transition of the global economy. The change in name of the Board's Corporate Responsibility Committee to Sustainability Committee reflects our proactive approach in this respect.

At our Annual General Meeting in May, shareholders will be asked to approve a dividend of €3.79 per share. This is made up of a normal dividend of €1.15 an increase of 29% when compared to 2020. In addition, thanks to the exceptional results for 2021, we will propose a special dividend of €1.60. This is in addition to the interim dividend payment of €1.04, already paid in October 2021.

We are also implementing a share buyback programme for a maximum of €70 million for a period ending on 18 November 2022 at the latest.

Finally, I would like to congratulate all the teams in our Group across all our different geographies who have worked so hard, often in difficult circumstances linked to the pandemic, to achieve the collective success of Rothschild & Co in 2021.

Last, but not least, I would like to thank our shareholders for their valuable support and express my sincere gratitude.

Message from the Management Board

Alexandre de Rothschild
Executive Chairman of Rothschild & Co Gestion

Marc-Olivier Laurent
Robert Leitão
François Pérol
Managing Partners of Rothschild & Co Gestion

"We would like to thank all our colleagues for delivering such outstanding results. It is their resilience and adaptability that have allowed us to announce the best results in our history."

Dear Shareholders,

Our excellent results in 2021 are thanks to the dedication and hard work of everyone at Rothschild & Co during a particularly demanding period. Despite the upheaval caused by the pandemic in 2021, all three of our businesses exceeded expectations thanks to the success of their long-term strategies, excellent client relationships and highly favourable market conditions.

In **Global Advisory** we enjoyed a particularly supportive market environment across all geographies, sectors and products. The business delivered record high revenue for the full year of €1,915 million, up 67% compared to 2020. For the twelve months to December 2021, we ranked 6th globally by financial advisory revenue[1]. Profit before tax[2] for 2021 was €421 million, up 150% representing an operating margin of 22.3%.

Our M&A revenue for the full-year 2021 was €1,432 million, up 87% compared to 2020, based on elevated levels of deal activity. We ranked 4th globally by number of completed transactions for the twelve months to December 2021[2]. In Europe, we continue to advise on more M&A transactions than any of our competitors, a position we have held for more than 15 years[3].

Financing Advisory revenue for the full-year 2021 was €483 million, 27% above 2020 levels. We ranked 1st in Europe and 2nd globally by number of completed restructuring transactions for the twelve months to December 2021[3], and we advised on more European equity assignments than any other independent financial adviser over the same period[4].

During the year, we significantly strengthened our Equity Advisory offering and built market-leading teams to serve our clients' full spectrum of capital markets advisory needs. In Investor Advisory, we have developed a leading ESG capability both advising clients on a dedicated basis and providing the expertise to integrate ESG considerations into the advice we provide clients across our full product range in M&A, Equity Advisory, and Debt Advisory and Restructuring. We invested significantly in our Private Capital capability, where we advised clients on several situations, including minority investment, growth equity capital raising and GP solutions.

Towards the end of the year, we reached an agreement to acquire a controlling interest in Redburn (Europe) Limited, one of the largest independent equity brokers in Europe. This acquisition will support the Group's strategy to develop a global multi-product equity solutions platform, with a scope spanning independent advice on listed equity offerings, the raising of capital in the private markets, and investor advisory services, through to leading sector and company research, agency-only trade execution on listed stock markets, and research and sales support in listed-market ECM syndicates.

In **Wealth and Asset Management** beyond the prolonged pandemic crisis, there were growing concerns about disrupted supply chains, inflation and potential interest rate rises, which created some volatility in the last months of the year. That said, the markets remained well supported by the liquidity provided by the central banks and government support for the economy. Within this context, the performance of the business has remained very strong.

Net new assets (NNA) for the twelve months to 2021 were €4.1 billion; of which net inflows of €4.3 billion in Wealth Management and €0.8 billion in Asset Management Europe, partly offset by net outflows of €1.0 billion in Asset Management US. Assets under Management (AuM) for WAM Europe increased by 26% from the beginning of the year from €75.2 billion to €95.0 billion[5]. Our WAM Europe business continued to attract new clients and record positive NNA in all its locations. The business expanded with office openings in Spain (Madrid), France (Toulouse) and the UK (Birmingham). The Banque Pâris-Bertrand acquisition was completed in July and the legal merger between the two Swiss entities was implemented in October 2021.

Our investment management teams have performed extremely well and showed a 2021 performance above their respective benchmarks in most client portfolios and currencies, often ranked in the top quartile when compared to peers.

AuM for AM US increased by 9% from the beginning of the year to €8.9 billion as at 31 December. Overall, the performance of the business is improving with enhanced investment performance across all strategies being reflected in both slowing outflows and an increasing number of new business opportunities.

Revenue for full-year 2021 was a record high up 19% to €593 million. The growth was driven by fees and commissions which increased by 22% at €511 million, directly linked to the progressive increase of the AuM over the period as well as some performance fees.

Profit before tax for WAM Europe, excluding AM US (which broke even in the year) was up 58% at €117 million, representing an operating margin of 20.7%.

Merchant Banking generated revenue for the full year of €398 million up 169%, thanks to significant realised gains on investment disposals, material unrealised value accretion across the entire portfolio and year-on-year growth in recurring revenue. When compared to the average full-year revenue over the last three years, revenue is up 130%.

The investment performance revenue generated in 2021 represents a strong validation of our robust investment approach and reinforces the fact that our portfolios have continued to create value for our investors notwithstanding the challenges posed by the pandemic.

The resilience of the industry sectors on which we focus (Data & Software, Healthcare and Technology-Enabled Business Services), combined with the high quality of our assets and our effective portfolio value creation initiatives, have resulted in higher valuations for our private equity positions, corroborated by the successful realisations completed in 2021.

Strong revenue generation in 2021 led to Profit before tax of €292 million, significantly exceeding the result of 2020 (€57 million) and representing an operating margin of 73%.

The profitability margin of Merchant Banking's fund management activities (which excludes investment performance related revenue) remained robust, reaching 19%. The alignment of interests between the Group and our third-party investors continues to represent a key differentiator for Merchant Banking. During 2021, Rothschild & Co's investments totalled €176 million, and disposals and distributions equalled €244 million.The NAV, which represents investments from the Group into Merchant Banking, reached its highest ever level at €905 million. Merchant Banking AuM as at 31 December 2021 were up 17% to €18.3 billion.

In 2021, the Group formalised its long-term ambition to use its influence and expertise to support the sustainability transition of the global economy as a key pillar of Group strategy. A common set of strategic ESG priorities provide us with a clear focus and roadmap to further drive integration across the business model.

Against our environmental priorities, we saw a further reduction in GHG emissions and committed to be net-zero-operations by 2030, and an ongoing effort in our Investment Business lines, as well as our Global Advisory business, to integrate environmental risks and opportunities in the solutions and advice offered to clients.

A continued focus was given to employee wellbeing, and initiatives aimed at ensuring an inclusive work environment and balanced representation including increased female representation at more senior levels.

Over the year, we continued to suffer from the impact of COVID-19 with significant numbers of our employees required to work from home for extended periods in accordance with local government requirements. As a result, we learnt a great deal about the adaptability, commitment and resilience of our people and adopted agile working charters in our different offices across the globe to encourage and support this change in working patterns. This was achieved whilst ensuring business delivery and maintaining exceptional client service.

As we start 2022, the current macro environment remains positive for our three core businesses, although we are witnessing increasing levels of uncertainty. The clear long-term strategies of each business line allow us to be optimistic for a strong performance during 2022, if the current momentum and market conditions persist, although at a lower level than 2021's record levels.

Finally, we would like to take this opportunity to thank all our colleagues across all geographies for delivering such outstanding results in 2021. It is their resilience and adaptability during yet another year complicated by the pandemic that have allowed us to announce the best results in our history.

(1) Source: Company filings.
(2) Including ongoing investment in the development of our North American M&A franchise.
(3) Source: Refinitiv.
(4) Source: Dealogic.
(5) In Q4 2021, the Group decided to include double counting assets. Therefore, AuM has been restated and now include €6.1 billion double-counted assets representing assets of Wealth Management clients invested in Asset Management products (2020: €5.3 billion)

Overview

Overview of businesses

Key figures for 2021 (versus 2020)

Revenue
€2,925m +63%

Net income – Group share[1]
€766m +343%

EPS (Earnings Per Share)[1]
€10.59 +347%

Shareholders' equity – Group share
€3.1bn +35%

Global solvency ratio
21.3%

ROTE (Return on tangible equity)[1]
32.3%

Number of employees
3,816 +6%

Global Advisory

- M&A and Strategic advisory
- Financing advisory
  - Debt advisory and Restructuring
  - Equity advisory
  - Investor advisory

6th globally[2]
by revenue
(12 months to December 2021)

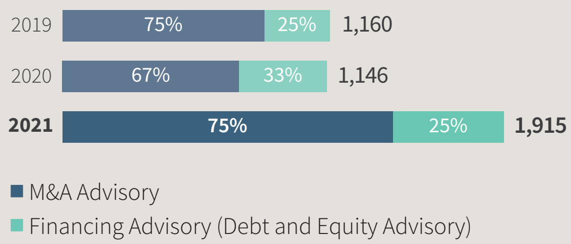
4th globally
1st in Europe
by number of completed M&A transactions[3]

Worldwide platform with a presence in over 40 countries

1,271 bankers, of which 245 Managing Directors

Adviser on c.740 transactions with a total value of c.USD695 billion

Revenue
(in millions of euros)



(1) Excluding exceptional items. For more information, please refer to Section 2.1.6 of this report.
(2) Source: Company filings.
(3) Source: Refinitiv.

Wealth and Asset Management

- Wealth Management
- Asset Management Europe (AM Europe)
- Asset Management US (AM US)

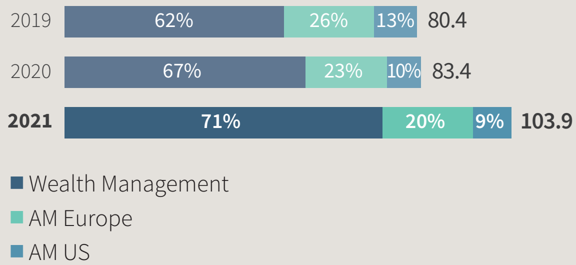
€103.9bn

Assets under Management
(as at 31 December 2021)

275 client advisers for Wealth Management

48 investment managers for Asset management

Assets under Management
(in billions of euros)



Merchant Banking

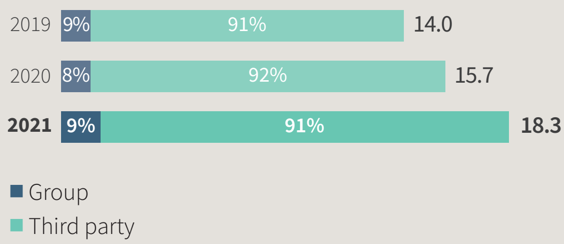
- Private equity
  - Corporate private equity
  - Multi-strategies (secondaries, multi-manager funds and co-investments)
- Private debt
  - Direct lending
  - Credit management

€18.3bn

Assets under Management
(as at 31 December 2021)

126 investment professionals

Assets under Management
(in billions of euros)



Rothschild & Co business model

Having been at the centre of the world's financial markets for over 200 years, our expertise, intellectual capital and global network enable us to provide a distinct perspective that makes a meaningful difference to our clients, communities and planet.

Values-driven culture

We promote a culture of responsible business and long-term value creation for our clients, stakeholders and investors

Three established businesses

One Group consisting of three established businesses

Thoughtful

Considered

Strategic

Long-term

Principled

Responsible

Empathetic

Committed

Creative

Innovative

Collaborative

Entrepreneurial

Key differentiators

Long-term view
- Family controlled
- Strong capital position
- Enduring client relationships

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

Unique brand heritage
- Strong credibility
- High affiliation

Business aligned strategy

Focus
Build strong market positions and expertise around our three core businesses

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

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

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

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

World presence

An unrivalled network of specialists at the centre of the world's financial markets combining scale with deep knowledge.

43
countries

64
locations

3,816
employees

- Global Advisory
- Wealth and Asset Management
- Merchant Banking

(1) Alliance Partners.
(2) As a result of recent events in Ukraine, the Group has decided to suspend its Global Advisory operation in Moscow. For more information, please refer to Section 2.6 of this report.


Stockholm
Tallinn(1)
Riga(1)
Moscow(2)
Copenhagen
Vilnius(1)
Leeds
Manchester
Birmingham
Amsterdam
Warsaw
London
Düsseldorf
Brussels
Frankfurt
Guernsey
Luxembourg
Prague(1)
Kyiv(1)
Paris
Zurich
Geneva
Lyon
Milan
Bordeaux
Toulouse
Aix-en-Provence
Marseille
Monaco
Sofia(1)
Istanbul
Madrid
Lisbon
Athens
Tel Aviv
Beijing
Seoul(1)
Tokyo
Tel Aviv
Shanghai
Doha
Dubai
Abu Dhabi
Hong Kong
Mumbai
Manila
Kuala Lumpur
Singapore
Jakarta
Johannesburg
Sydney
Melbourne
Auckland(1)
Wellington(1)

Corporate governance

Managing Partner

Rothschild & Co Gestion is the Managing Partner (*Gérant*) and legal representative of Rothschild & Co SCA, the Group operational holding company. As Managing Partner, Rothschild & Co Gestion is responsible for the overall management of the Company.

This includes, among other things, establishing the strategic direction of the business, supervising the accounting and financial information as well as directing the internal control framework, determining the regulatory capital for Rothschild & Co SCA and the Group entities on a consolidated basis.

The Executive Chairman of the Managing Partner relies on the Management Board in the performance of his duties.

The Management Board

As at 31 December 2021, the Management Board comprised

Alexandre de Rothschild
Executive Chairman

Marc-Olivier Laurent
Managing Partner

Robert Leitão
Managing Partner
Co-Chairman of the Group Executive Committee

François Pérol
Managing Partner
Co-Chairman of the Group Executive Committee

In March 2022, Javed Khan was appointed as Managing Partner and joined the Management Board. At the same time, Marc-Olivier Laurent stepped down as Managing Partner. His appointment as a member of the Supervisory Board will be proposed to the next General Meeting to be held on 19 May 2022[1].

(1) For more information, please refer to the press release published on the Company's website (www.rothschildandco.com).

Group Executive Committee

The Group Executive Committee is the senior executive committee of Rothschild & Co whose members are the most senior corporate officers of the Group's business divisions and support functions.

The Group Executive Committee role is to propose strategic orientations to the Managing Partner and to assist the Managing Partner in overseeing the implementation of the strategy across the Group and the operational management of the Group.

Co-chaired by Robert Leitão and François Pérol, as at 31 December 2021 the Group Executive Committee comprised:

Paul Barry
Group Human Resources Director

Grégoire Chertok
Head of Global Advisory, France - Deputy Head, Global Advisory

Mark Crump
Group Chief Financial Officer - Group Chief Operating Officer

Laurent Gagnebin
Head of Rothschild & Co Bank AG - Co-Head, Wealth Management

Javed Khan
Head of Merchant Banking

Marc-Olivier Laurent
Managing Partner - Executive Chairman of Merchant Banking

Alain Massiera
Head of France Wealth and Asset Management

Jimmy Neissa
Head of Rothschild & Co, North America - Deputy Head, Global Advisory

Gary Powell
Executive Chairman of Wealth Management

Martin Reitz
Head of Rothschild & Co, Germany - Deputy Head, Global Advisory

Emmanuelle Saudeau
Group Chief Digital Officer

Helen Watson
Head of Wealth Management, UK - Co-Head, Wealth Management

Jonathan Westcott
Group Head of Legal and Compliance

Corporate governance

Supervisory Board and specialised committees

The Supervisory Board carries out the ongoing supervision of the Company's management by the Managing Partner, including notably the Company's financial and accounting reporting system and its internal control mechanisms applicable to risk, compliance and internal audit. The Supervisory Board is assisted by four specialised committees: the Audit Committee, the Remuneration and Nomination Committee, the Risk Committee and the Sustainability Committee.

The composition of the Supervisory Board and its specialised committees is as follows:

Members	Supervisory Board	Specialised committees: Audit Committee	Remuneration and Nomination Committee	Risk Committee	Sustainability Committee
David de Rothschild – French	Chairman/Chairwoman; Non-independent member				
Éric de Rothschild – French	Vice-Chairman/Vice-Chairwoman; Non-independent member				
Lucie Maurel-Aubert – French	Vice-Chairman/Vice-Chairwoman; Non-independent member				Chairman/Chairwoman; Non-independent member
Adam Keswick – British	Vice-Chairman/Vice-Chairwoman; Independent member				
Dr. Daniel Daeniker – Swiss	Independent member				
Gilles Denoyel – French	Independent member	Independent member		Independent member	
Sir Peter Estlin – British	Independent member	Chairman/Chairwoman; Independent member	Independent member	Independent member	
Sylvain Héfès – French	Non-independent member		Chairman/Chairwoman; Non-independent member		
Suet-Fern Lee – Singaporean	Independent member	Independent member		Independent member	
Arielle Malard de Rothschild – French	Non-independent member	Non-independent member		Non-independent member	
Jennifer Moses– American	Non-independent member				
Carole Piwnica – Belgian	Independent member		Independent member		Independent member
Sipko Schat – Dutch	Non-independent member	Non-independent member		Chairman/Chairwoman; Non-independent member	
Lord Mark Sedwill – British	Non-independent member				Non-independent member
Véronique Weill – French	Independent member		Independent member		

■ Chairman/Chairwoman
■ Vice-Chairman/Vice-Chairwoman
■ Independent member
■ Non-independent member

15
members

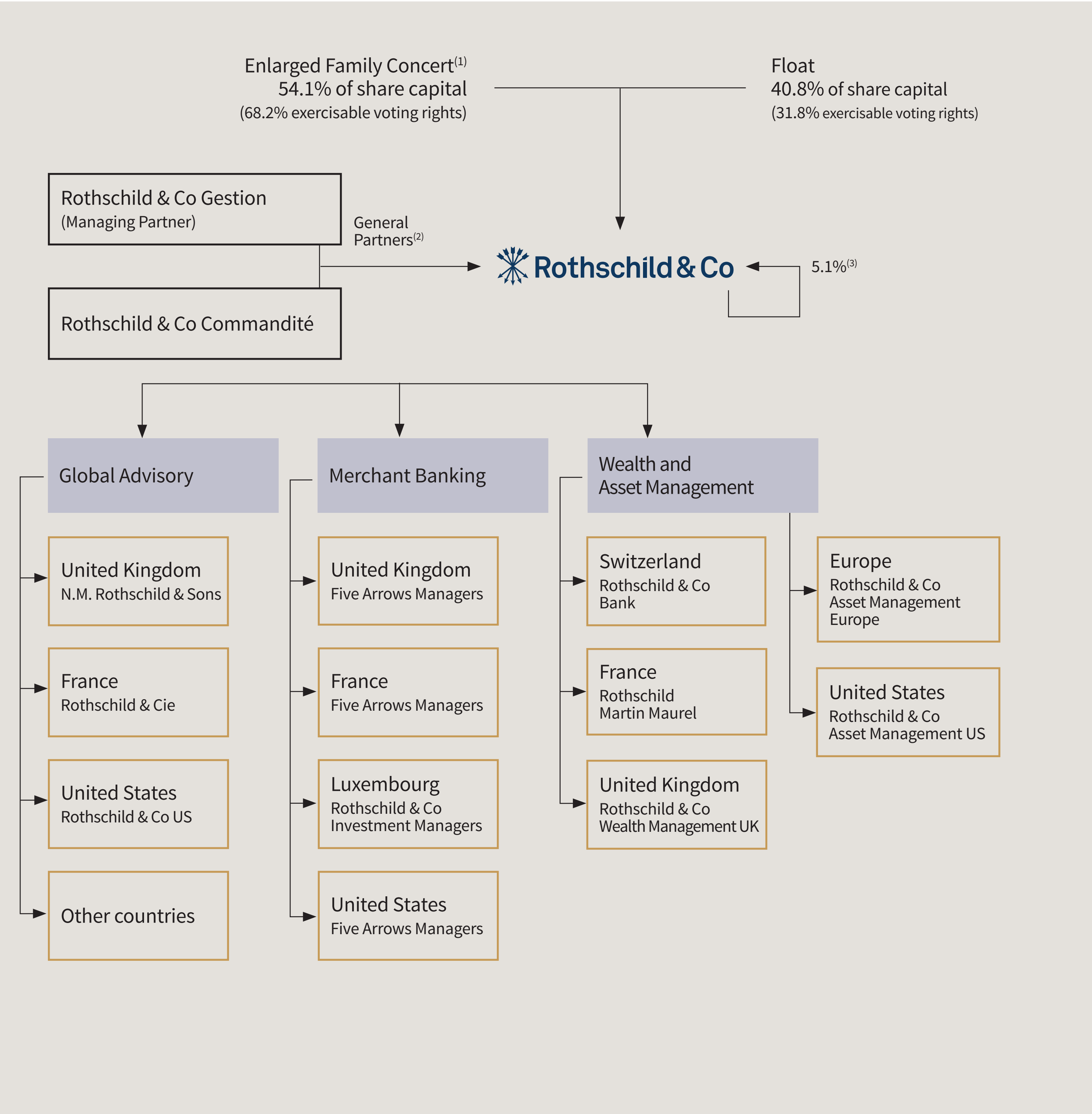
7
independent members

7
nationalities

40%
of women

60%
of men

Simplified organisation chart as at 31 December 2021



(1) Please refer to Section 3.2.3, paragraph "Enlarged Family Concert" of this report for more information.
(2) Controlled by the Rothschild family.
(3) Treasury shares and controlling shares, excluding the shares held by N.M. Rothschild & Sons Limited which are aggregated in the Enlarged Family Concert.

Sustainability: 2021 highlights and impact

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

Environment (E)

Strategic priorities

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

Operational focus

- Net zero operations 2030 commitment
- 70% GHG emissions reduction (vs 2018)
- Shift towards active carbon removal
- 91% renewable electricity
- 79% of reporting offices are USUP free

Business implementation

WAM and MB

- Social and environmental controversy monitoring
- Ambitious SFDR classification objectives
- Voting coverage almost 100%(1)

GA

- Leading corporate adviser on transactions relating to innovative energy technology

Third parties

- Supplier Code of Conduct

Philanthropic activities

- R&Co4Generations: new fund and platform

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

People and Society (S)

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

5 GENDER EQUALITY
10 REDUCED INEQUALITIES

- c. 3,800 employees in over 40 countries
- 39% average tenure > 5 years
- Over 800 new hires (33% female)
- 25.4% female in AD level and above
- 40% female Board members
- c. 1,300 participants in D&I training programmes
- Agile Working Policy

Business Practices (G)

- Safeguard **responsible business conduct**

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- 97% completion Information Security training
- 96% completion Data Protection Training
- 100% of clients subjected to financial crime risk assessment
- All business divisions assessed for ABC risk

Specific ESG investment policies

New sustainable investment products in AM Europe and MB; 10 labelled funds in AM Europe (ISR/Towards Sustainability)

Nine ESG engagement initiatives joined by entities in 2021

Advisor on sustainable financing transactions linked to environmental and social causes

ESG considerations in new client on-boarding processes

New global philanthropic environmental and social partnerships

For more detailed information, please refer to Chapter 5 of this report.

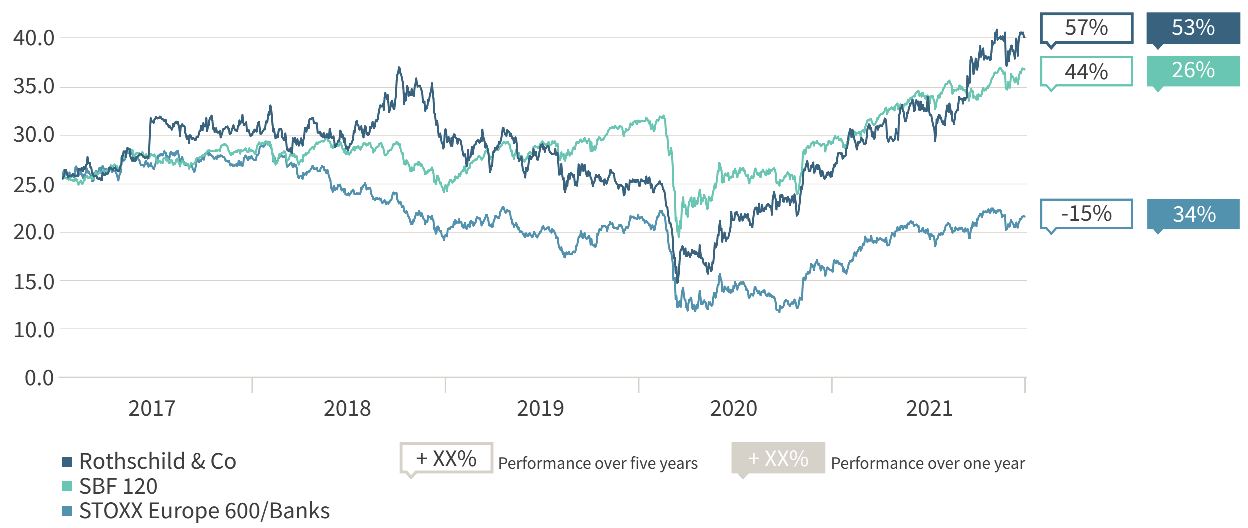
Rothschild & Co and its shareholders

Market data

Key share data

	2017	2018	2019	2020	2021
Market capitalisation *(in millions of euros)*	2,364	2,391	1,987	2,011	3,137
Share price *(in euros)*					
At the end of the financial year	30.5	30.9	25.6	25.9	40.4
Maximum	32.5	37.3	31.0	27.6	41.2
Minimum	25.6	28.4	24.0	15.0	26.0
Yearly average	29.2	31.6	27.5	22.2	33.5
Number of shares					
Issued	77,407,512	77,512,776	77,617,512	77,657,512	77,732,512
Of which treasury shares	*909,770*	*3,023,132*	*4,151,321*	*3,476,731*	*3,526,632*
Share capital *(in euros)*	154,815,024	155,025,552	155,235,024	155,315,024	155,465,024
ISIN Code					FR0000031684

Rothschild & Co share price evolution over five years



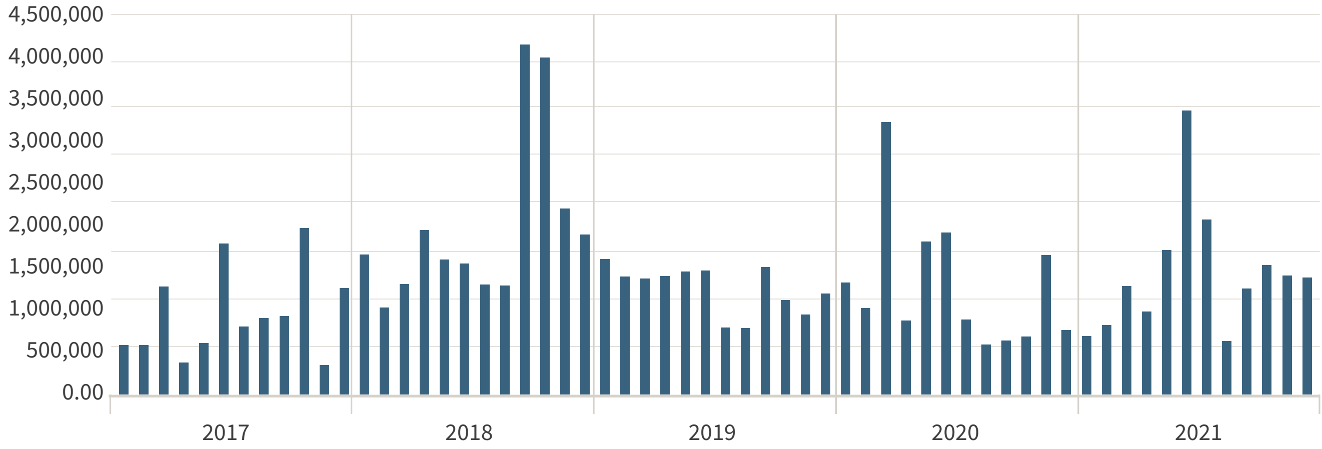
Shareholder scorecard

	2017	2018	2019	2020	2021
Dividend per share	0.72 (1)	0.79	– (2)	0.70 (2)	3.79 (2) (3)
Earnings per Share (EPS)	3.18	3.88	3.38	2.20	10.59
EPS excluding exceptionals	3.33	4.10	3.24	2.37	10.59
Market data					
Total value traded *(in millions of euros)*	**355.1**	**773.3**	**398.9**	**325.9**	**569.7**
TOTAL TRADING VOLUME	**12,056,919**	**23,934,305**	**15,056,967**	**15,396,530**	**17,154,256**
Average daily traded volume	47,279	93,860	59,047	59,909	66,454
% traded on Euronext	*49%*	*36%*	*38%*	*45%*	*48%*
% traded on other platforms	*51%*	*64%*	*62%*	*55%*	*52%*
Excluding exceptional trade blocks over the period (4)					
Total value traded *(in millions of euros)*	**312.7**	**722.5**	**398.9**	**325.9**	**569.7**
TOTAL TRADING VOLUME	**10,568,848**	**22,434,305**	**15,056,967**	**16,325,613**	**17,145,256**
Average daily traded volume	41,446	87,978	59,047	59,909	66,454

(1) This amount is the *pro forma* equivalent dividend on a full year basis for 2017, in relation to the shorter financial year of 2017 following the change of year end from March to December.
(2) Under our normal progressive dividend policy, we would have paid a dividend per share of €0.85 and €0.89 in respect of the 2019 and 2020 financial years. However, due to the regulatory restrictions then in place due to the pandemic, the €0.85 for 2019 was paid in October 2021, and the €0.89 for 2020 was paid in two tranches of €0.70 in May 2021 and €0.19 in October 2021.
(3) It comprises a normal dividend of €1.15, a special dividend of €1.60 as well as the interim dividend of €1.04, paid in October 2021.
(4) Exceptional block trades over 500,000 shares.

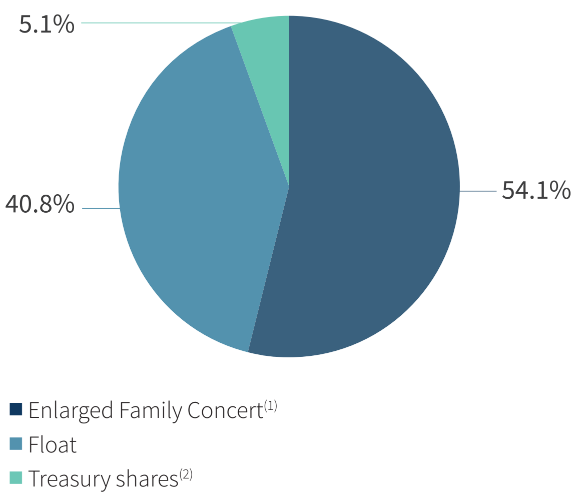
Rothschild & Co will propose for approval at the Annual General Meeting a dividend of €3.79 per share. It comprises a normal dividend of €1.15, up 29% (2020: €0.89), a special dividend of €1.60 due to the record results for 2021 as well as the interim dividend of €1.04, already paid in October 2021.

Rothschild & Co monthly volume evolution over five years

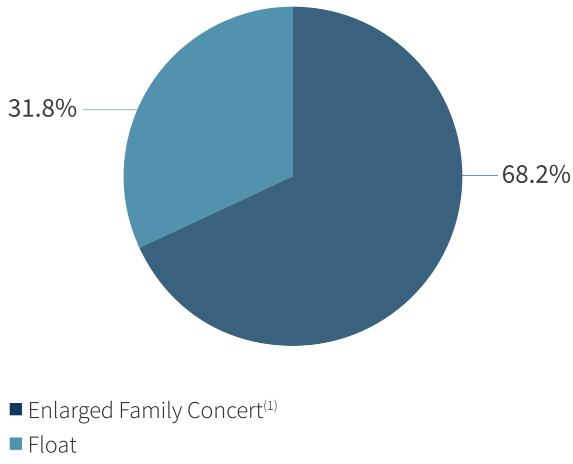


Shareholding structure as at 31 December 2021

Share capital



Exercisable voting rights



(1) For more information, please refer to Section 3.2.3, paragraph "Enlarged Family Concert" of this report.
(2) Treasury shares and controlling shares, excluding the shares held by N.M. Rothschild & Sons Limited which are aggregated in the Enlarged Family Concert.

Financial communication

Throughout the year, Rothschild & Co provides information in French and English on its activities, results and outlook through releases on the publication of the annual and half-yearly results, quarterly revenues or any other major event concerning the Group in accordance with regulations and practices for publication.

Rothschild & Co's press releases, financial reports and presentations are available in the "Investor Relations" Section on the Group's website www.rothschildandco.com.

Relationship with institutional investors and financial analysts

To ensure good relations with the financial community, the Investor Relations department regularly participates in events to enable institutional investors and financial analysts to meet with management. In 2021, Rothschild & Co organised approximately 155 virtual meetings.

Calendar for financial communication

12 May 2022
First quarter information 2022

4 August 2022
Half-year results 2022

8 November 2022
Third quarter information 2022

Shareholders' timetable

19 May 2022
Annual General Meeting

23 May 2022
Ex-dividend date

24 May 2022
Dividend record date

25 May 2022
Dividend payment date

Registered shares

Service Titres nominatifs purs de la Société Générale
GSSI/GIS/NPO/NOM
32, rue du Champ de Tir
BP 81236
44312 Nantes Cedex 3
France

Investor relations

InvestorRelation@rothschildandco.com

Media

Groupmediaenquiries@rothschildandco.com

1

Business review

1.1 Global Advisory

Global Advisory offers an informed and impartial perspective to help our clients reach their goals through the design and execution of strategic M&A and financing solutions.

4th globally
1st in Europe
by number of completed M&A transactions[1]

6th globally
by revenue[2]

1,271 bankers
of which 245 Managing Directors

We provide impartial, expert advice to large and mid-sized corporations, private equity, families, entrepreneurs and governments. We design and execute strategic M&A and financing solutions for our clients and act as a trusted partner, taking a long-term and independent view on the challenges they face.

Our deep understanding of financial markets, the high volume of transactions we advise on and our unrivalled network of industry and financing specialists in over 40 countries, allows us to achieve outstanding results for our clients, supporting realisation of their strategic goals and acting as their trusted advisers over the long term.

Global Advisory volume of transactions advised[1]

By value *(in billions of USD)*	2021	**2020**	**% change**
M&A transactions	413	262	+57%
Financing Advisory transactions	281	218	+29%
TOTAL VALUE	**694**	**480**	**+44%**

By number	2021	**2020**	**% change**
M&A transactions	456	294	+55%
Financing Advisory transactions	285	284	+0%
TOTAL TRANSACTIONS	**741**	**578**	**+28%**

Our expertise was recognised in several leading industry awards:

The Banker Investment Banking Awards, 2021
- Independent Investment Bank of the Year

GlobalCapital, 2021
- Best Debt Advisory Firm for Corporate Bonds

Euromoney Awards for Excellence, 2021
- Western Europe Best Bank for Advisory
- Best Investment Bank in the Netherlands

Unquote British Private Equity Awards, 2021
- Corporate Financier of the Year

(1) Source: Refinitiv, Rothschild & Co analysis. Completed transactions/assignments (based on target values).
(2) Source: Company filings.

Financial results for 2021

Revenue for 2021 was a record high of €1,915 million, up 67% compared to 2020 (€1,146 million). For the twelve months to December 2021, we ranked 6th globally by financial advisory revenue[(1)].

Profit before tax[(2)] for 2021 was €421 million, up 150% (2020: €169 million). Total costs were up 53%, largely driven by an increase in variable compensation costs. The compensation ratio was 66.8% in 2021 down from 68.1% in 2020, on an awarded basis. The reduction of 1.3%, reflects the sharing of the leverage benefit of higher revenue on non-compensation costs between the employees and the shareholder. The PBT margin improved from 14.7% in 2020 to 22.3% in 2021. While travel and certain other non-personnel costs were up compared to 2020, they remained below pre-pandemic levels.

Our M&A revenue for 2021 was €1,432 million, up 87% compared to 2020 (€766 million), based on elevated levels of deal activity across our main geography and sector franchises, and across both corporate and financial sponsor clients. We ranked 4th globally by number of completed transactions for the twelve months to December 2021[(3)]. In Europe, we continue to advise on more M&A transactions than any of our competitors, a position we have held for more than 15 years[(3)].

Financing Advisory revenue for 2021 was €483 million, up 27% compared to 2020 (€380 million). We ranked 1st in Europe and 2nd globally by number of completed restructuring transactions for the twelve months to December 2021, and we advised on more European equity assignments than any other independent financial adviser[(4)]. In 2021, we were highly active in advising clients on innovative sustainability-linked financing transactions as well as in raising funding for renewable energy projects.

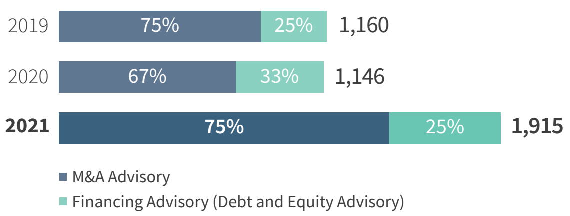
During the year, we significantly strengthened our Equity Advisory offering and built market-leading teams to serve our clients' full spectrum of capital markets advisory needs. In Investor Advisory, we have developed a leading ESG capability both advising clients on a dedicated basis and providing the expertise to integrate ESG considerations into the advice we provide clients across our full product range in M&A, Equity Advisory, and Debt Advisory and Restructuring. We invested significantly in our Private Capital capability, where we advised clients on several situations, including minority investment, growth equity capital raising and GP solutions.

Acquisition of controlling stake in Redburn

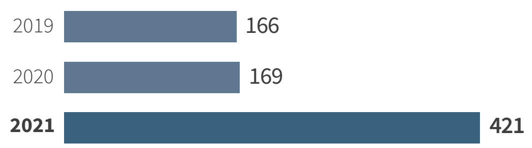
Rothschild & Co reached an agreement, during Q4 2021, to acquire a controlling interest in Redburn (Europe) Limited, one of the largest independent equity research providers in Europe. The Group will acquire an initial controlling interest in H1 2022, subject to regulatory approval, and have committed to purchase the remaining outstanding shares in 2026. The final consideration paid for the remaining stake will be dependent on the performance of the Redburn business up to financial year 2025.

The acquisition of Redburn will support the Group's strategy to develop a global multi-product equity services platform, with a scope spanning independent advice on listed equity offerings, the raising of capital in the private markets and investor advisory services (including activist defence, ESG advice and investor engagement and marketing), through to leading sector and company research, agency-only trade execution on listed stock markets, and research and sales support in listed-market ECM syndicates.

Revenue
(in millions of euros)



Profit before tax[(2)]
(in millions of euros)



(1) Source: Company filings.
(2) Including ongoing investment in the development of our North American M&A franchise.
(3) Source: Refinitiv.
(4) Source: Dealogic.

1.1.1 M&A and Strategic advisory

Our teams provide expert advice and execution services across all aspects of mergers and acquisitions, as well as strategic advice in areas such as joint ventures, corporate governance and sovereign advisory.

c. 450

M&A transactions with a value of c. USD210 billion

More than 50% of cross-border deals

For 2021, we ranked 4th among M&A advisers globally by number of completed transactions[1]. In Europe, we continue to advise on more M&A transactions than any of our competitors, a position we have held for more than 15 years[1].

We advised on c. 450 M&A transactions in 2021, including 1 out of the top 5 European M&A transactions by value and 2 out of the top 50 global M&A transactions by value[1].

Our global scale and network of relationships with key decision-makers continue to support our leading position as adviser in large, complex cross-border situations.

During 2021, we ranked 1st among M&A advisers globally by number of completed cross-border transactions, representing more than 50% of our total activity[1].

For the financial year, we held top positions[1] in the majority of industry sectors in Europe and top five position[1] globally being particularly active in the consumer, business services, healthcare and TMT sectors. We were also the most active adviser on deals with financial sponsor involvement in Europe[1].

M&A league table rankings by region[1]

	By number		By value	
Region	2021	**2020**	2021	**2020**
Global	4	2	12	16
Global cross-border	1	1	8	13
Europe	1	1	6	10
Asia (incl. Japan)	17	18	32	25
North America	15	14	13	19
Rest of the world	1	2	7	7

(1) Source: Refinitiv.

Rothschild & Co advised the following clients on significant M&A transactions during the year:

Bankia
(Spain)

- Adviser on its merger with CaixaBank (€17 bn).
- Landmark deal for Spain, creating the country's largest domestic banking and insurance group.

Morrisons
(United Kingdom, United States)

- Adviser on its offer from Clayton Dubilier & Rice (£10 bn).
- Investor Advisory input was critical in the successful completion of the sale, providing investor insight and analysis, and co-ordinating engagement, driving support for the offer and addressing activism and public opposition.

Walmart
(United Kingdom, United States)

- Adviser on its sale of Asda to the Issa Brothers and TDR Capital (£6.8 bn).
- Utilised our intimate knowledge of the retail landscape, leveraged competitive tension to extract a highly compelling value for Walmart.

Coca-Cola Europacific Partners
(United Kingdom, Australia)

- Adviser on its recommended offer for Coca-Cola Amatil (USD8.4 bn).
- Adds to our extensive experience of the Coca-Cola bottling system, with 13 successful mandates in the last 9 years.

Alstom
(France, Canada)

- Adviser on its acquisition of Bombardier Transportation and cornerstone investment from CDPQ (€7.2 bn).
- Long-time trusted advisor to Alstom, having advised the company on 16 transactions since 2004.

Clearlake Capital Group
(United States)

- Adviser on its take-private acquisition of Cornerstone OnDemand (USD5.2 bn).
- Landmark US public-to-private transaction in technology, continues the momentum of our US technology franchise.

Euronext
(Netherlands, Italy)

- Adviser on its acquisition of Borsa Italiana (€4.4 bn).
- Included debt advice on structuring the optimal acquisition financing structure, negotiating the equity and debt bridge financing and securing very competitive terms.

FirstGroup
(United Kingdom, United States)

- Adviser on its divestiture of First Student and First Transit to EQT Infrastructure (USD4.6 bn).
- Leveraged expertise in transport & infrastructure M&A, debt advisory, equity advisory, investor relations, pensions and UK listing requirements.

Consortium led by APG
(Netherlands, Sweden)

- Adviser on its acquisition of a 50% stake in Stockholm Exergi (€7.1 bn).
- Navigated complex discussions and negotiations around governance and acquisition terms, including supporting the Consortium in discussions with the co-owner, the City of Stockholm.

MetLife
(United States)

- Adviser on its sale of its US Property and Casualty Business to Zurich Farmers Group (USD4 bn).
- Demonstrates our continuing success in advising market leaders in the FIG sector on complex and structured transactions.

UDG Healthcare
(Ireland, United States)

- Adviser on its recommended cash offer by Clayton, Dubilier & Rice (£2.9 bn).
- Provided significant support to UDG's Board on evaluating and positioning CD&R to shareholders, and on Irish Takeover Rules.

Koch and Infor
(United States, Sweden)

- Adviser on its sale of Infor Enterprise Asset Management to Hexagon (USD2.75 bn).
- Continues our relationship as trusted adviser to Koch with six completed mandates in the past five years.

Caisse de Dépôt et Placement du Québec
(Canada, Taiwan)

- Adviser on its acquisition alongside Cathay Private Equity Fund of a 50% equity interest in the Changhua 01 offshore wind project (USD2.7 bn).
- Executed in a challenging environment which resulted in a number of bespoke arrangements, including adjustments between signing and closing.

Jacobs Engineering
(United States, United Kingdom)

- Adviser on its sale of a 90% stake of Fenix Marine Services to CMA CGM (USD2.3 bn).
- Provided a deep understanding of the asset, its unique contractual structures and the North America ports sector, ultimately resulting in a value materially higher than EQT's expectations.

EQT
(United States, France)

- Adviser on its acquisition of PA Consulting from The Carlyle Group (£1.83 bn).
- Instrumental in developing a private equity-like transaction structure and ensuring that Jacobs was able to participate in an auction process originally designed solely for private equity buyers.

Astorg
(France, Belgium)

- Adviser on its acquisition of Corialis from CVC Capital (€1.6 bn).
- Leveraged our intimate knowledge of Corialis and its management to pre-empt the competitive auction process, outpacing other bidders and increasing deal certainty for our client.

1.1.2 Financing Advisory

Our Financing Advisory teams, encompassing Debt and Restructuring Advisory and Equity Advisory, provide advice to clients on financing strategy and solutions. On many occasions, they work alongside our M&A experts to deliver integrated, comprehensive advice to clients.

c. 230

debt and restructuring transactions with a total value of c. USD210 billion

Adviser on more European ECM Advisory assignments

than any other independent adviser in Europe[(1)]

Debt Advisory and Restructuring

Our Debt Advisory and Restructuring teams provide strategic capital structure advice to deliver the best possible refinancing and restructuring solutions. During the financial year, we continued to be highly active in large and complex debt advisory and restructuring situations, providing independent advice to clients on c. 230 transactions with a total value of c. USD 210billion[(2)].

Our Debt Advisory capabilities include advice on capital raisings and refinancings across all markets and expertise across banks, bonds, ratings, derivatives and hedging. We are one of the world leaders in this field. Our track record in successfully helping clients to optimise both the sources of debt and terms of debt finance continues to drive our business generation.

Our Restructuring capabilities include lender negotiations, recapitalisations, exchange offers, distressed M&A, in-court and out-of-court transactions and creditor representation. Our independence and the significant volume of deals we advise on across M&A and Financing Advisory place us in a unique position in terms of market knowledge and enable us to deliver client-focused advice without the conflicts of interests often faced by bulge bracket banks.

Clients continue to engage us on large and highly complex restructuring assignments. For restructuring assignments completed during the financial year, we ranked first by number of deals in Europe and second globally[(3)].

Restructuring league table rankings by region[(3)]

	By number		By value	
Region	2021	**2020**	2021	**2020**
Global	2	4	2	6
EMEA	1	2	1	2

(1) Source: Dealogic.
(2) Source: Internal data.
(3) Source: Refinitiv, completed transactions.

Equity Advisory

Our Equity Advisory business includes ECM Advisory, Private Capital, Investor Advisory and Investor Marketing services. We have an unparalleled global footprint and deeper resources than any other independent equity adviser, with specialist teams in key equity markets around the world including New York, Hong Kong, Sydney and throughout Europe. The teams work in collaboration with our industry sector specialists to deliver integrated advice to our clients, including simultaneous dual-track disposal/IPO advisory.

Our ECM Advisory teams assist clients throughout the preparation and execution of an initial public offering (IPO) process, and helping listed companies optimise returns when using the public equity markets to raise equity or crystallise value, through secondary offerings, block trades, spin-offs or convertible instruments. During the year ended December 2021, we advised on c.60 equity capital market transactions worldwide with a total value of c.USD75 billion[1] and, for the 12th successive year, we advised on more European equity capital market transactions than any other independent adviser[2].

In Private Capital, we advise post-Series A companies, Private Equity, and Growth and Venture funds, on fundraising, achieving partial liquidity, and meeting strategic objectives via private capital (principally minority stake investments and late-stage growth funding) and GP/LP solutions. During the year, we advised on more than 25 Private Capital assignments, across minority, growth equity and GP solutions.

Our Investor Advisory team provides clients with strategic advice on investor-related issues including de-risking and executing M&A, bid defence and activist challenges. We have developed a leading ESG capability, advising clients on a dedicated basis and integrating ESG considerations into the advice we provide across our full product range.

Our Investor Marketing team provides equity market advice and investor engagement services to help our clients compete for capital as effectively as possible. This includes analysis of investor behaviour, market perception studies, and equity marketing support including investor roadshows.

During the year, our Investor Advisory and Investor Marketing teams advised c.90 clients, including 14 activist situations and 21 perception studies, as well as 330 investor roadshows.

A list of notable completed financing transactions on which we advised during the financial year is shown on the following page.

(1) Source : Internal data.
(2) Source : Dealogic.

Rothschild & Co advised the following clients on significant Financing Advisory assignments during the year:

Vivendi
(France, Netherlands)

- Adviser on its spin-off of Universal Music Group (€45 bn).
- A truly global transaction involving parties in France, United States and China, coordinated between Rothschild & Co teams in France and the United States.

Hertz
(United States)

- Adviser to Ad Hoc Group of European Noteholders on Hertz's Chapter 11 restructuring (USD19.1 bn).
- Delivered an exceptional outcome for our clients in this complex cross-border transaction by leveraging various jurisdictional restructuring implementation options, highlighting the strength of our global franchise.

Chesapeake
(United States)

- Adviser on its chapter 11 restructuring (USD10.8 bn).
- The largest bankruptcy of an upstream oil and gas company in history.

AccorInvest
(France)

- Adviser on its debt restructuring, new State-Guaranteed Loan and capital increase (€4.5 bn, €477 m and €477 m, respectively).
- Instrumental in reaching an agreement in a very challenging context given time pressures and high number of stakeholders involved.

Vallourec
(France)

- Adviser on its debt restructuring (€3.5 bn).
- Continues our long-standing relationship with Vallourec, having advised the company on 12 transactions over the last 20 years.

Garrett Motion
(United States)

- Adviser to Ad Hoc Group of Shareholders on its Chapter 11 restructuring (USD4 bn).
- Coordinated the development of an alternative stand-alone plan of reorganization in order to maximize value for pre-petition common shareholders.

Flutter Entertainment
(Ireland)

- Adviser on its Institutional Term Loan B refinancing (USD3.5 bn).
- Managed a highly competitive hedging process with a large number of hedge providers within a short period of time.

Vodafone and Vantage Towers
(United Kingdom, Germany)

- Adviser on the IPO of Vantage Towers (€2.3 bn).
- The largest IPO on Frankfurt Stock Exchange since 2018 and the largest in its sector in Europe to date.

Allfunds
(United Kingdom, Netherlands)

- Adviser on its IPO on the Euronext Amsterdam (€2.2 bn).
- Represents the largest ever financial sector IPO and also the largest FinTech IPO in EMEA since 2016.

Finance Agency of the Federal Republic of Germany (Germany)

- Adviser on the capital increase of Deutsche Lufthansa (€2.1 bn).
- Follows our advice on a €9 bn stabilisation package for Deutsche Lufthansa in 2020 to alleviate the economic effects caused by the COVID-19 pandemic.

Europcar Mobility Group
(France)

- Adviser on its share offering on the Hong Kong Stock Exchange (USD2.4 bn).
- The first secondary offering in Hong Kong, highlighting our market leading equity advisory capabilities across global markets.

Prudential
(Hong Kong)

- Adviser on its debt restructuring and new money (€1.8 bn and €500 m, respectively).
- Managed a time-pressured process with approval by creditors and the Supervisory Board in record timing, and the transaction implemented through a French accelerated financial safeguard procedure.

Whitbread
(United Kingdom)

- Adviser on its inaugural Green bonds and the Amend & Extend of its bank facility (£550 m and £950 m, respectively).
- Continues our track record as the leading debt adviser on ESG related financing, with 22 ESG transactions completed in 2021, worth over €12.5bn.

Energias de Portugal
(Portugal)

- Adviser on its capital increase by EDP Renováveis (EDPR) (€1.5 bn).
- Represents one of the largest European accelerated bookbuilt placings in 2021 and the largest ever in Portugal.

Just Eat Takeaway.com
(Netherlands, United Kingdom)

- Adviser on its dual-tranche convertible bond issuance and concurrent delta placing (€1.1 bn).
- One of the largest European convertible issuances of the year attracting strong investor demand and pricing at the top end its range.

Starling Bank
(United Kingdom)

- Adviser on its private capital raise led by Fidelity and valuing Starling Bank at £1.1bn pre-money (£322 m).
- Helped Starling Bank raise money from blue chip institutional investors that positions the company for its next stage of growth.

1.2 Wealth and Asset Management

Wealth Management offers its clients an objective long-term perspective on investing, structuring and safeguarding assets, to help them preserve and grow their wealth.

Asset Management offers innovative investment solutions in a variety of asset classes, designed around the needs of each and every client.

€103.9bn **+25%**

Assets under Management[1]

€4.1bn

Net New Assets in 2021

We serve a diverse client base from our European offices in France (Paris, Marseille, Lyon, Bordeaux, Toulouse, Aix-en-Provence), United Kingdom and Channel Islands (London, Guernsey, Manchester, Birmingham), Switzerland (Zurich, Geneva), Germany (Frankfurt, Düsseldorf), Belgium (Brussels), Italy (Milan), Spain (Madrid), Luxembourg and Monaco as well as from our US office in New York.

Rothschild & Co continues to develop its Wealth and Asset Management activities in line with the Group strategy to diversify its sources of income.

Responsible Investment

For Rothschild & Co, a proactive approach to Responsible Investment is key to protect the value of investment portfolios, seize investment opportunities, and play an active role in the global transition effort towards a more sustainable economy.

While all Wealth and Asset Management business lines are responsible for the deployment of their specific ESG integration strategies in line with their business constraints and specificities, all entities apply the Group's ESG-investment framework[2].

The Group ESG-investment framework integrates common investment policies, engagement practices and ambitions in terms of product offering. It aims at providing consistency in terms of actions and messages among investment business lines.

Almost all targets set in the 2019-2022 Responsible Investment roadmap were already achieved in 2021 demonstrating the strong commitment of entities and their acceleration over the last years.

Key achievements 2021

- **Strengthening of the Responsible Investment platform**

While ESG integration is increasingly becoming an important part of the day-to-day job for most investment teams, Rothschild & Co reinforced its expertise and internal capacity for the coordination of ESG-related topics through recruitment at both Group and entity levels. An active ESG coordination network has been set up to ensure consistency within the Group as well as strong operational execution of the Responsible Investment strategy among businesses.

- **Strong commitment for sustainable product offering and SFDR classification**

The SFDR regulation constitutes an opportunity for our investment businesses to develop sustainable investment strategies while competing on equal terms with other market players.

Entities have defined ambitious targets regarding the SFDR regulation as highlighted by AM Europe's commitment to classify 95% of its open funds as Article 8 or 9.

New sustainable strategies were launched throughout the year and the number of funds with an external sustainable finance certification significantly increased from 4 funds to 10 funds.

- **Expanded engagement scope**

Engagement in Investors initiatives increased in 2021, with for instance WM UK becoming a Climate 100+ signatory and AM Europe joining the Net Zero Asset Managers Initiative.

Annual general meetings of listed companies present the opportunity for investors to express their views and their level of support to the top management. In 2021, Rothschild & Co Bank AG, Wealth Management UK and AM Europe have achieved high participation rates over Annual general meetings of their eligible voting perimeters.

(1) Includes double counting assets.
(2) For more information, please refer to Section 5.2.1 of this report.

Financial results for 2021

Global stock markets closed out 2021 with double-digit gains for a third year in a row. Beyond the prolonged pandemic crisis, there were growing concerns about disrupted supply chains, inflation and potential interest rate rises, which created some volatility in the last months of the year. However, the markets remained well supported by the liquidity provided by the central banks and government fiscal stimulus. Within this context, the performance of the business has remained very strong.

Net new assets (NNA) for the twelve months to 2021 were €4.1 billion, of which net inflows of €4.3 billion in Wealth Management and €0.8 billion in Asset Management Europe were partly offset by net outflows of €1.0 billion in Asset Management US.

In 2021 our WAM Europe business continued to expand and attract new clients, recording positive NNA in all its locations. We received the approval from the Spanish regulators for our new subsidiary in Madrid which started operating in October and we opened a new regional office in France (Toulouse) and in the UK (Birmingham).

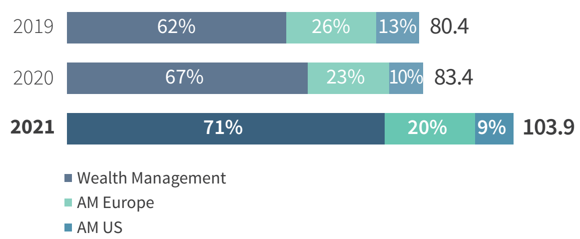
The Banque Pâris Bertrand acquisition was completed in July and the legal merger between the two Swiss entities (Rothschild & Co Bank AG and Banque Pâris Bertrand) was implemented in October 2021. Hence, we are reporting the impact of this acquisition for six months in our 2021 accounts.

Our investment management teams (in all European locations and in the US) have performed extremely well and are showing a 2021 performance above their respective benchmarks in most client portfolios and currencies, often ranked in the top quartile when compared to peers.

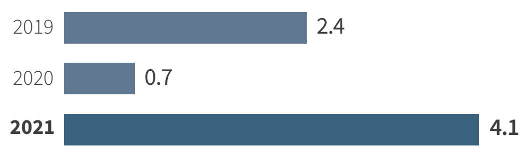
Taking into account NNA, market effect and the acquisition of Banque Pâris Bertrand, Assets under Management (AuM) for WAM Europe have increased by 26% since the beginning of the year from €75.2 billion to €95.0 billion[1].

AuM for AM US increased by 9% since the beginning of the year from €8.2 billion to €8.9 billion as at 31 December. Overall, the performance of the business is improving with enhanced investment performance across all strategies being reflected in both slowing outflows and an increasing number of new business opportunities.

Assets under Management
(in billions of euros)



Net New Assets
(in billions of euros)



(1) In Q4 2021, the Group decided to include double-counted assets. Therefore, AuM has been restated and now include €6.1 billion double-counted assets representing assets of Wealth Management clients invested in Asset Management products (2020: €5.3 billion).

Revenue for full-year 2021 was a record high up 19% to €593 million, (2020: €499 million). The growth was driven by fees and commissions which increased by 22% at €511 million (2020: €418 million), directly linked to the progressive increase of the AuM over the period as well as some performance fees. Commissions and fees represent 86% of the total revenue.

Net interest income (NII) was down 13% to €48 million compared to the same period last year (2020: €55 million), due to the impact of low USD and GBP interest rates since March 2020, as well as prolonged negative interest rates in EUR and CHF. However, this was partly offset by the growth of the private client lending book, especially the Lombard loan book. This year was probably a low point in terms of NII as interest rates are expected to increase in the coming months, particularly in USD and GBP, which will have a positive impact on our treasury revenue.

In 2021, Profit before tax for WAM Europe, excluding AM US (which broke even in the year) was up 58% at €117 million (2020: €74 million), representing an operating margin of 20.7% (2020: 15.6%).

It may be difficult to maintain this level of operating margin in the coming months as in 2021 we benefitted from positive market momentum as well as some cost savings due to travel restrictions and working from home. Globally our costs remained well controlled despite some integration costs in Switzerland related to the Banque Pâris Bertrand acquisition. However, personnel costs were higher due to recruitments as well as increased bonuses and profit-sharing schemes in line with the performance of the business.

Revenue

(in millions of euros)

Profit before tax[(1)]

(in millions of euros)

(1) Profit before tax for WAM Europe, excluding AM US.

1.2.1 Wealth and Asset Management Europe

Wealth Management

Wealth Management provides a comprehensive range of services to some of the world's wealthiest and most successful families, entrepreneurs, foundations, and charities.

€73.9bn +32%	€4.3bn	275
Assets under Management	Net New Assets in 2021	Client advisors

In an environment where short-term thinking often dominates, our long-term perspective sets us apart: we believe preservation-first is the right approach to managing wealth. Our clients are looking to preserve and grow the real value of their capital. As an independent and family-controlled business, we have the freedom to make impartial decisions, focused on long-term perspective to generate the best returns for our clients.

Our Wealth Management business operates in France, UK and the Channel Islands, Switzerland, Germany, Belgium, Italy, Spain, Luxembourg, and Monaco.

We understand the issues wealth owners must address and can help them protect their assets. We advise our clients in relation to all their financial and non-financial wealth. Our goal is to preserve and grow the real value of clients' wealth, with a focus on generating attractive investment returns - and avoiding large losses along the way.

Our expertise in providing advice, investment solutions and wealth planning enables us to take a comprehensive view of a business-owner's professional and personal assets, in order to be the banker of the entrepreneur, the family and the company. Our distinct perspective makes us a secure and enduring home for our clients' assets, safeguarding their legacy for generations.

Our investment approach, coupled with the stability that comes from our seventh generation of family-controlled owners continues to resonate with an increasing number of clients around the world, especially in the current economic environment. We offer a wide range of wealth management services with a focus on discretionary managed portfolios and advisory portfolios.

We also offer to our Wealth Management clients, a direct access to the Rothschild & Co Asset Management and Merchant Banking funds as well as quality execution on all international financial markets.

Market conditions

Global stock markets closed out 2021 with double-digit gains for a third year in a row. Concerns about the new Covid variants, disrupted supply chains, commodity shortage, rising cost of goods, inflation and interest rate rises on the horizon created some volatility during the year, but the markets remain well supported by the liquidity provided by the central banks and various government helps to the economy.

In this context our Investment Management strategies performed extremely well and are showing annual performance above their respective benchmarks in most client portfolios and currencies, often ranked in top quartile when compared to peers.

Assets under Management of WM
(in billions of euros)

Net New Assets of WM
(in billions of euros)

Business development

In terms of business development, we had to operate with travel restrictions for a large part of the year but we were able to continue to grow and deliver exceptional client service.

The performance of the business has remained very strong during the whole year. AuM increased to €74 billion, up 32% versus 2020 (2020: €56 billion). Net New Assets of €5.0 billion was impressive given the difficult environment, with inflows coming from each country in which we operate. The AuM growth is also explained by the acquisition of the Banque Paris Bertrand (€6.7 billion additional AuM) and a large positive market performance impact of €6.3 billion in 2021 across all our assets.

As part of our global Wealth Management offering, we provide lending facilities for our clients. Our private client lending activity continued to grow in 2021, increasing by 26%. This was mostly driven by an increase in Lombard lending secured on client portfolios, which has been very strong, supported by a low interest environment.

As of 31 December 2021, our total loan book was €4.4 billion (2020: €3.5 billion) of which €4.0 billion (2020: €3.1billion) was private client lending, which is primarily Lombard loans and residential mortgages in the UK, France and Switzerland. The rest of the lending book relates to our clients' business activities.

Major new developments

Banque Pâris Bertrand was a renowned private bank with headquarters in Switzerland and offices in Geneva and Luxembourg. Banque Pâris Bertrand's client base consists of wealthy families, family offices and institutional investors, primarily from Switzerland, as well as other markets in Europe.

The acquisition marks another milestone in the sustained growth of the Wealth Management business and consolidating our strong position in the Swiss market. The transaction was completed at the beginning of July and the legal merger between the two Swiss Banks (Rothschild & Co Bank AG and Banque Paris Bertrand) was effective on 1st October 2021. The operational merger is progressing fast and will be completed in the first quarter of 2022, which would generate some synergies in the second part of the year.

2021 was also marked by the opening of our new Wealth Management office in Madrid in September. This represents a further step in Rothschild & Co's pan-European strategy for Wealth and Asset Management, which seeks to invest for the long term in key markets where it already has an established network and reputation. The launch of this new business area will increase the company's presence and broaden its offering to both existing and prospective clients in Spain.

In France, we also opened a new office in Toulouse to expand our regional coverage and proximity with local clients and entrepreneurs.

Asset Management Europe

Asset Management Europe is a global, independent multi-specialist asset manager, delivering bespoke investment solutions and advisory services to institutional clients, financial intermediaries, and third-party distributors in Europe.

€21.1bn **+9%**
Assets under Management

€0.8bn
Net New Asset in 2021

26
Investment managers

With headquarters in Paris, our European branch offers a full range of products, including open-ended funds, dedicated mandates, fund of funds and multi-management.

Thanks to its complementary strategies and approaches, Asset Management Europe offers dedicated investment solutions, in all geographical areas and each asset classes including equities, fixed income, convertible bonds and flexible diversified funds, in line with the needs of our clients, whether they are institutional clients, external distributors and independent financial advisors.

We provide sustainable investment solutions. Our sustainable investment approach is based on two complementary principles: the integration of ESG criteria into financial analysis and an engagement policy that allows us to have an impact on the companies in our investment universe. We wish to encourage companies to adapt their practices and to participate in the orientation of financial flows towards players who integrate ESG challenges into their strategy and provide concrete solutions.

We deliver innovative investment solutions through high-conviction portfolios and bespoke advisory services.

With the benefit of more than 20 years of experience, we are recognised as one of the pioneers of open architecture fund allocation and selection. We offer innovative solutions: fund research and fund related advisory, consultancy to portfolio managers, investment management advisory. We rely on four core principles: a rigorous Open Architecture, the search of excellence, an active portfolio management and a robust risk management.

Asset Management Europe continued its development in 2021 with AuM increasing by 9%, from €19.4 billion to €21.1 billion at the end of 2021, of which €5.3 billion are included in our Wealth Management client portfolios.

Over the past year, we have continued to strengthen our fund range with new expertise. These mainly concern our 4Change range for which we obtained seven new labels, bringing the total to 10 funds labelled with the French SRI label and/or the Belgian Toward Sustainability label. Among these changes, the repositioning of one of our funds on the theme of inclusion and disability and a second on the theme of "Net Zero". The development of these two areas of expertise has been accompanied by partnerships with initiatives linked to these themes: the scientific expedition Polar Pod and the socially responsible company Café Joyeux.

Furthermore, one of our major projects in 2021 involved compliance with SFDR regulations and, to date, 96% of our open–ended funds are classified as Article 8 or 9. In addition, we also launched an international equity impact fund and an investment product specialising in financial subordinated bonds. Driven by our commitment to sustainable investment, we have become member of Finance for Tomorrow, through which we have joined the "Investors for a Just Transition" coalition, as well as the Net Zero Manager Initiative with the aim of contributing to the achievement of the Paris agreement objectives.

1.2.2 Asset Management North America

€8.9bn
Assets under Management

22
Investment managers

Headquartered in New York, Rothschild & Co Asset Management US Inc. manages investments in large-cap, small/mid-cap, small–cap equities in American companies along with balanced strategies.

We seek to provide superior performance over a market cycle while controlling risk. Our seasoned teams of professionals use a disciplined investment philosophy and an integrated process focused on company fundamentals and valuation.

We manage assets for a broad range of clients including corporates, endowments, foundations, healthcare organisations, high–net–worth investors, public pension funds and sub-advisory relationships.

Assets under Management increased by 10% in 2021 at around USD 10.4 billion (2020: USD9.4 billion). Negative net outflows of USD 1.2 billion was more than offset by positive market performance of USD 2.2 billion. Client outflows resulted from a poor market environment for active management in the US coupled with year–end rebalancing after strong equity market returns. Investment results for the year were exceptionally strong, with performance across all US equity strategies coming in significantly ahead of benchmark returns.

Looking ahead, we look forward to expanding our product platform to include International and ESG offerings with the addition of a new investment team, coupled with other internal initiatives.

Active risk-based solutions

Assets for our risk-based smart beta strategies held steady at USD1.1 billion in 2021. Our strategies performed well, providing investors with strong risk-adjusted returns. Our relationships with National Bank Investment in Canada and with Nationwide, a large US insurer, remain strong.

1.3 Merchant Banking

Merchant Banking is the investment arm of the Rothschild & Co Group with global Assets under Management of over €18 billion across Corporate Private Equity, Secondaries, Multi-Managers funds, Co-Investments, Direct Lending and Credit Management.

€18.3bn	126	4
Assets under Management	Investment professionals	Strategies

Since 2009 - when Merchant Banking was founded, its Assets under Management have grown from c. €1.0 billion to over €18 billion through the launch of a series of private equity and private debt funds.

Our investment platform provides a comprehensive offering of products with investment strategies predominantly focused on Europe and the US.

Overall, the business employs 132 front office professionals, including 126 investment professionals across five offices (London, Paris, Luxembourg, New York and Los Angeles).

Our culture is shaped by the Rothschild family's investing tradition of consistently generating long-term value through an equal emphasis on both risk and return. This is driven by three intertwined principles which define who we are today:

- **Passion for investing:**

The Rothschild family has an investing history dating back more than two hundred years – particularly backing entrepreneurs who the family felt were ahead of their times. At Merchant Banking, we embrace this legacy, expending significant energy to ensure this remains at the heart of our culture.

- **Respect for risk:**

Our investing ethos is centred on delivering attractive risk-adjusted returns for our investors. This approach is born out of a long-held Rothschild & Co philosophy of wealth preservation through active avoidance of capital impairment.

- **Culture of partnership:**

We aim to form close, enduring relationships with each of our stakeholders: our investors, our managers, our people, our advisers and financiers, and the broader environment in which we operate. We invest significant amounts of capital alongside our investors in each of our funds. Our aspiration is to have a culture of partnership with a shared sense of collective purpose in every important decision we make.

As at 31 December 2021, our Assets under Management totalled €18 billion, comprising €8 billion in private equity and €10 billion in private debt:

- **Corporate private equity**, comprised of Five Arrows Principal Investments (FAPI), Five Arrows Growth Capital (FAGC) and Five Arrows Capital Partners (FACP);
- **Multi-Strategies** (Secondaries, multi-manager funds and co-investments), including Five Arrows Secondary Opportunities (FASO), Five Arrows Private Equity Programme (FAPEP), Five Arrows Minority Investments (FAMI) and Five Arrows Global Tech (FAGT);
- **Direct Lending**, made up of Five Arrows Credit Solutions (FACS), Five Arrows Direct Lending (FADL) and Five Arrows Debt Partners III (FADP III); and
- **Credit Management** (R&Co CM), including the Oberon and Elsinore strategies as well as CLO (Collateralised Loan Obligation) structures.

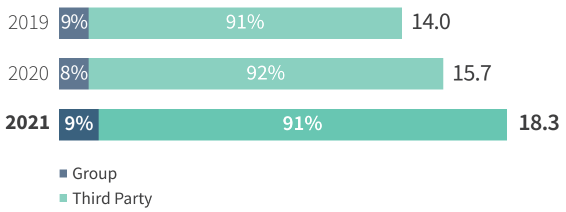
We are committed to sustainability matters and are a signatory to the UN PRI (United Nations Principles for Responsible Investment). In 2020, year of the latest UN PRI reporting assessment, Merchant Banking achieved a score "A" for Strategy and Governance and Private Equity modules.

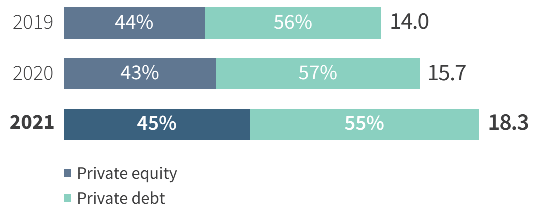
In 2021, Merchant Banking has hired a dedicated team with an operational background to not only further improve our own working practices, but also interact with the CEOs of our portfolio companies and the managers of the portfolios held by our secondary funds to drive our sustainability agenda as part of our overall value creation plans.

Additionally, in 2021, Merchant Banking contributed to R&Co4Generations, the Rothschild & Co support programme for future generations, and was directly involved in its governance. Contributions to the programme are based on individual commitments from our staff, with a matching scheme from Rothschild & Co.

Assets under Management

(in billions of euros)





Financial results for 2021

Revenue for the full-year 2021 was up 169% to €398 million, (2020: €148 million), thanks to significant realised gains on investment disposals, material unrealised value accretion across the entire portfolio and year-on-year growth in recurring revenue. When compared to the average full-year revenue over the last three years, revenue is up 130%.

These figures confirm the pattern seen throughout the year, with record-high revenue driven by the combination of two positive effects:

- a year-on-year increase in recurring revenue of 3%, in line with the growth trajectory of the consistently expanding fee-earning AuM base; and
- a record-breaking contribution from investment performance revenue of €281.6 million. This performance was mainly driven by:
  - valuation uplifts achieved through successful exits from the private equity portfolio;
  - unrealised valuation gains across our private equity portfolios; and
  - accrued income and positive mark-to-market movements in the Group's private debt positions.

As pointed out in the third quarter results announcement, the investment performance revenue generated in 2021 represents a strong validation of our robust investment approach and reinforces the fact that our portfolios have continued to create value for our investors notwithstanding the challenges posed by the pandemic.

The resilience of the three industry sectors we focus on (Data & Software, Healthcare and Technology-Enabled Business Services), combined with the high quality of our assets and our effective portfolio value creation initiatives, have resulted in higher valuations for our private equity positions, corroborated by the successful realisations completed in 2021.

Strong revenue generation in 2021 led to Profit before tax of €292 million, significantly exceeding the result of 2020 (€57 million). This represents an operating margin of 73%, considerably above 2020 (39%).

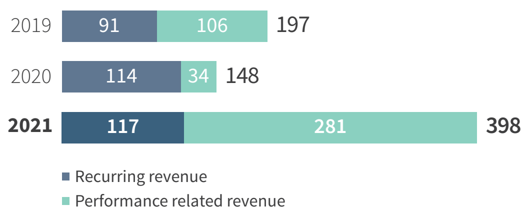
The profitability margin of Merchant Banking's fund management activities (which excludes investment performance related revenue) reached 9% (2020: 20%). The decrease is mainly driven by higher personnel costs as the division's headcount increased to support larger portfolios, growing AuM and new launches in 2022.

The critical indicator used to measure the performance across the investment cycle is Return On Risk Adjusted Capital ("RORAC"), a ratio comparing the adjusted profit before tax and an internal measure of risk capital invested in the business, on a rolling three year basis. As at 31 December 2021, RORAC was 29%, higher than last year (20%) and well above the division's stated target ("above 15% over the cycle"). The use of a three-year rolling average to calculate this metric has reduced the impact of the profit variances in 2020 and 2021 confirming our view that this methodology provides a fairer representation of the underlying performance of the business.

The alignment of interests between the Group and our third-party investors continues to represent a key differentiator for Merchant Banking. During 2021, Rothschild & Co's investments totalled €176 million (of which €147 million in private equity and €29 million in private debt) and disposals and distributions equalled €244 million (of which €162 million were from private equity and €82 million were from private debt).

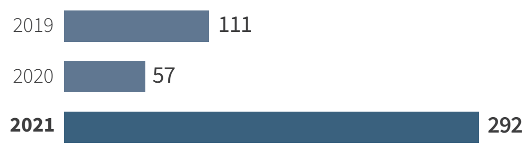
Revenue

(in millions of euros)



Profit before tax

(in millions of euros)



New business initiatives in 2021

During 2021, Merchant Banking continued to develop its private equity and private debt businesses, launching new funds and holding additional closings for fundraising initiatives already in place at the start of the year.

In Corporate Private Equity, Five Arrows Growth Capital I (FAGC I), the 1st generation European lower mid-market private equity fund, held its final closing, securing total commitments of €456 million, well above its original target of €300 million.

Additionally, Five Arrows Principal Investments I (FAPI I), the 1st generation European private equity fund, completed a final liquidity event for its investors by selling its remaining portfolio to a Continuation Fund, which continues to be managed by the FAPI team.

Finally, Five Arrows Principal Investments IV (FAPI IV), the 4th generation European mid-market private equity fund, and Five Arrows Long Term Fund (FALT), the 1st generation private equity fund with a long term investment horizon, were both recently launched. Both funds held their first closings in Q1 2022.

In Multi Strategies, Five Arrows Global Tech I (FAGT I), the 1st generation fund of funds specialising in global technology companies, mainly headquartered in the US, secured its 1st closing in December.

We have also launched our first growth and buyout fund dedicated to sustainability, Five Arrows Sustainable Investments (FASI), in partnership with Air Liquide and the Solar Impulse Foundation. FASI invests in SMEs demonstrating a positive measurable impact on the environment across Europe. The key investment themes focus on clean energy, sustainable food and agricultural production and consumption, water and waste management, smart cities and clean mobility. FASI held its first closing in Q1 2022.

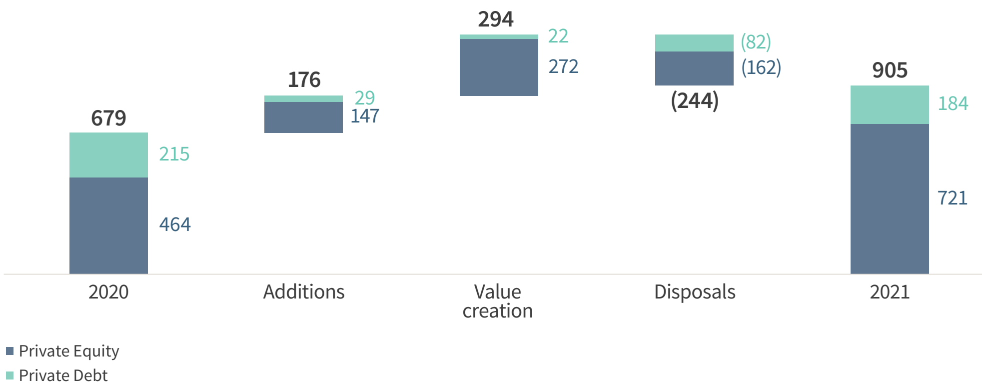
In Direct Lending, Five Arrows Debt Partners III (FADP III) secured new fund commitments of more than €700 million during the year and held its final closing in Q3, with c. €1.4 billion of commitments for the fund and its related vehicles, comfortably above its fundraising target and more than double the size of its predecessor fund.

Finally, in Credit Management, the team launched new CLOs in Europe and in the US, further increasing its AuM. Credit Management also refinanced and reset several existing CLOs to extend their investment periods and improve investor returns.

Net Asset Value (NAV) of the Group's investments in Merchant Banking

	2021 *(in millions of euros)*	2020 *(in millions of euros)*	AuM 2021 *(in billions of euros)*
Private equity	**721**	**464**	**8.2**
Primary (incl. FAPI/FACP/FAGC)	511	282	4.9
Secondary (incl. FASO/FAPEP)	102	72	2.7
Five Arrows Minority Investments (FAMI) and others	108	110	0.6
Private debt	**184**	**215**	**10.1**
Direct Lending (incl. FACS/FADL)	45	80	2.1
Credit Management (incl. Oberon/CLOs)	139	135	8.0
TOTAL AuM	**905**	**679**	**18.3**

Change in NAV
(in millions of euros)



Private equity

In private equity, we manage €8.2 billion with a team of 87 investment professionals across two different business lines:

- Corporate Private equity; and
- Multi strategies (secondaries, multi-manager funds and co-investments).

1.3.1 Corporate Private equity

Five Arrows Principal Investments (FAPI)

Launched in 2010, FAPI is our flagship initiative built on Rothschild & Co's successful European mid-market investing strategy over the past two decades.

FAPI concentrates on expansion and buyout deals in the European mid-market. The investment team has adopted a highly selective investment strategy focused on companies with highly defensible market positions; business models with high visibility of organic unit volume growth and strong free cash flow conversion; strong management teams; and multiple operational levers to unlock latent value. Sectors are limited to Data & Software, Healthcare, and Technology-Enabled Business Services.

In 2021, three funds were managed within this strategy: FAPI I Continuation Fund, to which FAPI I sold its remaining assets in 2021; FAPI II, which raised €781 million in 2015; and FAPI III, which raised €1.28 billion in 2019.In Q1 2022, FAPI IV held its first closing and realized its first investment. The investment teams are based in Paris and London.

FAPI II completed a number of successful liquidity events in 2021:

- iad, the leading digital network of independent real estate agents in Europe;
- Opus2, the global leader in legal dispute management software and services; and
- White Clark Group, the leading automotive finance software vendor.

In Q1, FAPI III invested alongside FAPI II in iad, and then completed two further acquisitions in June and July: Causeway, a UK cloud-based construction software business; and Sygnature Discovery, a provider of outsourced drug discovery and pre-clinical research services based in the UK. In September 2021 the fund invested in RLDatix, a leading healthcare Risk, Governance and Compliance software provider following the company's acquisition of Allocate Software, which required additional equity capital. Finally, in December, FAPI III signed its last investment.

iad

In February 2021, FAPI II partially exited its holding in iad and made a new investment with FAPI III.

iad is Europe's leading high-growth digital network of independent real estate agents operating mostly in the residential segment in France. Since our original investment in 2016 in the context of a MBI (management buy-in), we have put in place a new management team to replace the exiting founder and prepare the set up of the company's next phase of growth. We have also supported value creation in various ways by improving performance monitoring and decision-making processes, specifically devising frameworks to measure operational KPIs, such as recruitment and churn pattern per agent, or status and transaction performance per agent cohort. Lastly, we helped the company with its international roll-out in Italy, Spain and Germany, plus an entry into Latin America via an acquisition.

During FAPI II's ownership (2016-2021), revenue grew from c.€20m to over €96m and EBITDA from c.€11m to more than €56m, CAGRs of 36% and 37% respectively.

SYGNATURE DISCOVERY

In July 2021 FAPI III completed the acquisition of Sygnature Discovery, a world-class provider of outsourced drug discovery and preclinical research services primarily to leading biotech and pharma companies globally.

The business is a market leader with a differentiated mission critical product offering, operating in a large and growing market (8% p.a.). Its organic growth track record has been outstanding (+26% p.a. over the past 6 years), which we plan to accelerate by adding further capabilities across its value chain, and by expanding into new geographies and therapeutic areas. Further investment will be made into the business development function to proactively win more clients, and there is a clear consolidation opportunity.

Sygnature is founder-led, headquartered in Nottingham, UK, and employs c.425 FTEs, where 80% of the scientists hold a PhD.

Five Arrows Capital Partners (FACP)

FACP has an investment strategy that targets mid-market companies valued between USD 75 million and USD 500 million in the US and Canada. Typically, FACP targets equity tickets of USD 30 million to USD 70 million per transaction with the ability to commit significantly larger amounts in conjunction with the Fund's limited partners. The investment teams are based in New York.

FACP invested in Basys, a provider of healthcare and pension benefit processing and administration services. The fund also signed an agreement for the sale of Stepping Stones Group, a leading provider of school-based behavioural health and therapeutic services to children with special needs and autism.

Five Arrows Growth Capital (FAGC)

FAGC is focused on investing in fast-growing lower mid-market companies with enterprise values of less than €100 million. The fund held its final closing in 2021, securing total commitments of €456 million and completed three investments during the year. The investment teams are based in Paris and London.

FAGC I completed its first three investments in 2021: BioPhorum, a leading global organiser of collaborative networks for the biopharmaceutical industry; KidsKonnect, the Benelux market leader in SaaS software solutions for the childcare market; and Padoa, a new generation SaaS Software for occupational health centres in France.

In November 2021, FACP signed an agreement to sell The Stepping Stones Group, a leading provider of behavioural health and therapeutic services for children with special needs and autism.

FACP originally invested in The Stepping Stones Group in December 2017 and has since added value by completing 10 add-on acquisitions to accelerate growth and strengthening the management bench. At exit, The Stepping Stones Group employs more than 7,000 professionals serving c.200,000 children across 42 states.

In December 2021, FAGC completed the acquisition of KidsKonnect, the Benelux market leader in SaaS software solutions for the childcare market. Its software is embedded in its customer's organisations resulting in strong barriers to entry and switching with very low churn (NRR of 107% in its core platforms). Its revenue is 90% recurring and the company has been growing organically at over 12% per annum since 2018, making it the clear market leader in the Benelux region. KidsKonnect will continue to grow through cross-selling initiatives with existing clients, new product development and internationally through acquisitions as part of its buy and build strategy.

The business is partly owned by its three founders, is based in the Netherlands and employs c.150 FTEs.

As at 31 December 2021, the NAV of the Group's investment in Corporate private equity funds was €384 million for FAPI, €111 million for FACP, and €16 million for FAGC.

1.3.2 Multi-strategies

Five Arrows Secondary Opportunities (FASO)

The FASO team specialises in small and mid-cap secondary direct transactions. FASO acquires assets from sellers seeking liquidity or divesting non-core assets, as well as from fund managers rebalancing their portfolios.

Following FASO III, raised in 2012, and FASO IV, raised in 2016-2017, FASO V completed its successful fundraising in 2019 securing commitments of c. €1.0 billion.

The FASO team has completed more than 50 secondary transactions to date across its three funds, acquiring diversified portfolios in Europe, and more recently with FASO V, in the US, supported by a team present in both continents. As at 31 December 2021, FASO V had completed 17 transactions in total (in Europe and the US), deploying 71% of its capital.

At the end of 2021, the NAV of the Group's investment in FASO funds represented €88 million.

Five Arrows Private Equity Programme (FAPEP)

FAPEP is Merchant Banking's global multi-manager private equity platform. FAPEP capitalises on the Group's private equity expertise, investing globally across different segments of the private equity asset class: primary fund investments, secondaries and co-investments. This investment strategy provides highly diversified access to private equity in a well-structured solution.

FAPEP I (formerly Arolla) committed 97% of its €195 million capital into 34 transactions across Europe, the US and emerging markets. During 2019, the fund made its last two investments and closed its investment period.

FAPEP II, the second-generation fund of this strategy, has already completed 43 transactions and committed 93% of its €445 million capital to date.

As at 31 December 2021, the NAV of the Group's investment in FAPEP I and FAPEP II was €14 million.

Webster Equity Partners

In October 2021, FASO V finalised the acquisition of a customised portfolio of five companies managed by Webster Equity Partners, including (i) BayMark, an opioid disorder treatment provider with over 300 treatment centres in 35 US states and Canada, (ii) PharmaLogic, a provider of nuclear medicine through specific compounded drugs for use in nuclear imaging; and (iii) Bristol Hospice, a multi-regional provider of hospice services with 53 programmes in 20 states.

Webster Equity Partner is a US mid-market fund with a narrow expertise in Healthcare that is a longstanding relationship of FAPEP (our primary investment programme) which enabled FASO V to tailor-make a secondary transaction. Thanks to this relationship, FASO will take an active role with seats on the on the advisory boards of the three companies.

NexPhase CAPITAL

In March 2021, FAPEP committed to NexPhase IV, a late primary investment in a US mid-market manager focusing on founder-owned businesses. This was an attractive late primary opportunity with 37% of total commitments already invested in four transactions of which two were outperforming expectations and continue to be candidates for potential early liquidity.

NexPhase has a strong investment team supported by experienced Operating Partners and has a differentiated hands-on approach focused on primary deals across resilient sectors with strong margin profiles.

Five Arrows Minority Investments (FAMI)

FAMI is a co-investment strategy, investing alongside a proprietary network of international fund managers. It has deployed over €650 million of capital in more than 100 transactions since 2005, mainly in growth capital and buy-out opportunities across North America, Europe and emerging markets.

In conjunction with the investment activities carried out directly on the Group's balance sheet, the FAMI team also manages three co-investment programmes (R&Co Private Opportunities I & II, and FAMI III) structured as investment clubs. These programmes were originally launched in 2013 as a joint initiative between the Merchant Banking and Wealth Management divisions of Rothschild & Co for the exclusive benefit of key relationships of the Group.

In 2021, the team completed additional transactions as part of its third co-investment programme, FAMI III, including Riskonnect, the leading integrated risk management software solution provider. FAMI also exited its minority co-investment positions in ECI Software and Mirion Technologies.

As at 31 December 2021, the NAV of the Group's investments in FAMI was €108 million.

riskonnect.

In December 2021, FAMI co-invested alongside leading global GPs specialising in software investments in Riskonnect, a leading integrated risk management SaaS platform serving c.1,000 global enterprise customers across multiple verticals and markets, including blue chip logos.

Led by a talented management team, Riskonnect is expected to take advantage of strong market tailwinds (with go-forward market CAGR of 10%+) and will leverage the sponsors' M&A engine to accelerate its acquisition pace and increase its customers' share of wallet with a broader product offering.

Five Arrows Global Tech I (FAGT I)

Launched in Q4 2021, FAGT is a technology-focused fund consisting of some of the best GPs and assets in venture capital, growth capital and buyouts.

The target portfolio consists of a range of primary commitments to private equity funds, coupled with equity co-investments and secondary portfolios. The strategy is centred around specific sectors (mainly Software, with diversification in Internet and Tech-Enabled Services) with the majority of investments in the US and the balance of the exposure to Europe and Israel.

Private debt

In private debt, we manage €10.1 billion with a team of 39 investment professionals across two different business lines:

- Direct Lending; and
- Credit Management.

Through our private debt activities, we are able to offer our investors access to both the European mid-size corporate credit market and the large-cap, broadly syndicated European and US leveraged loan markets. These asset classes are currently attracting strong demand, as investors look to diversify away from lower-yielding, traditional fixed-income products.

1.3.3 Direct Lending

Five Arrows Credit Solutions (FACS)

FACS, our first European direct lending fund, closed in 2014 with €415 million of commitments and was principally focused on originating and structuring customised junior/subordinated financing solutions for mid-market companies.

The fund supported private equity sponsors, entrepreneurs and family-owned businesses with a broad range of financing needs, including leveraged buyouts, expansion and acquisition financings, as well as recapitalisations and refinancings.

The fund has been fully deployed into 16 transactions, investing a total of €500 million, representing 120% of its original committed capital, following the re-deployment of capital realised from certain early exits. FACS has consistently generated a strong cash yield in line with its investment mandate and has now achieved successful exits from 15 of its portfolio companies.

As at 31 December 2021, the NAV of the Group's investment in FACS was €13 million.

Five Arrows Direct Lending (FADL)

The final closing of FADP III and its related vehicles was held in Q3 2021 at c. €1.4 billion. This was comfortably in excess of its target and more than double the size of its predecessor fund.

FADP III is a continuation of the investment strategies pursued by FACS and FADL, providing flexible debt financing solutions to privately-owned businesses across the European mid-market. The principal focus is on senior secured lending, but FADP III has the flexibility to invest across the entire debt capital structure. This fund is designed to continue to capitalise on the significant debt financing appetite of mid-sized corporates, as banks continue to retreat from the market due to regulatory and capital constraints.

The strong market demand, combined with the team's extensive sourcing network and deal flow, has enabled FADP III to deploy its capital on a timely basis, with more than 40% of the fund's capital committed across in 11 transactions - to this date.

As at 31 December 2021, the NAV of the Group's investment in FADP III was €16 million.

agilio SOFTWARE

In April 2021 FADP III provided a unitranche financing package to Agilio Software, the leading provider of compliance, e-learning and back-office software to dental and medical practices in the UK.

The financing was provided to support a strategic acquisition in the medical vertical and to refinance the group's capital structure following a series of equity-funded acquisitions.

The company serves attractive, non-cyclical markets which have proven to be extremely resilient during the COVID-19 pandemic, has a highly recurring subscription-based business model and well-diversified customer base, and significant continued growth potential in a market that remains relatively underpenetrated in terms of sophisticated software solutions.

bright futures

In June 2021 FADP III provided a unitranche loan to refinance and put in place additional growth facilities for Bright Futures, a UK provider of high-quality, high-acuity residential care and specialist education to children and young adults with autistic spectrum disorder and learning disabilities.

The business benefits from an outstanding quality of care track record, high revenue visibility through long-term placements, secular market growth, non-discretionary demand drivers and a highly experienced management team and private equity sponsor owner.

Five Arrows Debt Partners III (FADP III)

Launched in 2017, the fund held its final closing in 2018, securing total commitments of €657 million. FADL provides first-ranking, senior secured loans to mid-market corporates, building on our existing Direct Lending expertise and track record to develop financing solutions across the debt capital structure.

The fund has completed 19 transactions, investing 110% of its committed capital, and has exited 6 investments to date, each delivering attractive returns.

As at 31 December 2021, the value of the Group's investment in FADL was €16 million.

CAFPI
EXPERT EN CRÉDITS

In July 2021 FADP III provided a unitranche loan to support the primary LBO of CAFPI by a private equity sponsor dedicated to investments in the financial services sector.

CAFPI is a leading French network of independent mortgage brokers, acting as an intermediary for more than 30,000 mortgage loans with a value in excess of €7 billion per annum. The company has a leading market position, benefits from positive market dynamics, and has an owner with deep domain expertise and a clear value creation programme.

1.3.4 Credit Management (R&Co CM)

R&Co CM is our active strategy in the European and US leveraged loan markets. It has €8 billion of AuM across CLOs, senior secured credit and multi-strategy credit funds, as well as managed accounts for a number of institutional clients. At the heart of R&Co CM's investment philosophy is capital preservation based on fundamental credit analysis combined with active portfolio management.

As at 31 December 2021, the Group's investment in R&Co CM products represented €139 million.

CLO management business

In 2019, R&Co CM launched Five Arrows Global Loan Investments (GLI), a vehicle which invests in the subordinated tranches of Rothschild & Co-managed CLOs in Europe and the US. This investment entity secured €235 million of commitments for its first generation including capital from the Rothschild & Co Group. GLI enhances our established CLO platform, while aligning the interests of the Group and our third party investors in this business area.

During 2021, GLI invested in two new CLOs, Contego IX in Europe with assets of c. €457 million, Ocean Trails XI in the US, with assets of c. USD 406 million. Additionally, GLI provided equity capital to two CLO warehouses opened in Q4.

The combined European and US teams of R&Co CM currently manage 15 CLOs, representing €5.3 billion of AuM. These comprise:

- eight Contego CLOs invested in European assets; and
- seven Ocean Trails CLOs invested in US assets.

These vehicles are consistently ranked in the top two quartiles and exhibit strong risk adjusted returns largely due to low default and loss rates.

Oberon senior loan strategy

Oberon is a family of unlevered senior credit funds and managed accounts invested in a portfolio of senior secured debt across a diverse selection of large cap Western European and North American corporate borrowers. During 2021, the Oberon strategy's AuM remained broadly stable, closing the year at €2.5 billion (2020, €2.8 billion). This figure includes Oberon USA, an open-ended fund investing in US assets.

The Oberon strategy continues to deliver steady quarterly cash distributions to its investors and has outperformed the European and US leveraged loan index benchmarks since inception.

Elsinore multi-strategy credit

Launched in 2017, Elsinore offers investors a unique proposition: a careful combination of some of our most successful credit solutions in a single, actively managed portfolio. With allocations across a range of credit strategies, including senior loans, high yield bonds and structured products, Elsinore has delivered attractive returns within and across asset classes - since its inception. This strategy has total AuM of €170 million at the end of 2021 in funds and managed accounts.

Masmovil

- Leading telecoms operator in Spain
- €2.55 bn of senior secured debt facilities and €500 m of senior unsecured debt facilities to finance the acquisition of Euskaltel the 5th largest telecoms operator in Spain

Anticimex

- Leading global provider of pest control services
- SEK 20.2 bn of senior secured and second-lien debt facilities to finance EQT and co-investors' acquisition of the business

Nobian

- Leading European producer of chlor-alkali chemicals including chlorine and caustic soda
- €1.6 bn senior secured debt facilities to finance Carlyle and GIC's carve-out of the chlor-alkali division from parent company Nouryon

Unit4

- Global provider of enterprise resource planning and human capital management software
- €675 m senior secured debt facilities to finance TA Associates and Partners Group's acquisition of the business

Euro Ethnic Foods

- Leading French grocery retailer operating within Grand Frais outlets
- €540 m of senior secured and second-lien debt facilities to fund PAI Partner's acquisition of the group

IVC

- Largest vet practice group in the UK, Europe and Canada with presence in 12 countries via more than 1,600 practices treating over 4 m pets p.a.
- £1.7 bn equivalent of senior secured debt facilities to finance the M&A pipeline

2

Activities and results for the 2021 financial year

2.1 Group activities, results and financial position

2.1.1 Consolidation scope

Rothschild & Co SCA is the holding company of the Group.

"Group" means Rothschild & Co SCA and its consolidated subsidiaries. The consolidation scope as at 31 December 2021 is set out in Note 37 of the Consolidated Financial Statements for 2021.

2.1.2 Key financial figures

The tables below should be read in connection with the consolidated financial statements for the year ended 31 December 2021 which are set out in Chapter 7 of this report (the "Consolidated Financial Statements for 2021"). Unless otherwise stated, all amounts in this report are expressed in euros. Such amounts may have been rounded. Rounding differences may exist, including for percentages.

Summary consolidated income statement

In millions of euros	2021	2020	2019
Revenue (Net banking income)	**2,925**	1,799	**1,872**
Staff costs	(1,453)	(1,096)	(1,065)
Administrative expenses	(267)	(255)	(289)
Depreciation and amortisation	(73)	(67)	(66)
Cost of risk	(1)	(7)	(6)
Operating income	**1,131**	**374**	**446**
Other income/(expense) (net)	0	(5)	19
Profit before tax	**1,131**	**369**	**465**
Income tax	(170)	(60)	(68)
Consolidated net income	**961**	**309**	**397**
Non-controlling interest	(195)	(148)	(154)
NET INCOME – GROUP SHARE	**766**	**161**	**243**
Adjustments for exceptionals[1]	0	12	(10)
NET INCOME – GROUP SHARE EXCL. EXCEPTIONALS[2]	**766**	**173**	**233**
Earnings per share (EPS)[3]	€10.59	€2.20	€3.38
EPS EXCL. EXCEPTIONALS[2][3]	**€10.59**	**€2.37**	**€3.24**
Return on tangible equity (ROTE)	32.3%	8.2%	13.2%
ROTE EXCL. EXCEPTIONALS[2]	**32.3%**	**8.8%**	**12.6%**

(1) For more information, please refer to Section 2.1.6, paragraph "Reconciliation" of this report.
(2) Alternative performance measure. For more information, please refer to Section 2.1.6 of this report.
(3) Earnings per share – diluted are €10.45 (2020: €2.19). For more information, please refer to Note 36 of the Consolidated Financial Statements for 2021.

Summary consolidated balance sheet

In billions of euros	31/12/2021	31/12/2020	31/12/2019
Cash and amounts due from central banks	6.0	4.7	4.4
Loans and advances to banks	2.1	2.3	2.0
Loans and advances to customers	4.4	3.5	3.3
of which private client lending	*4.0*	*3.1*	*2.8*
Debt and equity securities	3.2	2.7	2.8
Other assets	2.0	1.5	1.7
TOTAL ASSETS	**17.7**	**14.7**	**14.2**
Customer deposits	11.7	9.9	9.5
Other liabilities	2.4	2.1	2.1
Shareholders' equity – Group share	3.1	2.3	2.2
Non-controlling interests	0.5	0.4	0.4
TOTAL CAPITAL AND LIABILITIES	**17.7**	**14.7**	**14.2**

2.1.3 Consolidated financial results

Revenue

For 2021, revenue was €2,925 million (2020: €1,799 million), representing an increase of €1,126 million or 63%. This was due to the strong performance in all three businesses. The translation effect of exchange rate fluctuations increased revenue by €27 million.

Staff costs

For 2021, staff costs were €1,453 million, up 33% or €357 million (2020: €1,096 million), following the excellent underlying performance of our businesses. The translation impact of exchange rate fluctuations resulted in an increase in staff costs of €14 million.

The adjusted compensation ratio[1] was 60.2% as at 31 December 2021 (31 December 2020: 68.4%).

Whereas in 2020 there was a net charge in the statutory accounts of €3 million for the effects of the accounting for the deferred bonus compensation plans, in 2021 there is a net credit of €161 million. This very large credit reflects two main factors:

- the awarded bonus pool has increased by 67% versus 2020 which results in a net deferred credit of €40 million under our normal deferred bonus plan rules;
- significant levels of special deferrals have been implemented in 2021, given the exceptional results in GA, to act as an employee retention mechanism which results in an extraordinary credit to profits in the year of €121 million.

The compensation ratio, if adjusted for the deferred bonus effect, would be 66.3% (31 December 2020: 68.3%).

Overall Group headcount as at 31 December 2021 was 3,941, up 7% versus 31 December 2020 (3,675[2]).

Administrative expenses

For 2021, administrative expenses were €267 million (2020: €255 million) an increase of €12 million due to a catch-up effect from 2020 for recruitment, training and marketing, though they are not yet at pre-crisis levels. The translation impact of exchange rate fluctuations resulted in an increase in administrative expenses of €1 million.

Depreciation and amortisation

For 2021, depreciation and amortisation were €73 million (2020: €67 million) due to an increase in depreciation expense on IT equipment. The translation impact of exchange rate fluctuations had no significant impact on depreciation and amortisation.

Cost of risk

For 2021, cost of risk was a charge of €1 million (2020: charge of €7 million) reflecting the reversal of previous impairment provisions. Last year's charge was in line with our conservative approach given the highly uncertain environment.

(1) Alernative performance measures. For more information, please refer to Section 2.1.6 of this report.
(2) Due to a change of definition, headcount figures have been restated.

Other income/(expense) (net)

For 2021, other income and expenses were nil (2020: net expense of €5 million).

Income tax

For 2021, the income tax charge was €170 million (2020: €60 million) comprising a current tax charge of €180 million and a deferred tax credit of €10 million, giving an effective tax rate of 15.0% (2020: 16.2%).

Non-controlling interest

For 2021, the charge for non-controlling interests was €195 million (2020: €148 million). This mainly comprises interest on perpetual subordinated debt and profit share (*préciput*) payable to French partners. The significant increase reflects the strong performance of the French Global Advisory and Wealth and Asset Management businesses.

2.1.4 Business activities

A review of the activities and results of the Group's lines of business is set out in Chapter 1 of this report.

2.1.5 Financial structure

Rothschild & Co, as a financial holding company (*compagnie financière holding*), is supervised by the ACPR on a consolidated basis.

The Group has a solid balance sheet with Group shareholder's equity – Group share as at 31 December 2021 - of €3.1 billion (31 December 2020: €2.3 billion). The increase in Group shareholders' equity reflects profit for the year as well as positive movements in reserves relating to pensions' valuations and exchange rate fluctuations, partially offset by dividends and the share buyback.

The Common Equity Tier 1 ("CET 1") ratio was 21.3%(1) as at 31 December 2021 which increased from prior year (31 December 2020: 20.1%). The CET 1 capital is calculated in accordance with applicable CRR/CRD rules. The solvency ratios are presented pro forma for current profits(2), net of dividends, for the current financial year, unless specified otherwise.

High levels of liquidity are maintained with cash and treasury assets accounting for 58% of the total assets of €17.7 billion (31 December 2020: 59%). Lending remains conservatively funded by customer deposits with a loan to deposit ratio of 38% as at 31 December 2021 (31 December 2020: 35%).

Cash generation was strong with Operating Cash Flow(3) (OCF) of €875 million (2020: €90 million). The increase compared to 2020 is mainly due to the significant improvement in net income and working capital (reflecting the increase in bonus accruals). It should be noted that the OCF is dependent on the level of realisations and investments within the Merchant Banking business in any particular year. OCF excluding Merchant Banking investment activities was €807 million (2020: €121 million).

Net book value per share was €43.31 (31 December 2020: €31.90) and net tangible book value per share was €37.93 (31 December 2020: €27.67).

2.1.6 Alternative performance measures

To enhance the presentation of its operating performance, Rothschild & Co uses the following alternative performance measures in its financial communication.

(1) The ratio submitted to ACPR as at 31 December 2021 was 18.2%, which excludes the profit of the second half of the year.
(2) Subject to the provisions of article 26.2 of Regulation (EU) No 575/2013.
(3) Alternative Performance Measure, please refer to Section 2.1.6 of this report.

Definition and reason for use

Alternative performance measures	Definition	Reason for use	Reconciliation
Net income – Group share excluding exceptionals	Net income attributable to holders excluding exceptional items.	To measure Net income Group share excluding exceptional items of a significant amount.	Please refer to Section 2.1.6, paragraph "Reconciliation" of this report.
EPS excluding exceptionals	EPS excluding exceptional items.	To measure Earnings per share excluding exceptional items of a significant amount.	Please refer to Section 2.1.6, paragraph "Reconciliation" of this report.
Adjusted compensation ratio	Ratio between adjusted staff costs divided by consolidated Revenue of Rothschild & Co excluding MB investment performance revenue (carried interest and investment gains). • Adjusted staff costs represent: (1) staff costs accounted in the income statement (which include the effects of accounting for deferred bonuses over the period in which they are earned as opposed to the "awarded" basis), (2) to which must be added the amount of profit share paid to the French partners (*Associés gérants*), (3) from which must be deducted redundancy costs, revaluation of share-based employee liabilities and business acquisition costs treated as employee compensation under IFRS, • which gives total staff costs in calculating the basic compensation ratio (4) the amount of adjusted staff costs is restated by the exchange rate effect to offset the exchange rate fluctuations from one year to the next one, • which gives the adjusted staff costs for compensation ratio.	To measure the proportion of revenue granted to all employees. Key indicator for competitor listed investment banks. Rothschild & Co calculates this ratio with adjustments to give the fairest and closest calculation to the one used by other comparable listed companies.	Please refer to Section 2.1.3, paragraph "Staff costs" of this report.
Business's Operating margin	Each business Operating margin is calculated by dividing Profit before tax by revenue, business by business. It excludes exceptional items.	To measure business' profitability	Please refer to Sections 1.1, 1.2 and 1.3, paragraph "Financial results for 2021" of this report.
Return on tangible equity (ROTE) excluding exceptionals	Ratio between Net income - Group share excluding exceptional items and average tangible equity Group share over the period. Tangible equity corresponds to total equity Group share less intangible assets (net of tax) and goodwill. Average tangible equity over the period equal to the average between tangible equity as at 31 December 2020 and 31 December 2021.	To measure the overall profitability excluding exceptional items on the Group share of tangible equity capital	Please refer to Section 2.1.6, paragraph "Reconciliation" of this report.
Return on risk adjusted capital (RORAC)	Ratio of an adjusted Profit before tax divided by an internal measure of risk adjusted capital (RAC) deployed in the business on a rolling 3-year basis. The estimated amount of capital and debt which management believes would be reasonable to fund the Group's investments in Merchant Banking products is consistent with its cautious approach to risk management. Based on the mix of its investment portfolio as of the reporting dates, management believes that this "risk-adjusted capital" (RAC) amounts to c.70% of the Group's investments net asset value and that the remainder could be funded by debt. This percentage broadly represents the weighted average of 80% for equity exposures, 50% for junior credit exposures, 40% for CLO exposures in vertical strips and 33% for senior credit exposures. To calculate the RORAC, Merchant Banking profit before tax is adjusted by a notional 2.5% cost of debt, computed as per the above (i.e. 30% of the Group's investments Net Asset Value), divided by the RAC. Disclosed RORAC is calculated on a 3-year rolling period average to account for the inevitable volatility in the financial results of the business, primarily relating to investment income and carried interest recognition.	To measure the performance of the Merchant Banking business	Please refer to Sections 1.3 and 2.1.6, paragraph "Reconciliation" of this report.
Operating cash flow	Amount of cash generated by the Group's normal business operations in the current financial year. The calculation is done via the indirect method, from the profit before tax.	To measure the amount of cash generated by the group's normal business operations	Please refer to Section 2.1.6, paragraph "Reconciliation" of this report.

Reconciliation

Exceptionals

	2021			2020		
In millions of euros	PBT	PATMI	*EPS*	PBT	PATMI	*EPS*
As reported	**1,131**	**766**	***€10.59***	**369**	**161**	***€2.20***
IT transition costs	0	0	*€0*	(15)	(12)	*€(0.17)*
TOTAL EXCEPTIONAL (EXPENSES)/INCOME	**0**	**0**	***€0***	**(15)**	**(12)**	***€(0.17)***
Excluding exceptionals	**1,131**	**766**	***€10.59***	**384**	**173**	***€2.37***

ROTE

In millions of euros	2021	2020
Net income – Group share excluding exceptionals	**766**	**173**
Shareholders' equity – Group share – opening	2,303	2,239
• Intangible fixed assets	(170)	(158)
• Goodwill	(135)	(140)
Tangible shareholder's equity – Group Share – opening	**1,997**	**1,941**
Shareholders' equity – Group share – closing	3,133	2,303
• Intangible fixed assets	(192)	(170)
• Goodwill	(197)	(135)
Tangible shareholder's equity – Group share – closing	**2,744**	**1,997**
Average tangible equity	**2,371**	**1,969**
ROTE EXCLUDING EXCEPTIONALS	**32.3%**	**8.8%**

RORAC

In millions of euros	2021	2020
PBT 2021	292	-
PBT 2020	57	57
PBT 2019	111	111
PBT 2018	-	102
Average PBT rolling 3 years	**153**	**90**
NAV 31/12/2021	905	-
NAV 31/12/2020	679	679
NAV 31/12/2019	617	617
NAV 31/12/2018	-	515
Average NAV rolling 3 years	**734**	**604**
Debt = 30% of average NAV	220	181
Notional interest of 2.5% on debt	(5)	(5)
Average PBT rolling 3 years adjusted by the cost of debt interest	**148**	**85**
Risk adjusted capital = 70% of average NAV	**514**	**423**
RORAC	**29%**	**20%**

Operating Cash Flow

In millions of euros	2021	2020	2019
Consolidated profit before tax	**1,131**	**369**	**465**
Non cash items	(213)	38	(55)
Profit before tax and non cash items	**918**	**407**	**410**
Acquisition of MB investments	(176)	(120)	(126)
Disposal of MB investments	244	89	104
Net (acquisition)/disposal of property, plant, equipment and intangible assets	(22)	(22)	26
Tax paid	(145)	(52)	(69)
Net cash inflow/(outflow) relating to other operating activities[(1)]	56	(212)	(229)
OPERATING CASH FLOW (OCF)	**875**	**90**	**116**
OCF EXCL. MB INVESTMENT ACTIVITIES	**807**	**121**	**138**

(1) Includes payment in respect of French profit share *(préciput)*, rental payments, movement in working capital and interest on perpetual debt.

2.2 Company activities, results and financial position

2.2.1 Results and financial position of the Company

These tables should be read in connection with the Company's financial statements for the year ended 31 December 2021 which are set out in Chapter 8 of this report (the "Parent Company Financial Statements for 2021").

Key figures of the Company's income statement

In millions of euros	31/12/2021	31/12/2020
Current income before tax	127	100
Income from capital transactions	10	(18)
NET INCOME[(1)]	**140**	**84**

(1) Net income is post tax. For more information on tax, please refer to Note 20 of the Parent Company Financial Statements for 2021.

Key figures of the Company's balance sheet

In millions of euros	31/12/2021	31/12/2020
Non-current assets	1,740	1,827
Current assets	536	396
TOTAL ASSETS	**2,276**	**2,224**
Shareholders' equity	2,049	2,040
Borrowings and other financial liabilities	–	–

The main change in the Company's assets between 2020 and 2021 concerns the receipt of €153.8 million of dividends in the year, which has helped the cash balance to rise by €140.1 million. The main changes in the Company's liabilities between 2020 and 2021 concern an additional provision for contingencies, which relates to a possible expense of €1.5 million linked to the exercise of stock options.

The Company received dividends of €153.8 million from its French subsidiaries (Paris Orléans Holding Bancaire: €133 million; K Développement: €8.3 million; Rothschild & Co Wealth & Asset Management (formerly Martin Maurel): €9.6 million and Rothschild Martin Maurel: €2.9 million, versus €121.8 million in 2020. The decrease in operating income of €1.4 million mainly corresponds to recharged operating expenses.

The increase in operating expenses mainly corresponds to higher general and administration costs and staff costs of €2.5 million. Lastly, the gain from capital transactions of €10.4 million is mainly explained by the recovery by €9.9 million of impairment on Rothschild & Co treasury shares.

2.2.2 Results over the past five financial years

	31/12/2021 (12 months)	31/12/2020 (12 months)	31/12/2019 (12 months)	31/12/2018 (12 months)	31/12/2017 (9 months)
I – Financial position at the end of the financial year					
(a) Share capital *(in euros)*	155,465,024	155,315,024	155,235,024	155,025,552	154,815,024
(b) Number of shares and investment certificates[1] issued	77,732,512	77,657,512	77,617,512	77,512,776	77,407,512
(c) Number of bonds convertible into ordinary shares	–	–	–	–	–
II – Results of operations *(in euros)*					
(a) Revenues excl. tax (financial and operating income)	172,974,681	129,814,250	347,727,602	116,616,132	127,139,989
(b) Income before tax, amortisation and provisions	126,684,826	94,755,402	317,765,249	81,957,909	113,649,623
(c) Corporate income tax	2,429,085	2,248,747	9,994,506	10,800,247	8,981,132
(d) Income after tax, amortisation and provisions	140,078,039	84,497,124	309,401,389	90,363,885	121,763,776
(e) Distributed income, excl. treasury shares	281,240,854[3]	52,281,514	–[2]	57,682,637	52,124,082
III – Earnings per share data *(in euros)*					
(a) Income after tax, but before amortisation and provisions	1.66	1.25	4.22	1.20	1.58
(b) Income after tax, amortisation and provisions	1.80	1.09	3.99	1.17	1.57
(c) Dividend per share	3,79[3]	0.70	–[2]	0.79	0.68
IV – Employees					
(a) Average employee headcount	18	16	16	16	18
(b) Total payroll expenses *(in euros)*	3,177,111	2,439,552	1,863,544	1,956,242	1,992,491
(c) Total employee benefits (social security, welfare, etc.) *(in euros)*	1,842,223	1,281,440	1,181,532	1,241,251	858,405

(1) The Company has not had any outstanding investment certificates since 15 January 2018.
(2) For more information about the dividend for the 2019 financial year, please refer to Section 2.2.4 of this report.
(3) Dividend proposed for the 2021 financial year is subject to the approval of the General Meeting to be held on 19 May 2022. This amount includes the interim dividend of €1.04 per share paid on 20 October 2021.

2.2.3 Proposed appropriation of income for the 2021 financial year

The Managing Partner will propose to the General Meeting to be held on 19 May 2022 that the income for the 2021 financial year be appropriated as follows:

In euros	31/12/2021
Net income for the financial year	**140,078,039**
Appropriation to the legal reserve	(15,000)
Retained earnings brought forward from prior year	545,744,382
Distributable profit	**685,807,421**
Profit share *(préciput)* allocated to the General Partners[1]	(3,429,037)
Appropriation	
to the payment of a dividend of €3,79 per share	290,807,119[2]
• from which the interim dividend of €1.04 per share, paid on 20 October 2021, will be deducted	77,042,711
• representing a final dividend to be distributed of €2,75 per share	213,764,408[3]
to retained earnings	391,571,265

(1) Pursuant to the provisions of Article 14.1 of the Articles of Association of the Company, a profit share (préciput) equal to 0.5% of the annual distributable profit is allocated to the general partners. For more information, please refer to Section 3.1.2 of this report.
(2) The total amount of the distribution mentioned above may vary as indicated in (3) below.
(3) The remaining of the distribution mentioned above is calculated based on the number of shares making up the Company's share capital as at 31 December 2021 (*i.e.*77,732,512 shares) and may vary if the number of shares eligible for the dividend changes between 1 January 2022 and the ex-dividend date, depending in particular on changes in the number of treasury shares, which, in accordance with French law, are not eligible for a dividend.

Following the decision taken by the Managing Partner on 1 October 2021, an interim dividend in respect of the 2021 financial year of €1.04 per share has already been paid, as such the total dividend proposed to the General Meeting to be held on 19 May 2022 will amount to €3,79 per share (including the interim dividend). The remaining dividend to be paid would amount to €2,75 per share. The dividend would be paid on 25 May 2022, with an ex-dividend date of 23 May 2022.

The dividend referred to above is to be understood before any tax and/or social security withholdings that may apply to the shareholders concerned depending on their own situation.

Dividends paid to individuals domiciled in France for tax purposes are in principle subject to a 12.8% flat-tax (*Prélèvement Forfaitaire Unique* or "*PFU*") on the gross dividend amount (Article 200 A of the French General Tax Code (*Code général des impôts*)), or, in case of express and irrevocable option of the taxpayer, to income tax computed according to the progressive income tax scale after the deduction of a 40% allowance (Article 158, 3, 2° of the French General Tax Code). In addition, the dividend is subject to social security contributions at the global rate of 17.2%, a portion of which may be deductible in case of option for the progressive income tax scale.

2.2.4 Dividends distributed by the Company over the past three years

In accordance with Article 243 *bis* of the French General Tax Code, information on dividends paid by the Company to its shareholders for the last three financial years were as follows:

	31/12/2020	31/12/2019	31/12/2018
Number of shares eligible for the dividend	74,687,877	72,190,965	73,015,996
Dividend per share *(in euros)*(1)	0.70	–(2)	0.79
TOTAL AMOUNT DISTRIBUTED *(in euros)*	**52,281,513.90**(3)	**–**	**57,682,637**(3)

(1) The dividend corresponds to the income distributed for the financial year. In the event of an option, where applicable, for the progressive income tax scale, the entire dividend was eligible for the 40% deduction provided for in Article 158, 3, 2° of the French General Tax Code.

(2) On 10 March 2020, Rothschild & Co announced its intention to propose the payment a dividend of €0.85 per share in respect of 2019 to the General Meeting. However, in the context of the Covid-19 pandemic and following the announcement by the European Central Bank on 27 March 2020, recommending that dividend payments and commitments by credit and similar institutions within the European Union are stopped until 1 October 2020, the Managing Partner decided that no dividend would be distributed to the shareholders in respect of 2019, while indicating that it was its intention to pay the previously announced dividend of €0.85 per share when appropriate. Following a subsequent announcement by the ACPR on 28 July 2020, relating to the extension until 1 January 2021 of the recommendation that dividend payments by financial institutions should not be made, the Managing Partner decided that no dividend would be distributed to shareholders during the 2020 financial year. The Managing Partner reiterated its intention to pay the previously announced dividend of €0.85 per share when appropriate. Both corresponding press releases, respectively dated 31 March 2020 and 29 July 2020, are available on the Company's website (www.rothschildandco.com).

(3) In accordance with the authorisations given in the second resolution of the 16 May 2019 General Meeting and the 20 May 2021 General Meeting, the Managing Partner revised the final amount of the actual distribution because treasury shares held by the Company on the payment date were not eligible for the dividend. The amount of the dividend corresponding to these shares was automatically added to retained earnings.

2.2.5 Non-deductible expenses and charges

In accordance with Article 223 *quater* of the French General Tax Code, it is specified that there were no non-deductible expenses and charges referred to in Article 39 Paragraph 4 of the same Code for the 2021 financial year.

2.2.6 Information on payment terms

Information relating to payment terms required under Articles L.411-14 and D.441-6 of the French Commercial Code (*Code de commerce*) are as follows:

Received invoices

	Due and outstanding as at 31 December 2021					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 day and more
(A) Late payment ranges						
Number of concerned invoices	–	3	–	–	–	3
Total amount of concerned invoices (VAT included)	–	10,946	–	–	–	10,946
Percentage of total purchases for the financial year (VAT included)	–	0%	–	–	–	0%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables						
Number of invoices excluded	–	–	–	–	–	–
Total amount of invoices excluded (VAT included)	–	–	–	–	–	–
(C) Reference terms of payment used (contractual or legal)						
Payment terms used for calculating the late payment	☑ Legal terms ☐ Contractual terms					

Issued invoices

	Due and outstanding as at 31 December 2021					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 day and more
(A) Late payment ranges						
Number of concerned invoices	–	2	–	5	77	84
Total amount of concerned invoices (VAT included)	–	70,731	–	13,813	498,530	583,074
Percentage of the total revenue for the financial year (VAT included)	–	0%	–	0%	3%	3%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables						
Number of invoices excluded	–	–	–	–	–	–
Total amount of invoices excluded (VAT included)	–	–	–	–	–	–
(C) Reference terms of payment used (contractual or legal)						
Terms of payment used for calculating the late payment	☐ Legal terms ☑ Contractual terms					

2.3 Significant events during the 2021 financial year

2.3.1 Share buyback programme

On 22 June 2021, Rothschild & Co acquired, as part of its share buyback programme, 1,208,138 of its own shares (representing approximately 1.6% of its share capital at that date) from the Jardine Matheson group, at a price of €29.30 per share. The shares acquired are intended to be used for allocation or sale to employees and corporate officers to meet requirements under the Equity Schemes and NCI plans of Rothschild & Co. The buyback was financed through Rothschild & Co's existing financial resources. The settlement of the trade took place on 24 June 2021.

On 15 September 2021, Rothschild & Co announced its intention to launch a share buyback programme of an amount up to €70 million over a 12-month period, subject to ACPR approval (and assuming no material adverse developments). Following approval from the ACPR, Rothschild & Co confirmed the launch of the said share buyback programme for a period ending on 18 November 2022 at the latest. These buyback shares will be used either to meet requirements under the equity schemes and share based remuneration plans of Rothschild & Co, up to 1% of share capital, or will be cancelled.

2.3.2 Exceptional interim dividend

Following the lifting of the ACPR recommendation on distributions as from 1 October 2021, Rothschild & Co confirmed its decision to pay an exceptional interim dividend of €1.04 per share for the 2021 financial year. The ex-dividend date was 18 October 2021. The interim dividend was paid on 20 October 2021.

2.3.3 Completion of the acquisition of Banque Pâris Bertrand

Rothschild & Co Bank AG completed in July 2021 the acquisition of Banque Pâris Bertrand, first announced on 16 December 2020, following the approval from the shareholders of both companies and the consent of the relevant regulators, the Swiss Financial Market Supervisory Authority (FINMA) and *Commission de Surveillance du Secteur Financier* (CSSF) in Luxembourg.

The acquisition of this highly regarded private bank supports the growth of Rothschild & Co's Bank AG and underlines the importance of this market for the Group. As at 31 December 2021, Rothschild & Co's Wealth Management AuM in Switzerland were €22 billion and AuM for the division were €103.9 billion.

2.3.4 Acquisition of controlling stake in Redburn

Rothschild & Co reached an agreement, during Q4 2021, to acquire a controlling interest in Redburn (Europe) Limited, one of the largest independent equity research providers in Europe. The Group will acquire an initial controlling interest in H1 2022, subject to regulatory approval, and have committed to purchase the remaining outstanding shares in 2026. The final consideration paid for the remaining stake will be dependent on the performance of the Redburn business up to financial year 2025.

The acquisition of Redburn will support the Group's strategy to develop a global multi-product equity services platform, spanning independent advice on listed equity offerings, raising capital in the private markets, investor advisory services (including activist defence, ESG advice and investor engagement) and investor marketing, through to market leading sector and company research and agency only execution.

2.4 Significant events after the end of the 2021 financial year

None.

2.5 Outlook

In **Global Advisory**, announced global M&A market activity for 2021 was at record levels. This trend continues to be evident in our visible pipeline of business which is well diversified and ahead of previous years at this stage. We therefore expect activity levels to remain strong through the first half of 2022, although we remain alert to respond and adapt if conditions change, particularly in light of current geo-political events and market volatility.

In **Wealth and Asset Management**, the outlook remains reasonably positive for strong asset collection, thanks to our good business pipeline and the new developments made in 2021. However, we expect more difficult markets, as the coming months will be driven by the significant and increasing geo-political uncertainty, as well as the impact of the various measures taken by central banks to curb surging inflation. We continue to invest in the growth of our business in all locations. We intend to leverage the opportunities created by the Banque Pâris Bertrand acquisition, as well as to accelerate recruitment of new client advisors across all our offices in Europe. On the operational side, the digitisation of the business will continue to enhance further the quality of our client service and our processes.

In **Merchant Banking**, we expect to continue to grow our recurring revenue base as we launch new products and deploy capital across all our strategies. As a result, our fund management activities will represent a growing profitability driver for the division and the Group. Additionally, we expect our investments to continue to fulfil their value creation potential, which will generate further investment performance-related revenue for the Group, although to a lesser extent than that achieved over the previous 12 months. We remain confident that our fundamental investing principles, centred around capital preservation and providing attractive risk-adjusted returns from our chosen sectors, represent a strong foundation for the future development of Merchant Banking.

Our three core businesses continue to perform strongly, albeit with increasing levels of uncertainty in the current macro environment. The clear long-term strategies of each business line allow us to be optimistic for a solid performance during 2022, but subject to the evolution of recent geo-political events and market conditions during the year.

2.6 Additional information to the management report

Evolution of geopolitical situation

As a result of recent events in Ukraine we have decided not to take on any further business from Russian clients.

We have therefore suspended our Global Advisory operation in Moscow and will not act for any Russian entity, state-owned or otherwise.

The Wealth and Asset Management and Merchant Banking businesses will not accept any new Russian clients.

We will continue to comply fully with the expanding list of sanctions arising from this conflict. In addition, the businesses' thorough mandate and client onboarding procedures will take into consideration the heightened risks associated with acting for clients with significant exposure to the region.

Overall, the direct impact of these decisions on the Group is very limited as there is limited exposure in terms of number of clients, assets under management, revenue, lending book or collateral held.

3

Information on the Company and its share capital

3.1 Overview of the Company

3.1.1 Legal form

Rothschild & Co is organised as a French partnership limited by shares (*société en commandite par actions*).

This legal form and the Company's governance reflect the long-term commitment and control of the Rothschild family.

This legal form is based on two categories of partners: (i) the general partners, with the status of "*commerçant*" under French law, who have an active role in the Company's management and are jointly and severally liable for the Company's debts; and (ii) the limited partners (also called shareholders), who are not involved in the Company's business and whose liability is limited to the amount of their investment in case of loss.

3.1.2 General partners

General presentation

The Company's general partners are:

- Rothschild & Co Gestion, a French simplified joint-stock company (*société par actions simplifiée*) with a share capital of €60,000, and whose registered office is 3, rue de Messine, 75008 Paris (France); and
- Rothschild & Co Commandité, a French simplified joint-stock company (*société par actions simplifiée*) with a share capital of €60,000, and whose registered office is 3, rue de Messine, 75008 Paris (France).

Both are under the control of the French and English branches of the Rothschild family.

Pursuant to the articles of association of the Company, Rothschild & Co Gestion was in addition appointed as the statutory manager *gérant*) for the duration of the Company (the "Managing Partner"). For more information, please refer to Section 6.1 of this report.

The general partners have unlimited joint and several liability for the Company's debts. However, they shall be held liable only if the creditors have already issued the Company with a formal demand by extrajudicial instrument to settle its debts. Losses shall be divided between the general partners in equal shares (i.e. 50% for Rothschild & Co Commandité and 50% for Rothschild & Co Gestion).

In the event of an annual distributable profit, a profit share (*préciput*) equal to 0.5% of that annual distributable profit is automatically allocated to the general partners who held such position during the relevant financial year and is distributed between them in equal shares. However, in the event that the status of general partner is lost during that financial year, the profit share allocated to such general partner in respect of that period will be calculated on a *prorata temporis* basis and the remainder shall be distributed between the other general partners.

Power of the general partners

The general partners have the power to appoint or revoke the Company's manager at any time, except for those appointed under the Company's articles of association for which the extraordinary General Meeting's (as defined below) approval is also required.

In the event of a termination of duties of the Company's manager, resulting in a manager vacancy, the general partners shall manage the Company pending the appointment of one or more new managers under the terms and conditions of the articles of association of the Company.

According to French law, no decision shall be validly taken by the General Meeting unless approved by the general partners, except decisions for which legal provisions grant exclusive authority to the shareholders as described in Section 3.1.3 of this report. In addition, in accordance with the Company's articles of association, the general partners have to approve, even if not submitted to the General Meeting, any transaction whose purpose or effect is or might be to fundamentally challenge (i) the independence of the Group or its tradition of excellence, (ii) its links to the Rothschild family or the role it plays in it, (iii) the use of the Rothschild name or (iv) the fact that the Group's main activities are financial activities.

Decision making process of the general partners

The general partners take decisions, at the manager discretion, at a general meeting or by written consultation. Whenever a decision requires the approval of both the general partners and the General Meeting, pursuant to the law or the articles of association of the Company, the manager collects the general partners' votes, in principle, before the General Meeting and, in any event, no later than the end of such meeting.

Decisions or proposals that fall within the remit of the general partners shall be adopted unanimously, provided that the transformation of the Company into a French limited company (*société anonyme*) or a French limited liability company (*société à responsabilité limitée*) only requires a majority decision of the general partners.

3.1.3 Limited partners (shareholders)

General presentation

The limited partners, as contributors of capital, are shareholders.

They do not take part in the Company's day-to-day management, but law grant them exclusive authority on: (i) appointment and removal of the Supervisory Board members; (ii) appointment and removal of statutory auditors; (iii) distribution of dividends; and (iv) approval of regulated agreements (*conventions réglementées*).

Terms and conditions of shareholders' attendance at General Meetings

General meetings of shareholders (the "General Meeting(s)") are convened by the Managing Partner or by the Supervisory Board and decisions are made, in the conditions provided for by law, by a simple majority of the votes cast of shareholders attending or represented at the meeting in the case of ordinary General Meetings, and by a two-thirds majority of the votes cast of shareholders attending or represented at the meeting in the case of extraordinary General Meetings.

General Meetings are held at the registered office of the Company or any other place indicated in the notice of meeting. General Meetings are chaired by the Managing Partner or, with the agreement of the latter, by the Chairman of the Supervisory Board; failing which, the General Meeting elects its own chairman.

Any shareholder is entitled to attend General Meetings in accordance with the conditions provided for by law and by the Company's articles of association. These persons may send their proxy forms or mail voting forms concerning any General Meeting in paper format or electronically, under the conditions provided by law. The Managing Partner has the power to accept any proxy form, voting form or shareholding certificate received or presented to the General Meeting. By decision of the Managing Partner to use such telecommunication methods, indicated as such in the notice of meeting or invitation to attend, shareholders who attend and vote at General Meetings by videoconference or any other telecommunication must enable their identity to be verified in order to be deemed to be present at the meeting for the purposes of quorum and majority.

In case of division of ownership of shares, the voting rights attached to the shares are exercised by the bare owner (*nu-propriétaire*), except for decisions on the appropriation of income, which are exercised by the beneficial owner (*usufruitier*).

A copy of the Company's articles of association is available on the website of the Company (www.rothschildandco.com) and at the clerk's office of the commercial court of Paris (*Greffe du Tribunal de Commerce de Paris*).

3.2 Information on the share capital

3.2.1 Share capital

The share capital of the Company is divided into ordinary shares of the same category with a par value of €2.

As at 31 December 2021 and 31 December 2020, the total number of shares and the share capital was as follows:

	31/12/2021	31/12/2020
Total number of shares	77,732,512	77,657,512
Share capital	€155,465,024	€155,315,024

The share capital of the Company was increased:

- on 14 April 2021 following the issuance of 30,000 new shares resulting from the exercise of 30,000 stock options under the 2013 Equity Scheme (as described in Section 3.2.3, paragraph “Stock options plans (“Equity Schemes”)” of this report);
- on 21 May 2021 following the issuance of 10,000 new shares resulting from the exercise of 10,000 stock options under the 2013 Equity Scheme; and
- on 15 October 2021 following the issuance of 35,000 new shares resulting from the exercise of 35,000 stock options under the 2013 Equity Scheme.

3.2.2 Voting rights

As at 31 December 2021 and 31 December 2020, voting rights was as follows:

	31/12/2021	31/12/2020
Total number of exercisable voting rights	111,745,292	116,229,197
Total number of theoretical[1] voting rights	117,139,597	121,695,744

(1) The total number of theoretical voting rights includes voting rights attached to shares that are deprived of the capacity to exercise the voting rights attached to them in accordance with French law.

Except as provided by law, each share entitles its holder to one voting right at the General Meetings, subject to the provisions regarding double voting rights described below.

Each ordinary share fully paid up and held in registered form by the same person for at least two years entitled its holder to double voting rights with respect to such share, without limitation. In the event of a capital increase by incorporation of reserves, profits or premiums, shares granted to any shareholder holding shares entitled to double voting rights will also carry double voting rights.

In the event of any transfer following inheritance, liquidation of marital property between spouses, or donation *inter vivos* in favour of a spouse or relative entitled to inherit, the right remains acquired and the period referred to above is not interrupted. The double voting right is cancelled *ipso jure* on any share transferred for any other cause.

In the event of division of shares, the voting right attached to the share is exercised by the bare owner (*nu-propriétaire*), except for decisions relating to the appropriation of income, where it is exercised by the beneficial owner (*usufruitier*).

3.2.3 Shareholding structure

To the best of the Company's knowledge, the table below summarises its shareholding structure as at 31 December 2021 and 31 December 2020:

	31/12/2021				31/12/2020			
Shareholders	Number of shares	% of share capital	% of exercisable voting rights	% of theorical voting rights%[13]	**Number of shares**	**% of share capital**	**% of exercisable voting rights**	**% of theorical voting rights%[13]**
Rothschild & Co Concordia[1]	29,945,857[2]	38.52%	49.31%	47.04%	27,497,284	35.41%	45.00%	42.98%
David de Rothschild family	2,520	<0.01%	<0.01%	<0.01%	2,520	<0.01%	<0.01%	<0.01%
Éric and Robert de Rothschild family	12	<0.01%	<0.01%	<0.01%	12	<0.01%	<0.01%	<0.01%
Holding Financier Jean Goujon[3]	4,057,079	5.22%	7.26%	6.93%	4,057,079	5.22%	6.98%	6.67%
N.M. Rothschild & Sons Limited	1,413,030	1.82%	–[4]	1.21%[4]	1,423,035	1.83%	–[4]	1.22%[4]
Bernard Maurel family[5]	4,229,704	5.44%	7.57%	7.22%	4,229,704	5.45%	7.28%	6.95%
Other members of the Enlarged Family Concert[6]	2,390,858	3.08%	4.09%	3.90%	2,518,747	3.24%	4.05%	3.87%
Total Enlarged Family Concert[6][7]	**42,039,060**	**54.08%**	**68.23%**	**65.09%**	**39,728,381**	**51.16%**	**63.31%**	**60.47%**
Treasury shares[8]	3,526,632	4.54%	–[9]	3.01%[9]	3,476,731	4.48%	–[9]	2.99%[9]
Other controlling shares[10]	454,643	0.58%	–[9]	0.39%[9]	566,781	0.73%	–[9]	0.49%[9]
Jardine Matheson group	NA[11]	NA	NA	NA	4,217,310	5.43%	7.26%	6.93%
Other Supervisory Board members[12] and Group Executive Committee members	945,031	1.22%	0.90%	0.86%	1,032,222	1.33%	0.93%	0.89%
Float	30,767,146	39.58%	30.87%	29.45%	28,636,087	36.87%	28.50%	27.22%
TOTAL	**77,732,512**	**100.00%**	**100.00%**	**100.00%**	**77,657,512**	**100.00%**	**100.00%**	**100.00%**

(1) For more information on the control of Rothschild & Co Concordia, please refer to Section 3.2.3, paragraph "Control of the Company" of this report.
(2) Rothschild & Co Concordia acquired 2,448,573 Rothschild & Co shares during 2021: (i) 200,000 on 18 January 2021, (ii) 1,365,188 on 23 July 2021, and (iii) 883,385 on 6 October 2021. For more information, please refer to Section 3.2.3, paragraph "Family shareholders agreement" and Section 6.4 of this report.
(3) Controlled by Edouard de Rothschild.
(4) N.M. Rothschild & Sons Limited is a Group entity, as such the shares held by N.M. Rothschild & Sons Limited are deemed to be controlling shares and are deprived of voting rights in accordance with French law (see note 9 below).
(5) Including family holding companies.
(6) For more information on the composition of the Enlarged Family Concert and the applicable shareholders' agreements, please refer to Section 3.2.3, paragraph "Enlarged Family Concert" of this report.
(7) Some members of the Enlarged Family Concert entered into "Dutreil Agreements" (*pactes Dutreil*), which regime is provided for in Article 787 B of the French General Tax Code. Under these agreements, they committed to retain their shares for at least two years. For more information regarding these agreements, please refer to Section 3.2.3, paragraph "Dutreil agreements *(pactes Dutreil)*" of this report.
(8) Shares held directly by the Company. For more information on treasury shares, please refer to Section 3.2.3, paragraph "Treasury shares" of this report.
(9) In accordance with French law, treasury shares and controlling shares are deprived of the capacity to exercise the voting rights attached to them. Such voting rights will become exercisable again as soon as these shares cease to be treasury shares or controlling shares.
(10) Shares held by Group entities controlled by the Company, excluding the shares held by N.M. Rothschild & Sons Limited, which are aggregated in the Enlarged Family Concert. For more information on controlling shares, please refer to Section 3.2.3, paragraph "Controlling shares" of this report.
(11) For more information on the disposal of the shares held by Jardine Matheson group in 2021, please refer to Section 3.2.3, paragraph "Ownership threshold disclosure" of this report.
(12) Supervisory Board members (i) excluding, as at 31 December 2020 and 2021, David de Rothschild, Éric de Rothschild and Lucie Maurel-Aubert, whose shares were aggregated in the Enlarged Family Concert and (ii) excluding, as at 31 December 2020, Adam Keswick whose shares were aggregated in the Jardine Matheson group's shareholding.
(13) In accordance with Article 223-11 of the General Regulation of the AMF, the percentages of theoretical voting rights are calculated on the basis of all shares to which voting rights are attached, including shares deprived of voting rights, in particular treasury and controlling shares.

Certain of the Company's shares are entitled to double voting rights as described in Section 3.2.2 of this report. Of the Company's 77,732,512 outstanding ordinary shares as at 31 December 2021, 39,407,085 shares entitled their holders to double voting rights at that date.

To the Company's knowledge, no other shareholder held as at 31 December 2021, directly or indirectly, alone or acting in concert, more than 5% of the Company's share capital or voting rights.

Control of the Company

Family shareholders agreement

All the shareholders of Rothschild & Co Concordia SAS ("RCSAS"), the largest direct shareholder of Rothschild & Co, are members of the Rothschild family. They are party to a shareholders' agreement entered into on 22 January 2008 and amended and restated on 31 July 2019 (the "RCSAS Shareholders' Agreement"). The main provisions of the RCSAS Shareholders' Agreement were published by the AMF in July 2019[1].

Pursuant to the RCSAS Shareholders' Agreement:

- until the seventh anniversary of the RCSAS Shareholders' Agreement, *i.e.* until 31 July 2026, there shall not occur any transfer of RCSAS shares to any person other than those defined under the RCSAS Shareholders' Agreement, any change of control of a RCSAS shareholder or any exit transaction (*i.e.* transaction or decision which could result in (i) the RCSAS shareholders ceasing to control RCSAS, (ii) RCSAS ceasing to control Rothschild & Co, (iii) Rothschild & Co ceasing to control N. M. Rothschild & Sons Limited or the major part of its assets, taken as a whole, and/or (iv) an initial public offering of the shares of N. M. Rothschild & Sons Limited or any holding company of N. M. Rothschild & Sons Limited);
- RCSAS shareholders are granted a pre-emption right on the RCSAS shares: any RCSAS shareholder wishing to transfer all or any part of its/his/her RCSAS shares to a third party, shall first give notice in writing to the RCSAS Board of Directors and the other RCSAS shareholders. The RCSAS shareholders, to the extent they are members of the family branches (*i.e.* David de Rothschild branch, Éric de Rothschild branch, or the Integritas branch), shall have the right to purchase all or part of the shares proposed by the selling shareholder. If the pre-emption right has not been exercised, the selling shareholder may transfer its RCSAS shares subject to several conditions, including the approval of the RCSAS Board of Directors and the adherence of the transferee to the RCSAS Shareholders' Agreement; and
- different voting rules are applicable to RCSAS shareholders during RCSAS general meetings, depending on the nature of the contemplated decisions: some decisions shall require a unanimous vote of all the shareholders who are members of the family branches (for example, any investment by RCSAS other than in the share capital of Rothschild & Co, or any disposal or agreement to dispose of Rothschild & Co shares that would result in RCSAS holding less than 31.5% of the share capital in Rothschild & Co, as long as RCSAS holds 30% of the share capital of Rothschild & Co), some decisions shall require an affirmative vote of shareholders holding together at least 90% of the share capital and voting rights of RCSAS (for example, a new shareholder approval), and the other decisions shall require an affirmative vote of shareholders holding together at least 75% of the share capital and voting rights of RCSAS.

In addition to the RCSAS Shareholders' Agreement, a put and call option agreement was entered into by the English and French branches of the Rothschild family on the same date, *i.e.* on 31 July 2019 (the "Put and Call Option Agreement").

In accordance with the Put and Call Option Agreement, at the end of the above-mentioned seven-year lock-up period:

- (i) the English branch may transfer its remaining RCSAS shares to the French branches ("Put Option"), the latter not being granted a call option on these shares, and (ii) the French branches may purchase ("Call Option") the remaining Rothschild & Co Commandité SAS and Rothschild & Co Gestion SAS shares from the English branch, the latter being not granted a put option on these shares; and
- if the English branch exercises the Put Option and transfers its RCSAS shares to the French branches, the latter shall acquire these shares in cash. However, the buyers may (it is not an obligation) decide to be substituted by RCSAS in said acquisition (subject to the approval of the RCSAS shareholders meeting), which would then pay the purchase price in the form of Rothschild & Co shares.

The RCSAS Shareholders' Agreement and the Put and Call Option Agreement were still in force as at 31 December 2021.

(1) AMF Decision & Information number 219C1199 of 17 July 2019.

As at 31 December 2021 and 31 December 2020, RCSAS shareholding structure was as follows:

	31/12/2021			31/12/2020		
Shareholders	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
David de Rothschild family branch[1]	325,569,413	39.42%	39.42%	325,569,413	39.42%	39.42%
Éric and Robert de Rothschild family branch[2]	459,067,390	55.58%	55.58%	459,067,390	55.58%	55.58%
Integritas BV[3]	41,296,677	5.00%	5.00%	41,296,677	5.00%	5.00%
TOTAL	**825,933,480**	**100.00%**	**100.00%**	**825,933,480**	**100.00%**	**100.00%**

(1) David de Rothschild, his family and the holding companies controlled by his family.
(2) Éric and Robert de Rothschild and the holding companies controlled by their family.
(3) Controlled by the English branch of the Rothschild family.

On 7 July 2021, the AMF granted RCSAS a waiver from the obligation to file a public takeover bid on the Rothschild & Co shares[1], on the basis of article 234-9 of the AMF General Regulation for (i) the acquisition from the Jardine Matheson group of 1,365,188 Rothschild & Co shares, and (ii) subsequent additional acquisitions or relutions which may take place before 31 December 2021, up to 2% of the share capital and 3% of the voting rights of the Company. In this context, RCSAS acquired (i) 1,365,188 Rothschild & Co shares from the Jardine Matheson group on 23 July 2021, and (ii) 883,385 additional Rothschild & Co shares as a result of in and off market transactions on 6 October 2021.

Enlarged Family Concert

RCSAS, the Rothschild family, the Bernard Maurel family and certain senior executives or former senior executives of the Group acting directly or through holding companies that they control participate in a concert (the "Enlarged Family Concert") which was originally created in June 2012 and subsequently extended and modified. The creation of, and subsequent extensions and modifications to, the Enlarged Family Concert led to the conclusion of a shareholders' agreement in 2012 and to subsequent amendments in 2014 and 2017 (the "Rothschild & Co Shareholders' Agreement"). The main provisions of the Rothschild & Co Shareholders' Agreement were published by the AMF[2].

In accordance with the Rothschild & Co Shareholders' Agreement:

- RCSAS is granted a right of first refusal (with a right of substitution in the exercise of this right by RCSAS of any person RCSAS chooses as long as this person acts in concert with RCSAS): where a party to the Rothschild & Co Shareholders' Agreement wishes to transfer all or any part of Rothschild & Co shares, the selling party shall, before any transfer, offer to RCSAS the Rothschild & Co shares he/she/it intends to transfer. RCSAS may then exercise its right of first refusal regarding part or all the offered Rothschild & Co shares. In contrast, RCSAS shall remain free to transfer Rothschild & Co shares any time and under the terms and conditions it deems appropriate; and
- the parties to the Rothschild & Co Shareholders' Agreement shall make their best effort to reach a consensus regarding the exercise of their voting rights during Rothschild & Co's General Meetings. If a consensus could not be reached, the parties undertake to vote along the lines recommended by the Chairman of RCSAS. In all cases and under the terms of the Rothschild & Co Shareholders' Agreement, they give irrevocable power of attorney to the Chairman of RCSAS, to represent them during all Rothschild & Co's General Meetings.

The Rothschild & Co Shareholders' Agreement was still in force as at 31 December 2021.

(1) AMF Decision & Information number 221C1678 of 7 July 2021.
(2) AMF Decision & Information number 212C0784 of 19 June 2012, 215C0073 of 14 January 2015 and 217C0092 of 9 January 2017.

As at 31 December 2021 and 31 December 2020, the composition of the Enlarged Family Concert was as follows:

Enlarged Family Concert members	31/12/2021					31/12/2020				
	Number of shares	% of share capital	Voting rights	% of exercisable voting rights	% of theorical voting rights[5]	Number of shares	% of share capital	Voting rights	% of exercisable voting rights	% of theorical voting rights[5]
Rothschild & Co Concordia	29,945,857	38.52%	55,097,770	49.31%	47.04%	27,497,284	35.41%	52,303,625	45.00%	42.98%
David de Rothschild family	2,520	<0.01%	5,040	<0.01%	<0.01%	2,520	<0.01%	5,040	<0.01%	<0.01%
Éric et Robert de Rothschild family	12	<0.01%	22	<0.01%	<0.01%	12	<0.01%	22	<0.01%	<0.01%
Holding Financier Jean Goujon[1]	4,057,079	5.22%	8,114,158	7.26%	6.93%	4,057,079	5.22%	8,114,158	6.98%	6.67%
N.M. Rothschild & Sons Limited	1,413,030	1.82%	–[2][4]	–[2][4]	1.21%[2][4]	1,423,035	1.83%	–[2][4]	–[2][4]	1.22%[2][4]
Philippe de Nicolay-Rothschild	102	<0.01%	202	<0.01%	<0.01%	102	<0.01%	202	<0.01%	<0.01%
Alexandre de Rothschild	41,615	0.05%	41,615	0.04%	0.04%	41,615	0.05%	41,615	0.04%	0.03%
François Henrot family[3]	842,470	1.08%	1,604,930	1.44%	1.37%	842,470	1.08%	1,604,930	1.38%	1.32%
Olivier Pécoux family[3]	49,469	0.06%	87,849	0.08%	0.07%	49,469	0.06%	87,217	0.08%	0.07%
Rothschild & Co Gestion	1	<0.01%	2	<0.01%	<0.01%	1	<0.01%	2	<0.01%	<0.01%
Bernard Maurel family[3]	4,229,704	5.44%	8,459,408	7.57%	7.22%	4,229,704	5.45%	8,459,408	7.28%	6.95%
Nicolas Bonnault family[3]	368,260	0.47%	736,510	0.66%	0.63%	368,260	0.47%	676,510	0.58%	0.56%
Laurent Baril family[3]	409,570	0.53%	814,140	0.73%	0.70%	469,570	0.60%	874,140	0.75%	0.72%
Philippe Le Bourgeois family[3]	295,371	0.38%	515,100	0.46%	0.44%	363,260	0.47%	654,180	0.56%	0.54%
Christophe Desprez family[3]	384,000	0.49%	767,800	0.69%	0.66%	384,000	0.49%	767,700	0.66%	0.63%
TOTAL ENLARGED FAMILY CONCERT	**42,039,060**	**54.08%**	**76,244,546**	**68.23%**	**65.09%**	**39,728,381**	**51.16%**	**73,588,749**	**63.31%**	**60.47%**

(1) Controlled by Édouard de Rothschild.
(2) N.M. Rothschild & Sons Limited is a Group entity. As such, the shares held by N.M. Rothschild & Sons Limited are deemed to be controlling shares and are deprived of voting rights in accordance with French law (see note 4 below).
(3) Including their family holding companies.
(4) In accordance with French law, treasury shares and controlling shares are deprived of the capacity to exercise the voting rights attached to them. Such voting rights will become exercisable again as soon as these shares cease to be treasury shares or controlling shares.
(5) In accordance with Article 223-11 of the General Regulation of the AMF, the percentages of theoretical voting rights are calculated on the basis of all shares to which voting rights are attached, including shares deprived of voting rights, in particular treasury and controlling shares.

Other shareholders' agreement

In June 2012, the Group implemented a reorganization as part of which certain former general partners of Rothschild Martin Maurel SCS (formerly named Rothschild et Compagnie Banque SCS) and shareholders of Financière Rabelais SAS (together, the "Contributors") transferred their respective interests in these entities to Rothschild & Co in exchange for Rothschild & Co shares.

In the context of this reorganization, RCSAS and the Contributors entered into lock-up agreements which require the Contributors to hold all of the Rothschild & Co shares received in exchange for these contributions for lock-up periods ranging from one to 18 years and to notify Rothschild & Co and RCSAS before any sale of said shares. The Contributors do not all participate in the Enlarged Family Concert.

As at 31 December 2021, 643,852 shares of the Company, representing 0.83% of the share capital and 0.74% of the exercisable voting rights, are still under the above-mentioned lock-up period.

Treasury shares

As at 31 December 2021, the Company directly held 3,526,632 of its own shares representing 4.54% of the share capital compared to 3,476,731 of its own shares representing 4,48% of the share capital as at 31 December 2020.

In accordance with French law, treasury shares are deprived of the capacity to exercise the voting rights attached to them.

Share buyback programme of the Company

The terms and the purposes of the share buyback programme of the Company approved by the General Meeting held on 20 May 2021 are summarised below:

Period of validity	From 20 May 2021 to 20 November 2022
Resolution approving the programme	22
Maximum number of shares which maybe purchased	The number of shares purchased by the Company during the term of the buyback programme shall not exceed 10% of the total number of shares making up the share capital of the Company, at any time, this percentage shall apply to the share capital adjusted following transactions that will affect it subsequent to the General Meeting. In addition, the Company shall not at any time own, directly or indirectly, more than 10% of its own shares on the date in question.
Maximum purchase price per share	€50
Maximum amount	€388,287,550
Purposes	(1) maintaining a secondary market for the share and ensuring the liquidity of the share pursuant to a liquidity contract entered into with an investment services provider acting independently and in accordance with market practise accepted by the AMF; (2) cancelling of some or all of the shares purchased; (3) granting or selling of shares to meet the obligations related to stock purchase option plans (in accordance with the provisions of Articles L.225-179 et seq. of the French Commercial Code), free share plans (in accordance with the provisions of Articles L.225–197–1 et seq. of the French Commercial Code), allotment of shares under a statutory profit-sharing scheme and any other allotment to employees and corporate officers (*mandataires sociaux*), including the implementation of company savings plans (in accordance with the provisions of Articles L.3332-1 et seq. of the French Labour Code (*Code du travail*)) or any foreign law plan, for employees and corporate officers of the Company and of affiliated companies under the conditions and in accordance with the terms and conditions provided for by law; (4) more generally, making any allocation of ordinary shares of the Company to employees and corporate officers, particularly in the context of the variable compensation of staff members whose professional activities have a material impact on the risk profile of the Group and/or on the risk profile of the regulated entities of the Group, for whom these awards are dependent upon the fulfilment of performance conditions; (5) delivering shares upon the exercise of rights entitling their holders to the allotment of the Company's shares by refund, conversion, exchange, presentation of a warrant or any other means; (6) holding and subsequent delivery by way of payment, exchange or otherwise in accordance with the provisions of Article L.22-10-62 paragraph 6 of the French Commercial Code and, more generally, as part of external growth transactions, it being recalled that the said Article L.22-10-62 paragraph 6 provides that the number of shares acquired with a view to holding them for their subsequent delivery in connection with a merger, spin-off or asset-for-share transfer may not exceed 5% of the Company's share capital; and (7) more generally, any other purpose consistent – or to become consistent – with applicable laws and regulations and in particular any other practice accepted or recognised – or to become accepted or recognised – by law or the AMF.

Transactions carried out by the Company during the 2021 financial year under its share buyback programme[1]

In accordance with Article L.225-211 of the French Commercial Code, the table below summarises the transactions carried out by the Company during the 2021 financial year under its share buyback programme:

In the context of the liquidity contract

Number of shares booked in the name of the Company as at 31 December 2020	**200**
Number of shares purchased	323,128
Average purchase price	€33.41
Number of shares sold	323,178
Average sale price	€33.43
Number of shares booked in the name of the Company as at 31 December 2021	**150**
Par value (per share)	€2.00
Par value (total of shares)	€300
Value based on purchase price	€6,111
Corresponding fraction of the share capital as at 31 December 2021	<0.01%

Outside the liquidity contract

Number of shares booked in the name of the Company as at 31 December 2020	**3,476,531**
Allocated as follows:	
Stock option plans (“Equity Schemes”)[2] and non-cash instrument plans (“NCI”)[3]	3,476,531
Number of shares purchased	1,209,119[4]
Average purchase price	€29.30
Number of shares sold	1,159,168[5]
Average sale price	€27.00
Number of shares booked in the name of the Company as at 31 December 2021	**3,526,482**
Allocated as follows:	
Equity Schemes and NCI	3,526,482
Par value (per share)	€2.00
Par value (total of shares)	€7,052,964
Value based on purchase price	€102,244,122.23
Corresponding fraction of the Company’s share capital as at 31 December 2021	4.54%
Total share trading costs	€30,000

(1) Transactions are recorded after settlement and delivery. In the financial statements of the Company the transactions are recorded based on the trade date.
(2) For more information regarding the Equity Schemes, please refer to Section 3.2.3, paragraph “Stock options plans (“Equity Schemes”)” of this report.
(3) Compensation policy implemented to satisfy regulatory requirements on delivery of compensation under CRD IV and V to Regulated Persons within the Group as defined on Section 6.2.7, paragraph “Remuneration and Nomination Committee” of this report.
(4) Rothschild & Co acquired on 22 June 2021, as part of its share buyback programme, 1,208,138 of its own shares (representing approximately 1.6% of its share capital) from the Jardine Matheson group, at a price of €29.30 per share. The shares acquired are intended to be used for allocation or sale to employees and corporate officers to meet requirements under the Equity Schemes and NCI plans. For more information, please refer to Section 2.3.1 of this report.
(5) These 1,159,168 shares have been sold in the context of the Equity Schemes and the NCI.

No change of purposes in the appropriation of such shares has occurred as at 31 December 2021.

It is specified that no adjustments to the securities granting access to the shares capital of the Company have been made following share buybacks or financial transactions.

It will be proposed to the shareholders of Rothschild & Co, at the General Meeting to be held on 19 May 2022, to authorise the Managing Partner to buyback the Company’s shares within the framework of a share buyback program, the main characteristics of which will be similar to those of the share buyback program approved at the General Meeting held on 20 May 2021.

Controlling shares

As at 31 December 2021, 1,867,673 Rothschild & Co shares, representing 2.40% of its share capital, were held by the following entities controlled by Rothschild & Co: N. M. Rothschild & Sons Ltd, Five Arrows Managers SAS, Five Arrows Managers LLP, Rothschild & Co Investment Managers SA, Rothschild Martin Maurel SCS, Rothschild & Co Wealth Management Monaco SAM, Rothschild & Cie SCS, Rothschild & Co Australia Ltd, Rothschild & Co Bank AG, Rothschild & Co Continuation Holdings AG, Rothschild & Co Deutschland GmbH, Rothschild & Co US Inc., Rothschild & Co Italy SpA, Rothschild & Co Wealth Management UK Ltd, Rothschild & Co Wealth Management Italy S.I.M. S.p.A, Transaction R&Co SCS.

As at 31 December 2021 and 31 December 2020, controlling shares were broken down as follows:

	31/12/2021		31/12/2020	
Entities controlled by Rothschild & Co	Number of shares	% of the share capital	**Number of shares**	**% of the share capital**
N.M. Rothschild & Sons Limited	1,413,030[(1)]	1.82%	1,423,035	1.83%
Other controlled entities which hold shares pursuant to the Equity Scheme rules and regulations	85,000	0.11%	193,666	0.25%
Other controlled entities which hold shares pursuant to NCI plans	369,538	0.48%	373,010	0.48%
Other controlled entities which hold shares for other purposes	105	<0.01%	105	<0.01%
TOTAL	**1,867,673**	**2.40%**	**1,989,816**	**2.56%**

(1) Out of these 1,413,030 shares, 355,979 shares are held pursuant to the Equity Scheme regulations and NCI plans.

In accordance with French law, controlling shares are deprived of the capacity to exercise the voting rights attached to them.

Stock options plans ("Equity Schemes")

As at 31 December 2021, the only securities granting access to the share capital of the Company are the stock options granted by Rothschild & Co for the benefit of senior employees and officers of the Company and its subsidiaries.

Within the framework of the delegations of authority granted by the shareholders to the Managing Partner[(1)] and characteristics specific to Rothschild & Co, seven Equity Schemes have been implemented and remained in force as at 31 December 2021.

- on 11 October 2013 (the "2013 Equity Scheme");
- on 9 December 2015 (the "2015 Equity Scheme");
- on 13 December 2017 (the "2017 Equity Scheme");
- on 20 June 2018 (the "2018 Equity Scheme");
- on 11 October 2019 (the "2019 Existing Partners Equity Scheme" and the "2019 New Partners Equity Scheme"); and
- on 11 October 2021 (the "2021 Equity Scheme").

Participants

The Equity Schemes' participants are the most senior employees and officers across the Group including those having cross-divisional functions, such as the members of the Group Executive Committee (the "Partners").

57 Partners, operating in ten different countries, within the Global Advisory business and the Group Executive Committee participated in the 2013 Equity Scheme.

Ten new Partners, operating in five different countries, within the Wealth Management and Merchant Banking businesses, and the Group Executive Committee participated in the 2015 Equity Scheme.

20 new Partners, operating in six different countries, within the Global Advisory, Wealth and Asset Management, and Merchant Banking businesses, or having cross-divisional functions in the Group participated in the 2017 Equity Scheme.

The 2018 Equity Scheme was made available to one new Partner within the Global Advisory business.

49 Partners, operating in ten different countries, and who participated in the previous Equity Schemes participated in the 2019 Existing Partners Equity Scheme.

Six new Partners, operating in three different countries, within the Global Advisory, Wealth and Asset Management and Merchant Banking businesses participated in the 2019 New Partners Equity Scheme.

14 new Partners operating in eight different countries, within the Global Advisory, Wealth and Asset Management and Merchant Banking businesses participated in the 2021 Equity Scheme.

As of 31 December 2021, no corporate executive officer ("*dirigeant mandataire social*") of the Company held stock options.

(1) For more information regarding the delegations granted to the Managing Partner which were in force during the 2021 financial year, please refer to Section 6.6 of this report.

Pricing and other conditions set out to promote the long-term performance of the Group

By granting stock options to the Partners, Rothschild & Co wants to promote the convergence of interests of the Participants with the shareholders. The conditions set out in the Equity Schemes rules and regulations are designed to ensure such alignment of interests and the long-term performance of the Group.

As a condition to participate in the Equity Schemes and be granted stock options, Partners are required to acquire Rothschild & Co shares and/or restricted share units ("RSUs"[1]) at market value. The Rothschild & Co shares acquired are subject to a lock-up period of four years (or in the case of the 2019 Existing Partner Scheme, three years) and the RSUs are subject to a vesting period of four years (or in the case of the 2019 Existing Partner Scheme, three years).

	Total of shares invested	% of share capital as at the grant date	Total number of stock options granted	% of share capital as at the grant date
2013 Equity Scheme	780,000	1.10%	3,120,000	4.40%
2015 Equity Scheme	115,000	0.16%	460,000	0.64%
2017 Equity Scheme	277,500	0.36%	1,110,000	1.44%
2018 Equity Scheme	20,000	0.02%	80,000	0.08%
2019 Existing Partners Equity Scheme	207,500	0.27%	830,000	1.08%
2019 New Partners Equity Scheme	80,000	0.10%	320,000	0.40%
2021 Equity Scheme	137,500	0.17%	550,000	0.70%

The stock options have different vesting periods (three to six years) and have different terms (four to ten years) depending on the Equity Scheme. Unexercised stock options lapse and are no longer exercisable after the expiration of that term.

The Partners can only exercise their stock options if they retain their position within the Group until the exercise date of the stock options, subject to some specific exceptions stipulated in the Equity Schemes rules and regulations.

The stock options granted under each Equity Scheme are classified into four distinct tranches of stock options ("Tranche 1", "Tranche 2", "Tranche 3", and "Tranche 4"). Before the beginning of the exercise period of each tranche of stock options, the Managing Partner of the Company decides whether the stock options are exercised by subscribing newly issued Rothschild & Co shares or by acquiring existing Rothschild & Co shares. As at 31 December 2021, the Tranche 1 of the 2013 Equity Scheme is the only tranche of stock options that can be exercised by subscribing newly issued shares.

The exercise price of the stock options is determined by the Managing Partner on the grant date in accordance with the applicable regulation, the resolutions of the General Meeting authorising the Managing Partner to grant stock options, and the rules of the applicable Equity Schemes. The exercise price of Tranche 1 of all the Equity Schemes corresponds to the market value of the Rothschild & Co shares on the grant date. The exercise price of Tranches 2, 3 and 4 is fixed at different levels above Tranche 1 (as described below), to motivate Partners to improve the performance of the Group and contribute to increase the Rothschild & Co share price.

(1) Within the framework of RSUs under the Equity Scheme, a number of Rothschild & Co shares were acquired by Group entities in which Equity Scheme participants hold management or executive roles. These shares, intended to be delivered to holders of RSUs, at the end of the vesting period and subject to certain conditions, are controlling shares and therefore are deprived of the capacity to exercise the voting rights attached to them until the vesting date.

The applicable Equity Scheme rules and regulations defined the Exercise Price for each stock options tranche as follows:

Equity Scheme	Tranche	Definition of the Exercise Price
2013, 2015, 2017, 2018 Equity Schemes and 2019 New Partners Equity Scheme	Tranche 1	The Floor Price
	Tranche 2	The higher of (i) the Reference Price plus €0.50 and (ii) the Floor Price
	Tranche 3	The higher of (i) the Reference Price plus €1.50 and (ii) the Floor Price
	Tranche 4	The higher of (i) the Reference Price plus €2.50 and (ii) the Floor Price
2019 Existing Partners Equity Scheme	Tranche 1	The Floor Price
	Tranche 2	The higher of (i) the Reference Price plus €1.00 and (ii) the Floor Price
	Tranche 3	The higher of (i) the Reference Price plus €3.00 and (ii) the Floor Price
	Tranche 4	The higher of (i) the Reference Price plus €5.00 and (ii) the Floor Price
2021 Equity Scheme	Tranche 1	The Floor Price
	Tranche 2	The higher of (i) the Reference Price plus €0.50 and (ii) the Floor Price
	Tranche 3	The higher of (i) the Reference Price plus €1.50 and (ii) the Floor Price
	Tranche 4	The higher of (i) the Reference Price plus €2.50 and (ii) the Floor Price

The Reference Price means the closing listed price of the Rothschild & Co share on grant date, *i.e.* the date when stock options are granted. The Reference Price corresponds to the price at which the Rothschild & Co shares must be effectively invested by the Partners to be eligible to receive stock options. It is specified that, for the 2018 Equity Scheme, the Reference Price means the closing listed price of the Rothschild & Co share on 13 December 2017, *i.e.* the 2017 Equity Scheme grant date. The terms and conditions of the 2018 Equity Scheme, which was made available to one Partner, were aligned on the 2017 Equity Scheme.

The Floor Price means the higher of (i) the closing listed price of the Rothschild & Co share on the grant date, (ii) 80% of the average of the opening listed prices of the Rothschild & Co share over the 20-trading day period preceding the grant date, and (iii) 80% of the average purchase price of the Rothschild & Co shares held on the grant date by Rothschild & Co.

It is also specified that, for the same reason as mentioned above for the Reference Price in the 2018 Equity Scheme, the definition of the Floor Price is slightly nuanced in the 2018 Equity Scheme. In the 2018 Equity Scheme, the Floor Price means the higher of (i) the 2017 Equity Scheme Reference Price, *i.e.* the closing listed price of the Rothschild & Co share on 13 December 2017 (the 2017 Equity Scheme grant date), (ii) 80% of the average of the opening listed prices of the Rothschild & Co share over the 20-trading day period preceding the grant date, and (iii) 80% of the average purchase price of the Rothschild & Co shares held on the grant date by Rothschild & Co.

Since the 2017 Equity Scheme, the exercise of stock options is contingent upon a performance condition depending on the entity in which the participant is a Partner or the Partner's status.

The table below shows for each tranche of stock options per Equity Scheme the Exercise Price approved by the Managing Partner at the grant date in accordance with the aforesaid rules and regulation:

		Floor Price	Reference Price	Exercise Price approved by the Managing Partner on the grant date
2013 Equity Scheme	**Options 2013-1**	€17.50		€17.50
	Options 2013-2	€17.50	€17.50	€18.00
	Options 2013-3	€17.50	€17.50	€19.00
	Options 2013-4	€17.50	€17.50	€20.00
2015 Equity Scheme	**Options 2015-1**	€23.62		€23.62
	Options 2015-2	€23.62	€23.62	€24.12
	Options 2015-3	€23.62	€23.62	€25.12
	Options 2015-4	€23.62	€23.62	€26.12
2017 Equity Scheme	**Options 2017-1**	€31.56		€31.56
	Options 2017-2	€31.56	€31.56	€32.06
	Options 2017-3	€31.56	€31.56	€33.06
	Options 2017-4	€31.56	€31.56	€34.06
2018 Equity Scheme	**Options 2018-1**	€31.56		€31.56
	Options 2018-2	€31.56	€31.56	€32.06
	Options 2018-3	€31.56	€31.56	€33.06
	Options 2018-4	€31.56	€31.56	€34.06
2019 Existing Partners Equity Scheme	**Options EP 2019-1**	€26.10		€26.10
	Options EP 2019-2	€26.10	€26.10	€27.10
	Options EP 2019-3	€26.10	€26.10	€29.10
	Options EP 2019-4	€26.10	€26.10	€31.10
2019 New Partners Equity Scheme	**Options NP 2019-1**	€26.10		€26.10
	Options NP 2019-2	€26.10	€26.10	€26.60
	Options NP 2019-3	€26.10	€26.10	€27.60
	Options NP 2019-4	€26.10	€26.10	€28.60
2021 Equity Scheme	**Options 2021-1**	€39.45		€39.45
	Options 2021-2	€39.45	€39.45	€39.95
	Options 2021-3	€39.45	€39.45	€40.95
	Options 2021-4	€39.45	€39.45	€41.95

It is specified that the Exercise Price of each tranche of stock option and/or the number of Rothschild & Co shares that may be obtained upon the exercise of such stock options may be adjusted by the Managing Partner in the cases and according to the terms provided in applicable legal and regulatory provisions, *i.e.* – under currently applicable French rules – an amortisation or reduction of the share capital; a modification of the allocation of the distributable profits; an allotment of free shares; an incorporation into the share capital of reserves, profits or issuance premiums; a distribution of reserves, any issuance of equity securities or securities entitling their holders to the allotment of equity securities with a subscription right reserved for the shareholders; and any other case provided in applicable legal or regulatory provisions as of the date on which the relevant transaction is implemented.

Situation as at 31 December 2021

The table below summarises all information on outstanding stock options as at 31 December 2021:

		Date of authorisation by the General Meeting	Grant date by the Managing Partner	Total of options granted	Number of beneficiaries	Share capital % at the grant date	Subject to the fulfilment of performance conditions	Exercise period start date	Expiration date	Stock option subscription or purchase price *(in euros)*	Total options exercised	Total options forfeited	Total options remaining
Equity Scheme 2013	Options 2013-1	26 Sept. 2013	11 Oct. 2023	780,000	57	1.10%	No	30 Nov. 2016	11 Oct. 2023	17.50	487,500	20,000	272,500
	Options 2013-2	26 Sept. 2013	11 Oct. 2023	780,000	57	1.10%	No	11 Oct. 2017	11 Oct. 2023	18.00	467,500	20,000	292,500
	Options 2013-3	26 Sept. 2013	11 Oct. 2023	780,000	57	1.10%	No	11 Oct. 2018	11 Oct. 2023	19.00	382,500	30,000	367,500
	Options 2013-4	26 Sept. 2013	11 Oct. 2023	780,000	57	1.10%	No	11 Oct. 2019	11 Oct. 2023	20.00	272,500	30,000	477,500
Equity Scheme 2015	Options 2015-1	26 Sept. 2013	9 Dec. 2015	115,000	10	0.16%	No	11 Oct. 2018	9 Dec. 2025	23.62	75,000	10,000	30,000
	Options 2015-2	26 Sept. 2013	9 Dec. 2015	115,000	10	0.16%	No	11 Oct. 2019	9 Dec. 2025	24.12	50,000	10,000	55,000
	Options 2015-3	26 Sept. 2013	9 Dec. 2015	115,000	10	0.16%	No	11 Oct. 2020	9 Dec. 2025	25.12	40,000	10,000	65,000
	Options 2015-4	26 Sept. 2013	9 Dec. 2015	115,000	10	0.16%	No	11 Oct. 2021	9 Dec. 2025	26.12	40,000	10,000	65,000
Equity Scheme 2017	Options 2017-1	29 Sept. 2016	13 Dec. 2017	277,500	20	0.36%	Yes(1)	11 Oct. 2020	13 Dec. 2027	31.56	87,500	15,000	175,000
	Options 2017-2	29 Sept. 2016	13 Dec. 2017	277,500	20	0.36%	Yes(1)	11 Oct. 2021	13 Dec. 2027	32.06	46,500	15,000	216,000
	Options 2017-3	29 Sept. 2016	13 Dec. 2017	277,500	20	0.36%	Yes(1)	11 Oct. 2022	13 Dec. 2027	33.06	-	15,000	262,500
	Options 2017-4	29 Sept. 2016	13 Dec. 2017	277,500	20	0.36%	Yes(1)	11 Oct. 2023	13 Dec. 2027	34.06	-	15,000	262,500
Equity Scheme 2018	Options 2018-1	17 May 2018	20 June 2018	20,000	1	0.02%	Yes(1)	11 Oct. 2020	13 Dec. 2027	31.56	-	-	20,000
	Options 2018-2	17 May 2018	20 June 2018	20,000	1	0.02%	Yes(1)	11 Oct. 2021	13 Dec. 2027	32.06	-	-	20,000
	Options 2018-3	17 May 2018	20 June 2018	20,000	1	0.02%	Yes(1)	11 Oct. 2022	13 Dec. 2027	33.06	-	-	20,000
	Options 2018-4	17 May 2018	20 June 2018	20,000	1	0.02%	Yes(1)	11 Oct. 2023	13 Dec. 2027	34.06	-	-	20,000
Existing Partners Equity Scheme 2019	Options EP 2019-1	17 May 2018	11 Oct. 2019	207,500	49	0.27%	Yes(1)	11 Oct. 2020	11 Oct. 2023	26.10	70,000	5,000	132,500
	Options EP 2019-2	17 May 2018	11 Oct. 2019	207,500	49	0.27%	Yes(1)	11 Oct. 2020	11 Oct. 2023	27.10	70,000	5,000	132,500
	Options EP 2019-3	17 May 2018	11 Oct. 2019	207,500	49	0.27%	Yes(1)	11 Oct. 2021	11 Oct. 2023	29.10	50,000	5,000	152,500
	Options EP 2019-4	17 May 2018	11 Oct. 2019	207,500	49	0.27%	Yes(1)	11 Oct. 2022	11 Oct. 2023	31.10	-	5,000	202,500
New Partners Equity Scheme 2019	Options NP 2019-1	17 May 2018	11 Oct. 2019	80,000	6	0.10%	Yes(1)	11 Oct. 2022	11 Oct. 2029	26.10	-	-	80,000
	Options NP 2019-2	17 May 2018	11 Oct. 2019	80,000	6	0.10%	Yes(1)	11 Oct. 2023	11 Oct. 2029	26.60	-	-	80,000
	Options NP 2019-3	17 May 2018	11 Oct. 2019	80,000	6	0.10%	Yes(1)	11 Oct. 2024	11 Oct. 2029	27.60	-	-	80,000
	Options NP 2019-4	17 May 2018	11 Oct. 2019	80,000	6	0.10%	Yes(1)	11 Oct. 2025	11 Oct. 2029	28.60	-	-	80,000
Equity Scheme 2021	Options 2021-1	20 May 2021	11 Oct. 2021	137,500	14	0.17%	Yes(1)	11 Oct. 2022	11 Oct. 2025	39.45	-	-	137,500
	Options 2021-2	20 May 2021	11 Oct. 2021	137,500	14	0.17%	Yes(1)	11 Oct. 2022	11 Oct. 2025	39.95	-	-	137,500
	Options 2021-3	20 May 2021	11 Oct. 2021	137,500	14	0.17%	Yes(1)	11 Oct. 2023	11 Oct. 2025	40.95	-	-	137,500
	Options 2021-4	20 May 2021	11 Oct. 2021	137,500	14	0.17%	Yes(1)	11 Oct. 2024	11 Oct. 2025	41.95	-	-	137,500
TOTAL				**6,470,000**		**8.72%**					**2,139,000**	**220,000**	**4,111,000**

(1) Please refer to the summary of the performance conditions in the above Section.

As at 31 December 2021, 2,473,500 stock options were still outstanding and exercisable (see in the above table the options corresponding to the Tranches 1 to 4 of the 2013 Equity Scheme, the Tranches 1 to 4 of the 2015 Equity Scheme, the Tranche 1 and 2 of the 2017 Equity Scheme, the Tranche 1 and 2 of the 2018 Equity Scheme and the Tranches 1, 2 and 3 of the 2019 Existing Partners Equity Scheme) in accordance with the terms and conditions of the Equity Schemes.

Employee shareholding

In accordance with Article L.225-102 of the French Commercial Code, employee share ownership in the share capital of the Company as at 31 December 2021 amounted to 0.23% of the share capital, held by a company mutual fund (*Fonds Commun de Placement d'Entreprise*) within employee share ownership schemes (*Plans d'Épargne d'Entreprise*).

Ownership threshold disclosure

Threshold disclosure requirements

Pursuant to Article L.233-7 of the French Commercial Code, any individual or legal entity, acting alone or in concert with others, that comes into possession of more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of Rothschild & Co's share capital or voting rights, must inform the Company and the AMF no later than the close of business on the fourth trading day following the crossing of the threshold, and disclose the total number of shares or voting rights held. This disclosure obligation shall apply under the same conditions when the portion of the share capital or voting rights held drops below these thresholds.

In addition to threshold crossings subject to legal provisions, article 7.3 of Rothschild & Co's articles of association establishes disclosure obligations for shareholders who come into possession of a number of shares or voting rights equal to or greater than 1% of the Company's share capital or voting rights, or any multiple of this threshold. This disclosure obligation shall apply under the same conditions when the portion of the share capital or voting rights held drops below these thresholds. The shareholders must inform the Company within the timeframe provided for by law, by registered letter with acknowledgement of receipt, stating whether the number of shares or voting rights are or are not held on behalf of, under the control of, or in concert with, other individuals or legal entities. Subject to the specific provisions stated above, this statutory obligation is governed by the same rules that apply to the legal obligation, including in particular the cases of assimilation of securities held provided for by law.

Thresholds (%)	Disclosure to the Company	Disclosure to the AMF	Related obligations
1.00% and any multiple	Yes	No	
5.00%	Yes	Yes	
10.00%	Yes	Yes	Statement of intent
15.00%	Yes	Yes	Statement of intent
20.00%	Yes	Yes	Statement of intent
25.00%	Yes	Yes	Statement of intent
30.00%	Yes	Yes	Takeover bid(1)
33.33%	Yes	Yes	
50.00%	Yes	Yes	
66.66%	Yes	Yes	
90.00%	Yes	Yes	
95.00%	Yes	Yes	

(1) Requirement also applicable in the event of an increase of more than 1% of the share capital or voting rights within a period of twelve consecutive months for persons holding between 30% and 50% of the Company's share capital or voting rights.

In the event of a failure to comply with the disclosure requirements provided for above, the securities that exceed the fraction that should have been declared may be deprived of voting rights at all General Meetings held for a period of two years.

Legal thresholds disclosure during the 2021 financial year

J S Holdings Luxembourg, a limited liability company under Luxembourg law, declared on 5 May 2021 that it had crossed downwards the 5% threshold of the Company's share capital as a result of an off-market sale of shares entered into on 23 April 2021 and to be completed on 3 June 2021 (Document AMF n° 221C0975 dated 5 May 2021).

J S Holdings Luxembourg declared on 13 July 2021 that it had crossed downwards the 5% threshold of the Company's voting rights on 22 June 2021 as a result of an off-market sale of shares (Document AMF n° 221C1767 dated 13 July 2021).

Dutreil agreements *(pactes Dutreil)*

The table below presents the agreements falling within the scope of the Dutreil Act which were still in force as at 31 December 2021 to the Company's knowledge:

Agreement 2018.1

Regime	Article 787 B of the French General Tax Code
Date of signature	Renewed on 21 February 2020
Duration of the collective agreement Contractual duration of the agreement	Initially two years from registration date (*i.e.*, until 21 February 2020). Renewed until 31 January 2022
Renewal terms	Renewable by amendment to the agreement before its term
Percentage of the share capital covered by the agreement on its date of signature	25.49%
Percentage of the voting rights covered by the agreement on its date of signature	34.17%
Names of the signatories who are corporate officers within the meaning of Article L.621-18-2. a. of the French Monetary and Financial Code (*Code monétaire et financier*)	• Rothschild & Co Gestion, Managing Partner of the Company • David de Rothschild, Chairman of the Supervisory Board • Éric de Rothschild, Vice-Chairman of the Supervisory Board
Names of the signatories who have close personal links with the corporate officers within the meaning of Articles L.621-18-2 c. and R.621-43-1 of the French Monetary and Financial Code	• Rothschild & Co Concordia • Rothschild & Co Commandité • BD Maurel SC
Names of the signatories who hold at least 5% of the capital and/or voting rights in the Company as at 31 December 2021	• Rothschild & Co Concordia, member of the Enlarged Family Concert • BD Maurel SC, member of the Enlarged Family Concert • Éric de Rothschild, through Rothschild & Co Concordia • David de Rothschild, through Rothschild & Co Concordia

Agreement 2019.4

Regime	Article 787 B of the French General Tax Code
Date of signature	28 November 2019
Duration of the collective agreement Contractual duration of the agreement	Two years from registration date (*i.e.*, until 8 January 2022)
Renewal terms	Renewable by express decision of the subscribers
Percentage of the share capital covered by the agreement on its date of signature	21.36%
Percentage of the voting rights covered by the agreement on its date of signature	28.61%
Names of the signatories who are corporate officers within the meaning of Article L.621-18-2. a. of the French Monetary and Financial Code	Rothschild & Co Gestion, Managing Partner of the Company
Names of the signatories who have close personal links with the corporate officers within the meaning of Articles L.621-18-2 c. and R.621-43-1 of the French Monetary and Financial Code	• Rothschild & Co Concordia • Rothschild & Co Commandité
Names of the signatories who hold at least 5% of the capital and/or voting rights in the Company as at 31 December 2021	• Rothschild & Co Concordia, member of the Enlarged Family Concert • Rothschild & Co Gestion, member of the Enlarged Family Concert

Agreement 2020.1

Regime	Article 787 B of the French General Tax Code
Date of signature	5 November 2020
Duration of the collective agreement Contractual duration of the agreement	Two years from registration date (*i.e.*, until 6 November 2022)
Renewal terms	Automatic renewal by period of three months, unless terminated by notice of one of the subscribers
Percentage of the share capital covered by the agreement on its date of signature	40.71%
Percentage of the voting rights covered by the agreement on its date of signature	52.08%
Names of the signatories who are corporate officers within the meaning of Article L.621-18-2. a. of the French Monetary and Financial Code	• Rothschild & Co Gestion, Managing Partner of the Company • Alexandre de Rothschild, Executive Chairman of Rothschild & Co Gestion • David de Rothschild, Chairman of the Supervisory Board • Éric de Rothschild, Vice-Chairman of the Supervisory Board
Names of the signatories who have close personal links with the corporate officers within the meaning of Articles L.621-18-2 c. and R.621-43-1 of the French Monetary and Financial Code	• Rothschild & Co Concordia • Rothschild & Co Commandité • Holding Financier Jean Goujon
Names of the signatories who hold at least 5% of the capital and/or voting rights in the Company as at 31 December 2021	• Rothschild & Co Concordia, member of the Enlarged Family Concert • Holding Financier Jean Goujon, member of the Enlarged Family Concert • Éric de Rothschild, through Rothschild & Co Concordia • David de Rothschild, through Rothschild & Co Concordia • Alexandre de Rothschild, through Rothschild & Co Concordia

Agreement 2020.2

Regime	Article 787 B of the French General Tax Code
Date of signature	18 December 2020
Duration of the collective agreement Contractual duration of the agreement	Two years from registration date (*i.e.*, until 22 December 2022)
Renewal terms	Renewable by express agreement entered into by the subscribers before the expiry date
Percentage of the share capital covered by the agreement on its date of signature	42.39%
Percentage of the voting rights covered by the agreement on its date of signature	53.39%
Names of the signatories who are corporate officers within the meaning of Article L.621-18-2. a. of the French Monetary and Financial Code	• Rothschild & Co Gestion, Managing Partner of the Company • Alexandre de Rothschild, Executive Chairman of Rothschild & Co Gestion • David de Rothschild, Chairman of the Supervisory Board • Éric de Rothschild, Vice-Chairman of the Supervisory Board
Names of the signatories who have close personal links with the corporate officers within the meaning of Articles L.621-18-2 c. and R.621-43-1 of the French Monetary and Financial Code	• Rothschild & Co Concordia • Rothschild & Co Commandité • Holding Financier Jean Goujon
Names of the signatories who hold at least 5% of the capital and/or voting rights in the Company as at 31 December 2021	• Rothschild & Co Concordia, member of the Enlarged Family Concert • Holding Financier Jean Goujon, member of the Enlarged Family Concert • Éric de Rothschild, through Rothschild & Co Concordia • David de Rothschild, through Rothschild & Co Concordia • Alexandre de Rothschild, through Rothschild & Co Concordia

Agreement 2021.1

Regime	Article 787 B of the French General Tax Code
Date of signature	23 September 2021
Duration of the collective agreement Contractual duration of the agreement	Two years from registration date (*i.e.*, until 30 September 2023)
Renewal terms	Automatic renewal by period of three months, unless terminated by notice of one of the subscribers
Percentage of the share capital covered by the agreement on its date of signature	28.89%
Percentage of the voting rights covered by the agreement on its date of signature	38.29%
Names of the signatories who are corporate officers within the meaning of Article L.621-18-2. a. of the French Monetary and Financial Code	• Rothschild & Co Gestion, Managing Partner of the Company • Alexandre de Rothschild, Executive Chairman of Rothschild & Co Gestion • David de Rothschild, Chairman of the Supervisory Board • Éric de Rothschild, Vice-Chairman of the Supervisory Board • Lucie Maurel-Aubert, Vice-Chairwoman of the Supervisory Board
Names of the signatories who have close personal links with the corporate officers within the meaning of Articles L.621-18-2 c. and R.621-43-1 of the French Monetary and Financial Code	• Rothschild & Co Concordia • Rothschild & Co Commandité • SC Paloma
Names of the signatories who hold at least 5% of the capital and/or voting rights in the Company as at 31 December 2021	• Rothschild & Co Concordia, member of the Enlarged Family Concert • Éric de Rothschild, through Rothschild & Co Concordia • David de Rothschild, through Rothschild & Co Concordia • Alexandre de Rothschild, through Rothschild & Co Concordia • Lucie Maurel-Aubert, through BD Maurel SC

Agreement 2021.2

Regime	Article 787 B of the French General Tax Code
Date of signature	10 December 2021
Duration of the collective agreement Contractual duration of the agreement	Two years from registration date (*i.e.*, until 13 December 2023)
Renewal terms	Renewable by amendment to the agreement before its term
Percentage of the share capital covered by the agreement on its date of signature	38.62%
Percentage of the voting rights covered by the agreement on its date of signature	49.44%
Names of the signatories who are corporate officers within the meaning of Article L.621-18-2. a. of the French Monetary and Financial Code	• Rothschild & Co Gestion, Managing Partner of the Company • Alexandre de Rothschild, Executive Chairman of Rothschild & Co Gestion • Éric de Rothschild, Vice-Chairman of the Supervisory Board
Names of the signatories who have close personal links with the corporate officers within the meaning of Articles L.621-18-2 c. and R.621-43-1 of the French Monetary and Financial Code	• Rothschild & Co Concordia • Rothschild & Co Commandité
Names of the signatories who hold at least 5% of the capital and/or voting rights in the Company as at 31 December 2021	• Rothschild & Co Concordia, member of the Enlarged Family Concert • Éric de Rothschild, through Rothschild & Co Concordia • Alexandre de Rothschild, through Rothschild & Co Concordia

4

Internal control, risk management and accounting procedures

Rothschild & Co seeks to identify and manage the Group's top and emerging risks on an on-going basis. The Group considers that the risks identified in this Section could have a significant negative impact on its ability to meet its strategic objectives.

4.1 Main risks

4.1.1 Regulatory risk

The Group operates in a heavily regulated sector and there have been significant regulatory developments impacting capital, liquidity and funding requirements, enhanced data privacy requirements, the management of financial crime and governance and remuneration over the past years. The evolving regulatory burden often requires significant changes to internal procedures and can fundamentally challenge elements of the business model of the Group. Furthermore, while the Group might be thought vulnerable to regulatory tensions following Brexit in view of its substantial UK operations, the potential impacts of Brexit are mitigated by the Group's multiple location model, which also includes substantial operations and regulated entities in the European Union. The Group implements new regulatory requirements, where applicable, and incorporates the implications of related changes in its planning.

4.1.2 Political instability and economic uncertainty

As a Group with activities in more than 50 countries, the business is exposed to significant economic and political risks. Heightened geo-political uncertainty continues and a wide variety of negative political developments could lead to lower transaction volumes and portfolio valuations. Dislocation in global bond or equity markets could significantly impact the Group's core businesses and thus depress revenues. This risk could be exacerbated by the economic impacts of Covid-19. The possibility of a resurgence of inflation, especially if sustained, creates greater uncertainty for the world economy. A prolonged period of economic downturn could lead to more significant credit risk losses. The Group undertakes a range of scenario planning and stress testing to assess and plan for the risk related to economic uncertainty and continues to monitor geopolitical risks alongside. In addition, the Group's strategy is to increase lending in lower risk areas, such as Lombard loans.

4.1.3 Cybercrime and data security

The Group is alert to the increasing dangers of cyber-attacks and to the fact that the tools required to launch effective cyber-attacks are rapidly becoming more widely available. In addition, the complexity of cyber-attacks has increased significantly and there has been a marked shift from disruptive to monetised attacks. In addition, ransomware attacks have increased significantly which is of particular concern to the financial sector. The Group continues to invest significant resources in the development of controls and capability designed to minimise the potential effect of cyber-attacks.

4.1.4 Ability to attract and retain high quality staff

Recruiting and retaining people who are skilled and fit well with the Group's culture is increasingly challenging but is key to the long-term sustainability of the business of the Group. Attracting and retaining junior resources is particularly challenging, affected by peer offerings and industry attrition. One of the main drivers of these trends is the long-term shift in patterns of working arising from the experience of lockdown during the Covid-19 crisis. The risk of loss of key leaders in all business areas is mitigated by careful succession planning. The Group has implemented a number of policies aimed at promoting a responsible people culture that attracts and retains high quality staff.

4.1.5 Business concentration

The Group operates in a sector that is susceptible to periodic economic cycles. The Group's strategy is to create complementary profit streams across its three key business divisions, focused primarily on providing advice to clients. Global Advisory remains the most significant business and there has been significant investment in the other businesses to improve the overall balance of results. While the business concentration means that the Group could be more susceptible to an economic downturn, significant progress has been made in diversifying the Group's profit streams and the resilience of the WAM and MB business lines has improved as they have gained critical mass in recent years. In addition, the Group undertakes a range of scenario planning and stress testing to mitigate the risk related to the current business.

4.1.6 Operational control risk

The Group's operations require a large number of procedures that must be carried out accurately and repeatedly, in particular with regard to client on-boarding, investing in line with client mandates and ESG best practice. The Group relies on strong operational controls in the business supported by risk and compliance checks and internal audit reviews to test and assess the suitability and consistent application of its control environment.

4.1.7 Ability to respond to evolving client expectations

The Group operates in highly competitive markets. Responding to evolving client needs is key to retaining the Group's competitive position. In particular, slow integration of ESG considerations into investment products and advisory services could lead to loss of revenue and business opportunities. The Group closely monitors the competitive environment and adapts its services and products to meet client needs.

4.1.8 Climate-related risks

The Group considers that, as widely confirmed across the economic and scientific communities[1], climate change presents a factor of instability for the global economy and thus could directly or indirectly affect the Group's activities.

In addition to actions aimed at mitigating climate-related impact from the Group's operations[2], and risks that could result from the consequences of climate change on the Group's operations, an action plan has been devised to review the financial risks arising from the physical and transition effects of climate change on the Group's business line activities. Under the supervision of the Responsible Investment Committee, chaired by a member of the Group Executive Committee, a dedicated taskforce comprising representatives of the different business lines has been created to evaluate the potential financial materiality of climate-related risks on the Group's activities. Consequently, climate workshops have been organized with the relevant internal audience to qualitatively identify and assess the main risk propagation channels and to define appropriate mitigation plans. The results of this assessment will be disclosed in a separate report dedicated to its strategy for reducing identified climate-related risks and managing its contribution to climate change to be issued in 2022.

4.2 Internal control

4.2.1 Regulatory context

Rothschild & Co is a financial holding company (*compagnie financière holding*) approved and supervised by the ACPR on a consolidated basis.

The rules which impact upon the Group arrangements for risk management systems and controls are set out in the French Monetary and Financial Code *(Code monétaire et financier)* and the Order dated 3 November 2014, which defines the conditions for implementing and monitoring internal control systems in banking sector. The Order dated 3 November 2014 lays down the principles relating to control systems for transactions and internal procedures, accounting systems and information processing, risk and performance measurement systems, risk supervision and control systems, and internal control documentation and reporting systems. Internal control requirements relating to anti-money laundering, counter terrorist financing and international sanctions are covered by the Order dated 6 January 2021.

As required by the Order dated 3 November 2014 and the Order dated 6 January 2021, the Group internal control system established by Rothschild & Co operates a distinction between functions in charge of permanent control and risk monitoring (including compliance, anti-money laundering and risk monitoring) and periodic control (*i.e.* internal audit).

The internal control system of Rothschild & Co must also take into account, as appropriate, the AMF's General Regulation, local regulations applicable to branches and subsidiaries outside France and to specialised operations such as portfolio management, the most widely accepted industry practices in this area and the recommendations of the ACPR and of international bodies dealing with the capital adequacy framework of international banks, foremost among which are the Basel Committee, the Financial Stability Board and the European authorities (European Banking Authority (EBA), European Securities and Markets Authority (ESMA)).

(1) For example, the World Economic Forum in its annual "Global Risk Report" and the Financial Stability Board in its "Roadmap for addressing Climate-related Financial Risks".
(2) For more information, please refer to Chapter 5 of this report.

4.2.2 Definition, objectives and scope of internal control

The internal control system refers to Rothschild & Co's own internal control system and the internal control system of the entities belonging to the Group.

The internal control system seeks to provide Rothschild & Co, its Managing Partner, the members of the Supervisory Board, its officers and shareholders with reasonable assurance that the following objectives are achieved:

- the effectiveness and efficiency of the entity's operations;
- the prevention and detection of financial crime (e.g. money laundering, corruption, fraud);
- compliance with laws and regulations, internal standards and rules;
- the reliability of accounting and financial information; and
- protection of the entity's assets.

It also fulfils the internal control objectives specific to financial holding companies supervised by the ACPR on a consolidated basis.

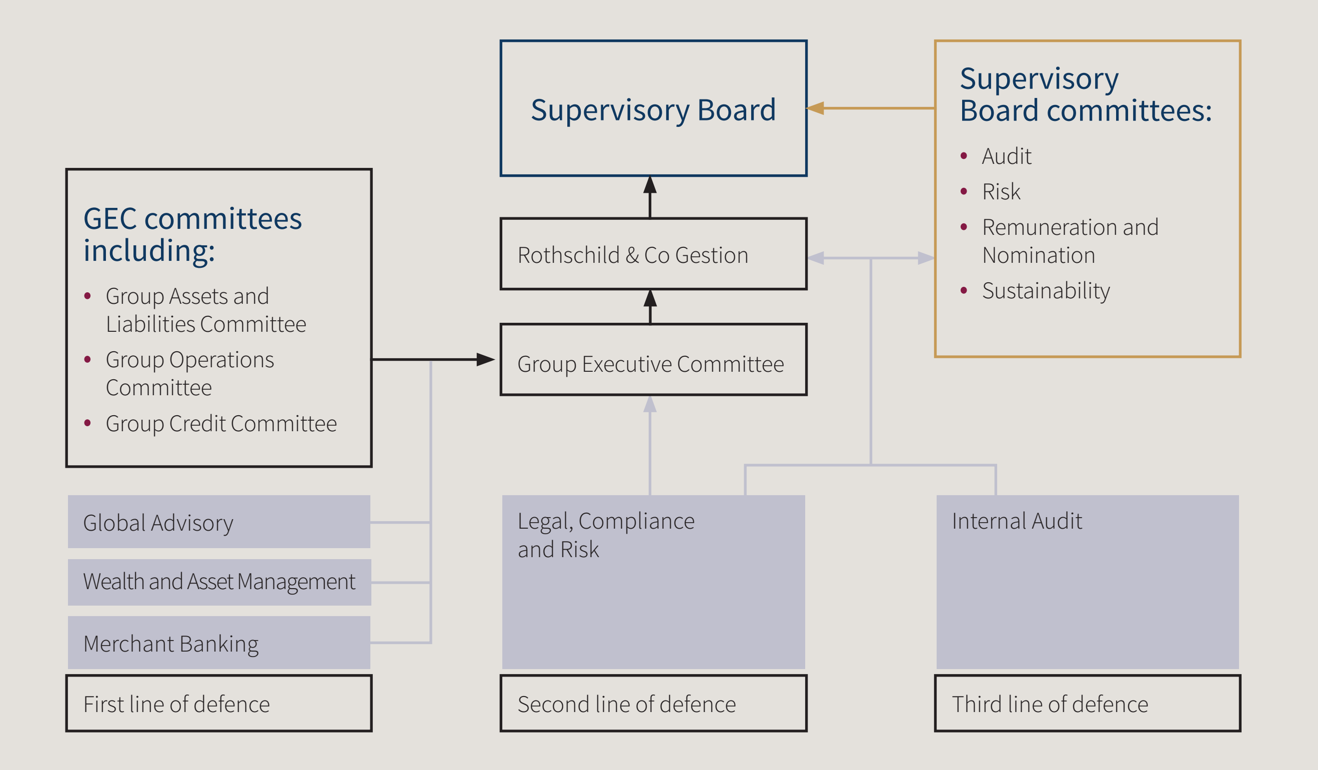
4.2.3 Organisation of internal control

The Group's internal control framework is based on the "three lines of defence" model. The first line comprises front line management from the business itself. The second line includes independent risk and compliance (including financial crime compliance) functions and, to a lesser extent, legal, finance and human resources functions to monitor on a continuous basis the risk exposures borne by the Group, and the third line comprises internal audit – which exercises periodic surveillance of the Group's activities and support functions.

The three lines of defence for identifying, evaluating and managing risks may be illustrated as follows:

First line of defence	Second line of defence	Third line of defence
Comprises the senior management in each of the Group's business lines which is responsible for establishing and maintaining effective risk management systems and supporting risk management best practice.	Comprises specialist Group support functions including: risk and compliance, and in some cases legal, finance and human resources. These functions provide: • advice to management at Group level and operating entity level; • assistance in the identification, assessment, management, measurement, monitoring and reporting of financial and non-financial risks; • independent challenge to the businesses; • technical guidance; • review of risk policies for approval by the Group Executive Committee and/or the Managing Partner, Rothschild & Co Gestion; and • oversight, co-ordination and direction of risk-related activities in conjunction with second line functions within the operating entities themselves.	Provides independent objective assurance on the effectiveness of the management of risks across the entire Group. This is provided by the Group's Internal Audit function.

The chart below shows the internal control governance structure through which the Group seeks to comply with these obligations:



Supervisory Board

The Supervisory Board carries out the ongoing supervision of the Company's management by the Managing Partner, including the organisation of the internal control systems of the Group, with the assistance of its Risk Committee, Audit Committee, Remuneration and Nomination Committee and Sustainability Committee for matters of their respective concerns. In this context, the Supervisory Board may conduct any inspections and verifications it deems necessary and may ask to be provided with the documents it considers useful to perform its work.

The composition and role of the Supervisory Board and its Committees are presented in Section 6.2 of this report.

Managing Partner – Rothschild & Co Gestion

Rothschild & Co Gestion is the sole manager *(gérant)* and legal representative of the Company. As Managing Partner, Rothschild & Co Gestion is responsible for the overall management of the Company and is vested with the broadest powers to act in all circumstances on its behalf. As such, the Managing Partner is notably in charge of directing the internal control framework of the Company and the Group entities on a consolidated basis.

The role and organisation of the Managing Partner are presented in Section 6.1 of this report.

The Heads of the Compliance, Legal, Risk and Internal Audit functions report on the performance of their duties to the Managing Partner and, whenever it is necessary in accordance with legal and regulatory provisions, also report to the Supervisory Board.

To carry out its duties, the Managing Partner relies on the Group Executive Committee.

Group Executive Committee

The Group Executive Committee is the senior executive committee of Rothschild & Co, whose members are the most senior executive officers of the Group's business divisions and support functions. In its role, the Group Executive Committee proposes strategic orientations to the Managing Partner, and assists the Managing Partner in overseeing the implementation of the strategy across the Group and the operational management of the Group including by (i) reviewing and monitoring of business performance, business plans, budgets and business forecasts, (ii) identifying, discussing and implementing cross-divisional synergies, (iii) identifying, discussing and reviewing new business opportunities, (iv) identifying, discussing and reviewing human resources strategic initiatives, (v) discussing and reviewing matters relevant for Group's risk management and internal control including AML/FT and support to the Group's zero-tolerance policy for any unethical or corrupt behaviour, (vi) discussing, reviewing and oversighting the implementation of Group digital strategy, and (vii) implementing, reviewing and oversight the defined strategic group-wide ESG priorities and KPIs.

The Co-Chairmen of the Group Executive Committee report jointly to the Managing Partner on the Group Executive Committee's initiatives, propositions and decisions and ensure that the Group Executive Committee implements effectively any measures set out by the Managing Partner.

The composition of the Group Executive Committee is presented in Section 6.1.3 of this report.

Independent control functions

Rothschild & Co has based its internal control system on the three lines of defence model. While they are complementary, the three lines are distinct and independent of one another:

- the first level of control is carried out by staff engaged in operational activities, who identify the risks resulting from their activity and are required to respect the procedures and limits established for managing these risks;
- the second level of control is intended to ensure that the risks have been identified and managed by the first line in accordance with the relevant procedures and limits. It is carried out primarily by staff in Compliance and Risk functions at central or, where appropriate, local level or by other independent teams with the relevant expertise. The first two lines of defence ensure permanent control over the Group's activities in order to provide assurance that its operations comply with applicable regulations, internal policies and procedures; and
- the third level of control is the overall process for ex-post monitoring of the control framework of the Group, known as periodic control. It is based on investigations that are conducted by the Group Internal Audit function, which performs periodic checks on an independent basis on the design and the effectiveness of the control processes that form part of the Group internal control framework (including checks from the first two lines of defence) to comply with the Group Risk Appetite Statement and main applicable regulations.

Group Legal and Compliance

The responsibilities of the Group Legal and Compliance function include, among other things: development and maintenance of compliance policies and procedures (including those dealing with financial crime such as anti-money laundering and combating the financing of terrorism, anti-corruption)[1], execution or supervision of monitoring programmes, conduct of any required investigation and advice on compliance aspects of any transactional or business processes, facilitation of certain aspects of risk governance (*e.g.* organisation of the Global Advisory Risk Committee or the Group Financial Crime Compliance Committee), monitoring and review of legislation and regulatory developments which might affect the Group's business, reporting results of monitoring programmes to senior management, agreeing and monitoring any remedial action or changes to all of the above with senior management. This independent internal control function reports to the Group Head of Legal and Compliance, who is a member of the Group Executive Committee. The Group Head of Legal and Compliance reports to the Group Executive Committee, the Managing Partner, the Supervisory Board's Risk Committee and to various boards (or their equivalent) around the Group.

Group Risk

Group Risk is responsible for ensuring that suitable risk management processes are in place across the Group, for reporting a consolidated view of risk exposures across the Group and delivering an independent and objective perspective on the risks in the business and whether they are consistent with Group strategy and risk appetite. As part of its role, Group Risk assesses the risks in each business and how they are managed and aims to establish a forward-looking view over emerging risks within the businesses or the external environment. The Group Chief Risk Officer reports to one of the two Rothschild & Co *dirigeants effectifs* and provides information regularly to Rothschild & Co Gestion and to the Group Executive Committee on the overall risk profile of the Group and on significant incidents in accordance with the provisions of the Group Operational Risk Policy.

This policy sets out the criteria and thresholds for identifying significant operational risk incidents and the process for escalating them (including to the Supervisory Board of Rothschild & Co and the Risk Committee) and ensuring that any remedial actions are appropriately monitored.

In addition to the activities highlighted above, the Group Chief Risk Officer presents a report on risk management to the Risk Committee on a quarterly basis. This report covers capital reporting for Rothschild & Co, analysis of credit, liquidity, market and operational risk, regulatory and legal issues, any new products and highlights any material limit breaches or issues identified by Group Risk in its day-to-day activities.

Other functions, such as Group Finance and Human Resources, have an important role in maintaining a robust internal control system in their specific areas of responsibilities.

Group Internal Audit

Periodic control is independently exercised by Group Internal Audit. The Head of Internal Audit meets formally every three to four months with the relevant Managing Partners of Rothschild & Co Gestion and, whenever necessary, to present the activity of the Internal Audit Function and discuss any material findings raised during the period. The Group Head of Internal Audit presents the activity of Internal Audit to the Audit Committee on a quarterly basis. The Audit Committee approves each financial year the audit plan for the coming financial year and during its meetings it reviews in detail the activity of the Internal Audit function. The Group Head of Internal Audit meets regularly, usually every quarter, with the heads of the main lines of business to discuss progress on activity and the evolution of risks for their respective area of responsibility. This forms part of the regular information of the Group Internal Audit function on the evolution of the Group's risk profile.

Each of the Internal Audit officers is responsible for the audit coverage of a specific areas: Global Advisory, Private Wealth Asset Management, Merchant Banking, Banking and Treasury and support functions, including Information Technology. The other members of the Internal Audit function are not allocated by business and are assigned to different audits according to the scheduling of the annual audit plan. The Group Head of Internal Audit reports on the performance of his duties to one of the two *dirigeants effectifs* of Rothschild & Co and to the Audit Committee.

(1) For more information about these policies, please refer to Chapter 5 of this report.

4.3 Risk management

The guiding philosophy of risk management in the Group is to adopt a prudent and conservative approach to the taking and management of risk. The maintenance of the Group's reputation is a fundamental driver of risk appetite and of risk management. The protection of reputation guides the type of clients and businesses with which the Group will engage.

The nature and method of monitoring and reporting varies according to the risk type. Risks are monitored regularly with management information being provided to relevant committees on a weekly, monthly or quarterly basis.

Where appropriate to the risk type, the level of risk faced by the Group is also assessed through a series of sensitivity and stress tests.

The identification, measurement and control of risk are integral to the management of the Group's businesses. Risk policies and procedures are regularly updated to meet changing business requirements and to comply with best practice.

4.3.1 Credit and counterparty risk

The Group's credit risk exposure primarily arises from its private client lending activity (through Rothschild & Co Bank International Limited, Rothschild & Co Wealth Management UK Limited, Rothschild & Co Bank AG, Rothschild Martin Maurel SCS and Rothschild & Co Wealth Management Monaco), corporate lending (through Rothschild Martin Maurel SCS) and lending to funds managed by the Group. In addition, the legacy banking activities undertaken in N.M. Rothschild & Sons Limited (including commercial real estate loans) and the co-investment in transactions within real estate debt management mandates, result in some credit risk.

All credit exposures are closely monitored on a regular basis and a quarterly review of bad and doubtful debts is undertaken.

All material credit exposures are subjected to an intensive process of credit analysis by expert teams and review and approval by formal credit committees. A high proportion of the credit exposures are secured.

Group Credit is responsible for monitoring the overall level of credit exposure across the Group. It also manages treasury counterparty credit risk. The Group Credit team works closely with the embedded credit staff in Rothschild & Co Wealth Management UK Limited, Rothschild & Co Bank AG, Rothschild & Co Bank International Limited and Rothschild Martin Maurel SCS and provides a first line of defence in terms of its credit expertise and its monitoring of the type and quantum of the overall lending activity. Group Risk provides independent challenge through the credit process and second line oversight and reporting of lending exposure against limits to the Group Executive Committee and the Risk Committee.

Management of credit risk

The Group Credit Committee ("GCC") oversees all lending in the Group through three sub-committees – the Private Client Credit Committee ("PCCC"), the Group Credit Committee – France ("GCCF") and the Corporate Credit Committee ("CCC").

The PCCC is responsible for the oversight of private client lending exposures (including credit risk and pricing of loans) in Group entities outside France and reviews private client lending which is on the balance sheets of the following lending entities: Rothschild & Co Bank AG, Rothschild & Co Bank International Limited and Rothschild & Co Wealth Management UK Limited. The private client lending policies and associated delegated approval authorities are confirmed by the relevant board (or board committee as appropriate) of each of these entities.

The GCCF is responsible for the oversight of private client lending exposures and corporate lending exposures (including credit risk and pricing of loans) by Rothschild Martin Maurel SCS and R&Co Wealth Management Monaco. The lending policies and associated delegated approval authorities are confirmed by the relevant board (or board committee as appropriate) of Rothschild Martin Maurel SCS.

The CCC is responsible for the oversight of corporate lending exposures (including credit risk and pricing) by Group entities (excluding lending to clients by Rothschild Martin Maurel SCS), the Group's bank counterparty limits and other counterparty limits, lending to Group companies and lending to funds managed by the Group (including any co-investment in or direct credit exposure to Merchant Banking transactions), and co-investment in transactions within real estate debt management mandates. The lending policies and associated delegated approval authorities are confirmed by the relevant board (or board committee as appropriate).

The lending exposures assumed and the credit policies followed within the Group are subject to the oversight of the Risk Committee. The PCCC, GCCF and CCC review the level of risk assumed in respect of lending to ensure it is consistent with the risk appetite of the Group and in accordance with the Group Credit Risk Policy. Any material changes to the lending policies are reviewed by the Group Executive Committee and the Group Assets and Liabilities Committee (the "Group ALCO"), a committee set up by the Group Executive Committee, and are reported to the Risk Committee.

Approach to credit risk

The Group has credit risk and large exposure policies which are established by the Group Executive Committee and reviewed by the Risk Committee.

In conjunction with the Group's Risk Appetite Statement, the policies set out the approach to managing the credit risk profile of the Group, the limits that have been set and the reporting protocols.

All exposure to credit risk is managed by analysis of client and counterparty creditworthiness prior to entering into an exposure, and by ongoing monitoring thereafter. A significant proportion of the Group's lending exposures are secured on property or investment assets, and the Group monitors the value of the collateral. The Group also uses netting agreements to restrict credit exposure to counterparties. For internal monitoring purposes, credit exposure on loans and debt securities is measured as the principal amount outstanding plus accrued interest.

Stress testing is an important risk management tool used to evaluate and gain an understanding of the impact of unexpected or extreme events and to validate the firm's risk appetite. Each banking entity is required to set out, in its credit risk policy, its approach to stress testing and whether it is considered appropriate for the entity's risk management.

Settlement risk

Settlement risk arises in circumstances where a counterparty does not deliver a security or its value in cash as agreed when the security was traded after the other counterparty has already delivered a security or cash value. Within the Group, settlement risk can arise when conducting foreign exchange and derivatives transactions as well as through the sale and purchase of securities. There are a number of mitigants available to ensure that such risks are minimised and managed appropriately.

Please refer to section 4.2 of the Consolidated Financial Statements for 2021 for further information about credit risk.

4.3.2 Market risk

Market risk arises as a result of the Group's activities in interest rate, currency, equity and debt markets. Exposure to market risk on trading activities is small in relation to capital, as trading activity is focused on servicing client requirements rather than on proprietary risk-taking. Foreign exchange and interest rate derivative contracts are predominantly used for hedging purposes. Trading activities in the Group are confined to "vanilla" products, the Group does not trade in complex derivatives or other exotic instruments. Please refer to section 3.2.5 of the Consolidated Financial Statements for 2021 for further information about the use of derivatives instruments and hedge accounting.

Each of the Group's regulated banking entities is required to manage market risk on a stand-alone basis in accordance with its individual risk appetite and limits approved by the Group ALCO.

The Group measures interest rate risk in the banking book in line with the EBA requirements and this is calculated at the entity level and on a consolidated basis for the Group.

Exposure to interest rate risk in the banking book is not material in relation to capital and there have been no material changes to the profile of interest rate risk in the banking book during the 2021 financial year.

Please refer to section 4.3 of the Consolidated Financial Statements for 2021 for further information about market risk.

4.3.3 Liquidity risk

Liquidity risk is defined as the risk that a Group banking entity is not able to maintain or generate sufficient cash resources to meet its payment obligations as they fall due. Managing liquidity risk is therefore a crucial element in ensuring the future viability and prosperity of the relevant banking entity as well as the Group.

Governance of liquidity risk

The Group adopts a conservative approach to liquidity risk and its management and has designed its approach in the overall context of the Wealth Management strategy.

The Group Risk Appetite Statement establishes limits to ensure that the Group will maintain sufficient liquid resources to meet cash flow obligations and maintain a buffer over regulatory and internal liquidity requirements. The Group Liquidity Risk Policy is reviewed annually. Each banking entity must have in place a liquidity risk policy approved by the Group ALCO, which defines its liquidity risk limits and how liquidity risk is measured, monitored and controlled.

In line with the directions given by the Managing Partner, the Group ALCO is responsible for the development and oversight of the implementation of the liquidity strategy, the approval of local liquidity risk policies and limits, and the implementation of reasonable steps to ensure these are consistent with the Group's risk appetite. The Group ALCO establishes and maintains a structure for the management of liquidity risk, including allocations of authority and responsibility to senior managers and ensures that all reasonable steps are taken to measure, monitor and control liquidity risk and identify material changes to the liquidity profile.

The Group ALCO evaluates the results of stress testing on the liquidity profile and is responsible for the invocation of any Contingency Funding Plan ("CFP") measures if necessary. The Group ALCO ensures that the appropriate liquidity impact and liquidity cost of transactions is taken into account in the credit processes and as a key element of their pricing and risk-reward assessment in respect of existing and new business.

System for monitoring liquidity risk

The liquidity positions for Rothschild & Co Bank International Limited, Rothschild & Co Bank AG and Rothschild Martin Maurel SCS are reviewed and reported in depth to the Group ALCO and summarised for the Managing Partner and Risk Committee. In addition, the Group is required to have a contingency funding plan in place which requires a periodic review of the relevance and degree of severity of the assumptions used, the level and sustainability of the funding commitments received and the amount and quality of the liquid assets held. These complement the existing plans for individual Group entities.

The Heads of Treasury are responsible for the day-to-day management of liquidity, operating the business within liquidity limits set under their local policy and as approved by the Group ALCO and for reporting to its meetings.

Group Finance is responsible for monitoring adherence to the liquidity risk limits and for reporting any limit or target breaches as soon as practicable. Additionally, the team is responsible for preparing and submitting regulatory liquidity returns, performing stress tests on the liquidity profile, verifying the appropriateness of such stress tests in consultation with Group Risk and reporting stress test results to the Group ALCO.

Group Risk is responsible for monitoring the Group's liquidity risk against limits, preparing periodic reports on it for the Managing Partner, the Group Executive Committee, the Group ALCO, and the Risk Committee; and for verifying the appropriateness of stress testing in consultation with Group Finance.

Please refer to section 4.4 of the Consolidated Financial Statements for 2021 for further information about liquidity risk.

4.3.4 Operational risk

The Group has defined operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes risks in relation to information security and information technology.

Management of operational risk

The Group has an established operational risk framework with the key objectives of mitigating operational risks by means of policies, processes, systems and procedures; communicating the Group's risk appetite; protecting the Group's assets; defining roles, responsibilities and accountabilities across the Group; and establishing a consistent approach for identifying, monitoring, measuring and reporting operational risk throughout the Group.

The Group Operational Risk Policy, pursuant to the Group Risk Framework for the Group, is reviewed annually. It formalises the operational risk framework and is designed to ensure compliance with regulatory requirements in relation to operational risk. Oversight of operational risk matters rests with the Managing Partner, with the assistance of the Group Executive Committee and the Group Operations Committee for their respective responsibilities, under the supervision of the Supervisory Board, assisted by its Risk Committee.

Each of the key operating entities has established processes and appointed staff to identify and assess the operational risks that they are exposed to, in the context of their own market conditions, and have appropriate controls or risk mitigation processes in place. Management's assessment of operational risk is documented in risk assessments which are carried out at least annually.

All incidents with a loss amount greater than €30,000 are reported in the quarterly legal, compliance and risk report which is presented to the Group Executive Committee, the Managing Partner, the Risk Committee and the Supervisory Board.

Compliance risk

Protection of the Rothschild & Co brand is of fundamental importance to the Group. The Rothschild & Co name and its reputation are considered to be the Group's key asset. A number of controls are in place to ensure the culture of professionalism and protection of the Group's reputation is maintained.

Measures to limit reputational risk are set out in Group policies and in each of the businesses' compliance manuals. These include high-level principles to guide behaviour and extensive procedures relating to new client take on/acceptance for all business divisions.

Compliance with external laws and regulations, as transmitted through the Group's framework of policies and procedures and set out in the Code of Conduct, is a fundamental requirement for all staff. Regular and targeted compliance training ensures that Group employees are clear on their regulatory responsibilities and understand the regulatory environment in which they conduct business.

Group Compliance identifies employee training needs based upon a number of factors, including regular monitoring of permanent controls, compliance reviews, regulatory developments, annual compliance risk assessments, breaches of compliance policy, practice or procedure and other factors.

In addition, bespoke training is organised at the business line and legal entity level. Ad hoc training is given to ensure prompt dissemination to staff of business-related market and best practice, legal, compliance and regulatory developments.

On a monthly basis, each compliance function in all the major business lines is required to complete a report of compliance management information. This information comprises quantitative data reporting and qualitative assessments made by local compliance officers. This gives a Group-wide picture of compliance risk and also allows Compliance to collect the requested information by business line or topic.

Financial crime risk

The Group Compliance function oversees and coordinates the programme for preventing and detecting financial crime for all Group entities (spanning money laundering, terrorist financing, tax evasion, financial sanction violations, bribery and corruption, and fraud). The Group Head of Legal & Compliance oversees the Group's financial crime risk strategy and reports to a Managing Partner. He is assisted by subject matter experts in the Group Financial Crime Compliance team and with the execution of operational processes by Compliance staff on a global basis.

A Group Financial Crime Compliance Committee (chaired by the Head of Group Financial Crime Compliance) examines the design and effectiveness of the Group's financial crime policies, procedures and monitoring programmes, and is responsible for developing a strategic approach to money laundering prevention for the Group. The Committee convenes on a quarterly basis and its members include all the regional heads of financial crime compliance.

Training is provided to all relevant staff globally on a periodic basis covering all key financial crime training topics. This is supplemented by appropriate targeted and tailored training provided locally.

The Group Financial Crime Compliance team has an Oversight and Assurance function imbedded within it, which regularly reviews on a global basis local compliance with Group financial crime related policies.

4.3.5 Other non-financial risks

In addition to the financial and operational risk categories identified in this Section, a description of the other material non–financial risks related to the Group's business, or any such risks created by its business relationships, products or services is presented in Chapter 5 of this report. This provides (i) information on the policies, procedures, and initiatives with which the Group takes into account the social and environmental consequences of its activity (including amongst others the effects of the Group activity with regard to respect for human rights, the fight against corruption and tax evasion) and (ii) information on risk relating to climate-change and the low-carbon strategy implemented by the Group.

4.4 Organisation of the Group accounting arrangements

Group Finance has the necessary people to produce the financial information of the Group on a consolidated and regulatory basis. Group Finance consists of four areas: Management Accounting; Financial Accounting, Financial Systems; and Regulatory Reporting.

4.4.1 Overview of local statutory accounting arrangements

The local accounting departments are responsible for local statutory accounts. Group Finance produces the Rothschild & Co consolidated accounts, although it also reviews Rothschild & Co's solo accounts to ensure consistency where appropriate. The Group Financial Systems team manages the chart of accounts, the consolidation tool and the associated databases, as well as the general ledger used throughout the Group. It also manages the interface between the general ledger and the consolidation tool.

4.4.2 Process for establishing consolidated accounts

The Group Financial Accounting team performs the Group consolidation, controls the consistency and completeness of Group accounting data and draws up the consolidated accounts and related notes.

In the consolidation tool, all subsidiaries report their individual accounting information using a chart of accounts and a format that are common to the whole Group.

Subsidiaries report accounting data directly to Group under IFRS in the consolidation tool. The Group defines in its data dictionary how to record specific transactions and defines how the notes to the accounts should be prepared. The data dictionary, as well as other accounting guidance, is available for all offices on Rothschild & Co's intranet. There are also quarterly reporting instructions and a quarterly Group Finance newsletter.

Once data has been integrated into the consolidation tool, "blocking" controls defined by the Group are applied in order to validate the consistency of the accounting data, the correctness of certain flows and the completeness of the analyses. In addition to these controls, the procedure for preparing the consolidated accounts includes:

- the reconciliation of intercompany transactions and the distribution of shareholdings in the Group's companies;
- checks on the consolidation adjustments;
- analysis and justification of consolidated shareholders' equity;
- analysis of changes in balances and ratios on a quarterly and year-to-date basis; and
- consideration of whether the data has been prepared on a materially consistent basis.

4.4.3 Accounting control process

The accounting control process at Group level complements the control systems implemented at each level of the Group's organisation.

4.4.4 Accounting control mechanism at entity level

Group Finance relies on a decentralised system where the primary control functions are assigned to the persons responsible for producing the local financial statements.

Local accounting data, which includes amounts both on and off-balance sheet, is largely collected via a general ledger used by the whole Group, and then mapped using consistent centrally maintained software into the Group's consolidation tool. The local Finance departments are responsible for validating the accounting data entered in the general ledger and the consolidation tool through three levels of control:

- a first level – of the self-control type – which is embedded in the local accounting processes. These controls are operated daily;
- a second level, which is operated by accounting managers, for example, involving controls on securities positions and consistency controls designed to ensure the reliability and completeness of the accounting and financial information; and
- a third level, which involves the Group Internal Audit department, depending on its annual work plan schedule.

In addition, the statutory auditors certify the Group accounts, carried out on an annual (audit procedures) and half-yearly basis (limited review procedures). It is specified that not all entities are audited (but most operating and all material entities are) and that only the large entities and the significant balances are reviewed for the half-year accounts.

As described above, local entities' accounting information is integrated on an IFRS basis into the consolidation tool templates. Once data has been input, "blocking" system controls are applied.

4.4.5 Accounting control mechanism at consolidation level

In addition to the control procedures at entity level described above, the consolidation process is accompanied by additional checks on the integrity of the consolidated accounting information. These checks are carried out by:

- Group Finance, which in addition to its controls on the integrity of the accounting information, checks the consistency of the data reported with:
  - its knowledge of the major transactions,
  - the Group management accounts and the reconciliation of differences with the Group consolidated financial statements,
  - a category-by-category analysis of key balances, and
  - papers produced by other relevant committees (for example, the Remuneration and Nomination Committee, the Group ALCO, the Group Executive Committee, etc.);
- the Audit Committee, which examines the Rothschild & Co consolidated financial statements. In this context, the Audit Committee makes sure that the accounting methods employed are relevant and applied consistently, in particular when dealing with major transactions. It reviews the consolidation scope and, if necessary, the reasons why certain entities are not included. It also reviews the major off-balance-sheet commitments, if any;
- the Statutory auditors, which, in the context of the certification of the accounts, review the Rothschild & Co consolidated financial statements. Their work is carried out in accordance with professional standards;
- Rothschild & Co Gestion, as Managing Partner of Rothschild & Co, which approves *(arrêté)* the Rothschild & Co consolidated financial statements; and
- as a final level of control, the Supervisory Board, which is responsible for examining the Rothschild & Co consolidated financial statements.

4.4.6 Control framework for regulatory reports

The Group Regulatory Reporting section draws up the relevant Group procedures and ensures the quality and reliability of calculations of the solvency ratio, credit risk, market risk, operational risk and regulatory capital.

At Group level, the regulatory reports prepared for the ACPR are those related to:

- solvency ratio (including Capital Adequacy and Risks reports) leverage ratio and large exposures;
- liquidity coverage ratio, additional liquidity monitoring metrics and Net Stable Funding Ratio (NSFR); and
- IFRS/FINREP reports on a regulatory scope.

There are currently five main procedures related to regulatory reporting process:

- solvency ratio procedure;
- large exposures procedure;
- procedure for liquidity reporting of LCR, metrics and NSFR;
- procedures that have been defined for FINREP; and
- counterparty master data procedure.

Processes include a full reconciliation with accounts including off balance sheet commitments. A Validation Committee chaired by the Group CFO is held each quarter to review and approve main regulatory ratios that cover material risks such as solvency, liquidity, concentration and risk of excessive leverage.

Furthermore, each quarter the Group Regulatory Reporting section circulates quarterly regulatory reporting instructions and a quarterly Group regulatory newsletter to all relevant staff in the Group.

5

Sustainability

5.1 Rothschild & Co's approach to sustainability

5.1.1 Sustainability is strategy

Rothschild & Co's purpose is to provide a distinct perspective that makes a meaningful difference to our clients' business and wealth, to our planet and the communities we are part of.

As a family-controlled business with more than 200 years of heritage, at Rothschild & Co we know that long-term value creation depends on the balanced consideration of the interests of all our stakeholders. Enabling a future in which everyone can thrive is a fundamental requirement for sustaining a successful business in the long-term, for managing risks for the Group's stakeholders, and unlocking opportunities for growth. As such, sustainability is fundamental to delivering the Group's strategy across its business model (please refer to the Chapter "Overview" of this report).

In 2021, the Group decided to formalise its long-term ambition to **use its influence and expertise to support the sustainability transition of the global economy** as a key pillar of Group strategy, and to further drive business line strategy integration.

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

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

ESG priority framework

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

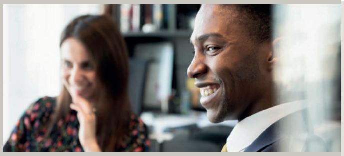
Environment (E)

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

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

Operational focus:
- Carbon footprint
- Responsible consumption and resource use

People and Society (S)



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

5 Gender equality · 10 Reduced inequalities

Operational focus:
- Diverse and inclusive talent pool
- Employee wellbeing and development

Business Practices (G)

Strategic priorities:
- Safeguard **responsible business conduct**

16 Peace, justice and strong institutions

Operational focus:
- Compliance culture
- Data and cybersecurity
- Financial crime

Bussiness line implementation:

Wealth & Asset Management and Merchant Banking
Investment policies | Stewardship and engagement | Products and services

Global Advisory
M&A transaction advice | Financing and investor advisory

Mandates/clients/supplier selection

Philanthropic activities:

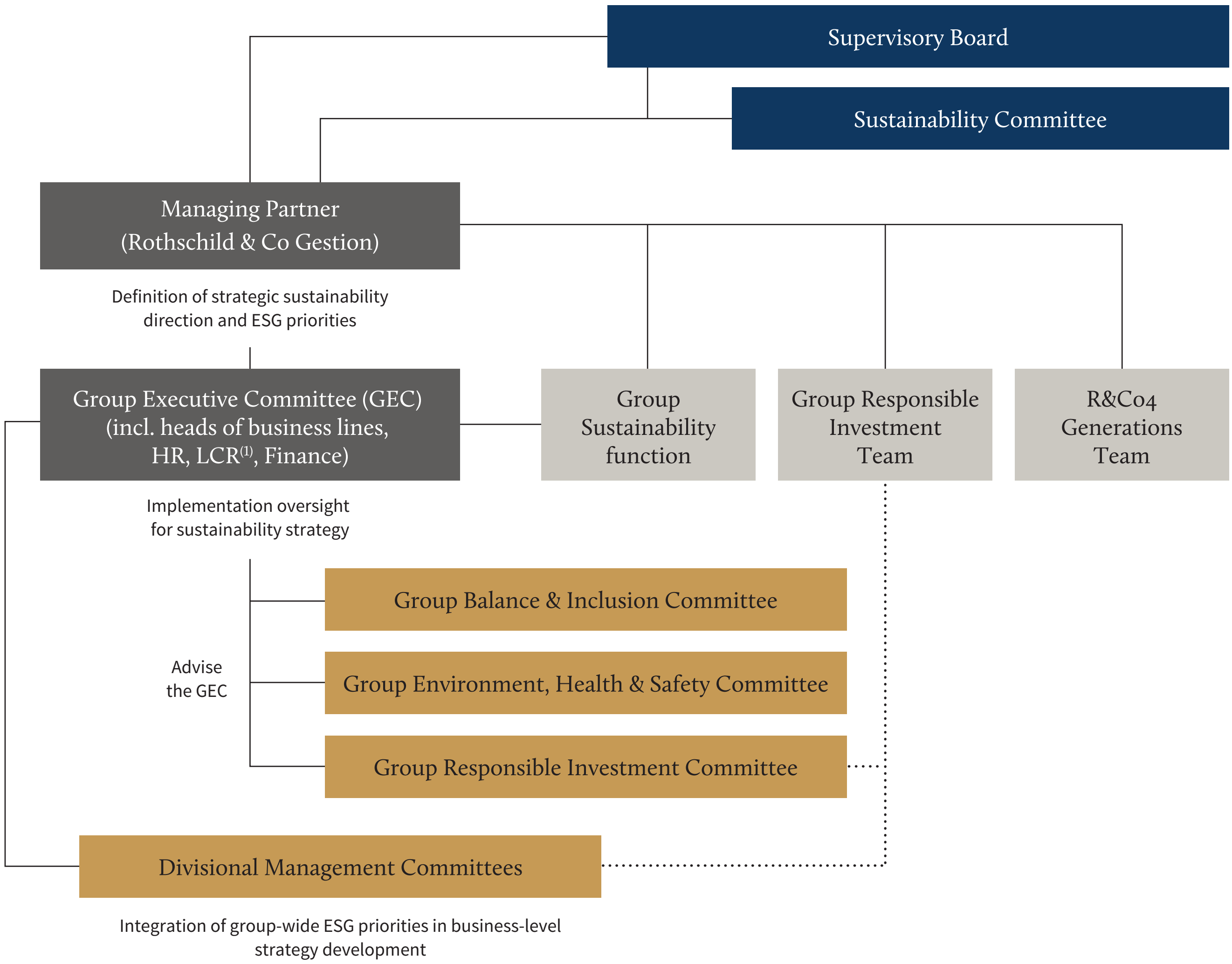
R&Co4Generations
Donations/debt/investments | Pro-bono advisory

The priorities listed in the above **ESG priority framework** are reflective of the Group's most material dimensions of environmental, social and governance impact (please refer to the materiality assessment of non-financial risks in Section 5.1.4 of this report). The framework acts as the foundation for a considered approach to ESG integration in the most business-relevant activities across the Group's value chain and helps define a roadmap for implementation.

Section 5.2 of this report outlines how these priorities are reflected in policies and progress made in 2021 to integrate ESG considerations across the different levers of the business model. Sections 5.3, 5.4, and 5.5 provide a more granular description of priorities and progress made in each of the Group's strategic E, S, and G pillars in 2021, including key performance indicators.

5.1.2 Governance of sustainability matters

Overview of governance arrangements



(1) Legal, Compliance and Risk.

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

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

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

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

The **Group Executive Committee (GEC)'s** role is to propose strategic directions to Rothschild & Co Gestion, including in relation to sustainability, and to assist the Managing Partner in overseeing the implementation of the strategy across the Group and the operational management of the Group. One member of the GEC is responsible for sustainability topics. Sustainability matters are discussed in the regular meetings of the GEC any time as required (in more than 80% of the meetings in 2021).

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

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

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

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

Overview of dedicated committees supporting the GEC

Committee	Mission
Group Balance & Inclusion Committee	Committed to creating a diverse, inclusive and flexible environment that enables all colleagues to achieve their personal and professional aspirations, and to ensure that Rothschild & Co Group provides long-term opportunities for growth.
Group Environment, Health & Safety Committee	Overseeing the development and effective implementation of group-wide policies aimed at limiting and reducing the impact of our business operations on the environment, and the health and safety of employees.
Group Responsible Investment Committee	Developing and overseeing the implementation of a group-wide ESG investment integration and engagement framework supporting the transformation of industries towards sustainable practices.

(1) For information on the composition of the Sustainability Committee, please refer to Section 6.2.7 of this report.

5.1.3 Stakeholder dialogue, partnerships and public commitments

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

Section 5.6 of this report provides an overview of relevant stakeholder groups, key topics and structured engagement activities in 2021, which helped the Group form its perspectives on how to approach sustainability matters in 2021.

As a signatory to the United Nations Global Compact, the Group supports its Ten Principles on Human Rights, labour, environment, and anti-corruption and is committed to engaging in collaborative projects that advance the United Nations Sustainable Development Goals (SDGs). Where appropriate, this report makes the link between the Group's sustainability priorities and the commitment to, wherever possible, contribute to the achievement of selected SDGs (please refer to the ESG priority framework or universal reference table in Section 5.6 of this report).

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

Overview partnerships & public commitments

Partner	Engagement & commitments 2021
UN Global Compact	Signatory since January 2021
UN PRI	All investment business entities have signatory status
CDP	Investor Signatory since 2017; regular climate change disclosure reporting
France Invest Charter for Gender Equality	Rothschild Martin Maurel SCS and Five Arrows Managers SAS are signatories since 2020
Climate Action 100+	Rothschild & Co Asset Management Europe SCS is a signatory since 2019
Women in Finance Charter	N.M. Rothschild & Sons Limited is a signatory since 2019; commitments have been expanded to the entire Group
Initiative Climat International	Five Arrows Managers SAS is a signatory since 2018
Advance – gender equality in business	Rothschild & Co Bank AG is a signatory since 2020
Swiss Sustainable Finance	Rothschild & Co Bank AG is a signatory since 2021
Net Zero Asset Managers initiative	Rothschild & Co Asset Management Europe SCS is a signatory since 2021
Investors coalition for a just transition	Rothschild & Co Asset Management Europe SCS is a signatory since 2021
Le Cercle Robeco pour une Banque Privée durable	Rothschild Martin Maurel SCS is a member since 2021

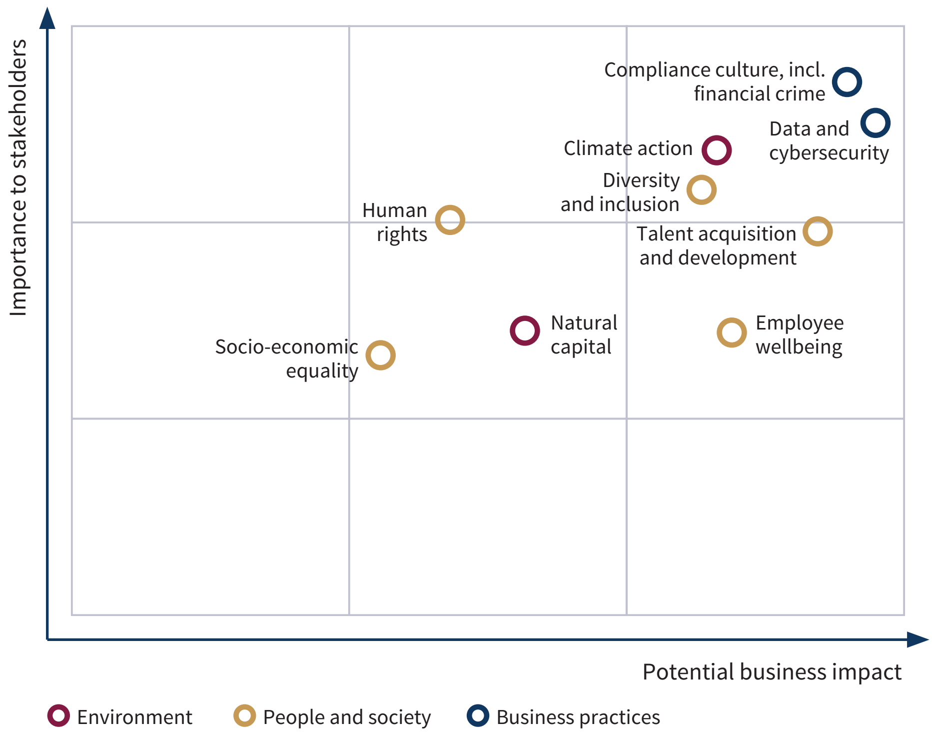
5.1.4 Materiality assessment of non-financial risks

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

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

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

Materiality matrix of non-financial risks relating to sustainability



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

The results of the assessment for 2021 highlight the continued areas of focus for the business as reflected in the ESG priority framework. This report aims to provide relevant information with regards to initiatives aimed at mitigating the business impact on these matters, in particular relating to "Compliance culture" (Section 5.5.2), "Data & cybersecurity" (Section 5.5.4), "Climate action"(Section 5.3), "Diversity & inclusion", (Section 5.4) and "Talent acquisition and development" (Section 5.4)[2].

(1) Methodology 2021: Consultation of most recent secondary data sources paired with internal expert consultation led to an update of a long list of micro-issues related to sustainability (incl. category labels), that might present non-financial risks and/or opportunities for the firm and its stakeholders. Followed by a spot employee survey as well as consultation of most recent secondary data sources, a risk assessment was conducted in consultation with internal experts as part of Group's strategic risk assessment process, including focus groups with internal business line experts. In line with formal governance arrangements, the results were approved by the Managing Partner, and shared and discussed with the Sustainability Committee and Risk Committee of the Supervisory Board.
(2) For "Employee Wellbeing", please refer to Section 5.4.2 of this report, for "Human Rights", please refer to Sections 5.4.2 and 5.4.4 of this report; for "Natural Capital", please refer to Section 5.3 of this report; for "Socio-economic equity" please refer to Sections 5.3.6 and 5.4.6 of this report.

5.1.5 Reporting scope and reference

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

- L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code *(Code de commerce);*
- Global Reporting Initiative (GRI) principles (please refer to the universal reference table in Section 5.6);
- Principles of the United Nations Global Compact (please refer to the universal reference table in Section 5.6);
- Standard of the Greenhouse Gas Protocol initiative by the World Resources Institute; and
- United Nations Sustainable Development Goals.

The initiatives, policy references and data presented in this report aim to provide an accurate and complete reflection of the Group's sustainability strategy and its performance on the most relevant topics as identified in the Group's annual materiality assessment of non-financial risks (please refer to Section 5.1.4 of this report) and presented in the Group's ESG priority framework (please refer to Section 5.1.1 of this report).

Details on **reporting coverage and methodology** can be found in Section 5.6 of this Annual Report. Non-financial data and information for the reporting period is collected and reported utilising software solutions, sourced from the responsible business divisions and service providers.

In line with article R.225-105 of the French Commercial Code, the Managing Partner of the Group engaged KPMG to provide an **independent limited assurance** conclusion on the consolidated non-financial statement in compliance with the International Standard on Assurance Engagements (ISAE) 3000 (please refer to Section 5.6 of this report).

Governance for the content and accuracy of this report is covered by a dedicated sustainability governance as outlined in Section 5.1.2 of this report.

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

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

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

5.2 ESG integration across the business model

From the Group's operational impact to the products and services offered in its business lines, to the clients and supply chain partners it engages with, the Group aims to integrate its sustainability priorities (please refer to Section 5.1 of this report) at every level of its business model. As such, ESG considerations play an increasing role in its approach to Responsible Investment, and in transaction and ongoing advice given in the Global Advisory business. The firm aims to support its defined environmental and social priorities through philanthropic activities with its dedicated R&Co4Generations fund and platform.

5.2.1 ESG integration in investments

For Rothschild & Co, a proactive approach to Responsible Investment is key to protect the value of investment portfolios, seize investment opportunities, and play an active role in the global transition effort towards a more sustainable economy. Responsible Investment decisions allow to preserve and create value for the Group's clients and stakeholders and to support long-term business success. The Group's approach to Responsible Investment identifies and manages potential environmental, social and governance related risks for the Group and its clients resulting from engagement with the companies and funds that it is invested in.

This chapter aims to highlight common approaches across the Group's investment business lines and draws attention to a number of examples that demonstrate the breadth and depth of progress made in the last year.

Key achievements 2021 Group Responsible Investment roadmap

- **Strengthening of the Responsible Investment platform:** While ESG integration is increasingly becoming an important part of the day-to-day job for most investment teams, Rothschild & Co reinforced its expertise and internal capacity for the coordination of ESG-related topics through recruitment at both Group and entity level. An active ESG coordination network is aimed to ensure consistency within the Group as well as strong operational execution of the Responsible Investment strategy among businesses.
- **Strong commitment for sustainable product offering and SFDR classification:** The SFDR regulation proved to be an opportunity to set ambitious targets to better align entities' product offering to the Responsible Investment strategy.
  - The Group's investment business lines now use the SFDR framework[1] as a guide to develop their product offering with the following SFDR classification objectives[2]:
    - 85% of Wealth Management discretionary assets[3] to be classified as Article 8 or 9;
    - 95% of Asset Management Europe's open-ended funds to be classified as Article 8 or 9; and
    - two Merchant Banking funds to be classified as Article 8 and one fund to be classified as Article 9.
  - Supporting this objective, new sustainable strategies were launched throughout the year and the number of funds with an external sustainable finance certification significantly increased from four funds to 10 funds.
- **Expanded engagement scope:** engagement in initiatives increased in 2021, incl. Wealth Management UK (WM UK) as a Climate 100+ signatory, and Asset Management Europe (AM Europe) joining the Net Zero Asset Managers Initiative.

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

Approach

Group-wide ESG investment framework

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

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

Pillar	Objective	Progresses made 2021	KPIs
100% ESG integration	Same investment policies among the Group	• Common investment policies on thermal coal, fundamental principles and controversial weapons adopted • Thermal coal investment principles reviewed and updated	>90% of consolidated WAM AuM[(1)] covered by thermal coal investment principles
	Common ESG data provider	• ESG integration part of entities' investment process: where applicable, businesses share common tools, data sources and best practice to increase ESG integration	All Wealth & Asset Management entities and investment teams use the same ESG data provider
	Report on a common minimum set of ESG / impact data	• Consolidation plan for reporting of ESG data at Group level • Improved ESG reporting at entity level	100% of AM Europe's funds covered by a carbon intensity measurement
	Creation of a permanent Responsible Investment Committee	• Chaired by a member of the GEC and gathering representatives of all business lines, the Investment Committee meets on a monthly basis	7 Responsible Investment Committee meetings held in 2021
Be an active and engaged investor	Join International Initiatives	• All investment entities were UNPRI signatories at year end 2020 • Asset Management Europe, Merchant Banking, Rothschild & Co Bank AG and Wealth Management UK submitted a UNPRI questionnaire in 2021	WM UK and Merchant Banking received UNPRI A score in 2020, AM Europe A+
	Voting	• Stewardship and voting policies have been developed by business lines.	Voting coverage reached almost 100% on the eligible perimeter for AM Europe, AM US, and WM UK (discretionary assets)
	Promote and support sustainable investing practices	• Participation in multi-stakeholder initiatives (please refer to Section 5.1.3 of this report)	Nine ESG-related initiatives joined by entities in 2021
	Regular publications and conferences on ESG and Impact	• Entities released thematic publications to clients and via web channels	59 ESG dedicated publications over 2021
Offer innovative sustainable investment products	Flagship sustainable products	• Each eligible entity has SFDR Article 8/9 products • New "impact" products developed by Merchant Banking and AM Europe	10 labelled funds (AM Europe) in 2021 (French ISR/Towards Sustainability labels)
	Donation shares	• AM Europe started to develop profit-sharing offering	Three funds offering a donation share in 2021

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

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

Governance and organisation

To ensure consistency and progress on ESG integration in investment approaches, Responsible Investment is addressed at different levels in the Group's formal governance arrangements, including governance with regards to sustainability matters (see Section 5.1.2 of this report):

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

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

Dedicated working groups are created to work on transversal topics, such as:

(a) coordinating activities with regards to the recommendations on climate risk integration and disclosure by the Task Force on Climate-related Financial Disclosure (TCFD); and

(b) ensuring consistency in the understanding and implementation of SFDR requirements as part of the European Action Plan on Sustainable Finance.

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

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

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

Integration

Investment exclusion policies[1] for the Wealth & Asset Management and Merchant Banking activities focus on the following areas:

- Controversial Weapons Investment Policy: exclusion of investments in companies that design and produce cluster munitions and/or land mines in accordance with the Oslo Treaty (2008) and the Ottawa Convention (1997);
- Fundamental Principles Investment Policy: exclusion of investments in companies which to the Group's knowledge may breach fundamental principles due to gross corporate misconduct such as severe infringements of human rights, substantial environmental damage or those linked with corruption and bribery activities; and
- Thermal Coal Investment Policy: exclusion and engagement of companies involved directly in thermal coal production as well as exploration, mining & processing and power generation using thermal coal.

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

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

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

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

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

(1) Please refer to the public group-wide Investment Policies (https://www.rothschildandco.com/en/corporate-sustainability/products-and-services/responsible-investment/).

In addition to the group-wide investment principles, all investment business lines have developed Responsible Investment Policies[1] and solutions reflecting the needs of the markets and clients they serve, in line with their investment philosophies.

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

In addition to ESG investment integration policies, individual entities have published Sustainability Risk Policies[2] to disclose their approach in managing these risks as required by the Sustainable Finance Disclosure Regulation (SFDR).

Engagement

The implementation of reliable ESG investment frameworks fosters value creation, contributes to a better ESG risk monitoring, and creates positive impact on the priorities defined in the Group's ESG strategy framework (please refer to Section 5.1.1 of this report).

As a responsible investor, Rothschild & Co supports the development of sustainable business practices via dialogue with corporates, or other financial players (asset managers/Private Equity funds), and communication of its sustainable action plans to clients.

Active engagement actions are implemented in two ways:

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

Recent examples of direct engagement initiatives

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

(1) Please refer to the public Responsible Investment Policies (https://www.rothschildandco.com/en/corporate-sustainability/products-and-services/responsible-investment/).
(2) Please refer to the Sustainable Risk Policies (https://www.rothschildandco.com/en/corporate-sustainability/products-and-services/responsible-investment/).

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

Recent examples of collective engagement initiatives

Business line	Collective engagement initiative
All investment business entities of the Group	• UN PRI
Asset Management Europe	• Climate Action 100+ • Finance for Tomorrow • Net Zero Asset Manager Initiative
Rothschild Martin Maurel	• *Cercle Robeco pour une Banque Privée durable*
Wealth Management UK	• UK Stewardship Code (FRC) • The Investor Forum • Climate Action 100+
Rothschild & Co Bank AG	• Swiss Sustainable Finance
Merchant Banking	• ESG Commission at France Invest • Global Impact Investing Network (GIIN)

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

Key voting figures 2021

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

Disclosure, reporting and measurement

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

Recent examples of Responsible Investment disclosures

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

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

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

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

Product offering: from integration to impact

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

Overview product spectrum

Business line	Examples of product developments 2021	Exclusion	Integration	Impact
AM Europe	• 10 labelled products (French ISR and Towards Sustainability labels) • Launch of R-Co Valor 4Change Global Equity, aiming at actively contributing to the development of ESG practices • Development of products dedicated to environmental or social impact (please refer to Sections 5.3.2 and 5.4.4 of this report)	✓	✓	✓
Rothschild Martin Maurel	• Further development of the 4Change mandates, reinforcing best-in-class selection • Strengthening of ESG integration process in standard discretionary mandates	✓	✓	
Wealth Management UK	• Further development of the Exbury strategy, which in addition to its return objective, actively invests in assets that support the goals of the Paris agreement (net zero global emissions by 2050) and the fair transition to a lower carbon world • 2020 ESG Report *(Rapport Exbury)*	✓	✓	
Rothschild & Co Bank AG	• Strengthening of ESG integration process of the funds and discretionary mandates – specific best-in-class ESG approach and assessment of the low-carbon transition profile of companies in the portfolio	✓	✓	
AM US	• Gender equality lens strategy aiming at promoting gender equality across investment practices based on data provided by Equileap	✓	✓	✓
Merchant Banking	• Two strategies promoting ESG dimensions, categorised as Article 8 according to SFDR (FAGC and FAPI) • Launch of a new impact fund in 2021 (FASI), categorised as Article 9 according to SFDR	✓	✓	✓

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

Sections 5.3.2 and 5.4.4 of this report provide examples of how different investment products and strategies support the Group's strategic ESG priorities.

The business lines will continue to develop their offering to integrate sustainability at the heart of their strategy.

ESG integration in treasury and lending activities

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

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

5.2.2 ESG in Global Advisory

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

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

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

Approach and offering

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

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

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

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

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

Sections 5.3.3 and 5.4.5 of this report provide examples of how different advisory mandates reflect and support the Group's strategic ESG priorities.

Managing environmental and social risks in relation to clients and transactions

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

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

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

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

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

5.2.3 ESG considerations in supply chain engagement

Whilst procurement decisions are made on a decentralised basis within the Group's business lines and functions, the business is committed to encouraging responsible business practices throughout its operational supply chain. When working with supply chain partners, all parties are expected to commit to working with each other to build a relationship of respect, trust and transparency. The Group is aiming to create a diverse pool of suppliers that share its principles.

In the supplier selection process, the Group aims to treat all parties equally and with fairness, providing the same opportunities. The Group is committed to follow fair and reasonable payment practices and to pay suppliers in accordance with agreed deadlines.

The Group has formalised its expectations in a dedicated Supplier Code of Conduct[(1)], applicable to third parties who supply goods or services to the Group, as of July 2021. The Code reflects the Group's ESG priorities and clarifies for its suppliers its expectation for respect of fundamental ethical, social and environmental principles in doing business, including the commitments the Group has made as a signatory to the United Nations Global Compact. These expectations extend to the suppliers' relations with their own employees and subcontractors or any other related third parties of supplier entities and organisations forming part of the engagement.

The Group attempts to ensure that:

- suppliers are made aware of the Supplier Code of Conduct as part of the RFP/contract renewal process;
- at contracting stage:
  - accept its principles as a fundamental requirement for doing business with Rothschild & Co, and/or
  - provide reassuring proof of their own policies and public commitments that are reflective of the principles of the Group's Supplier Code of Conduct;
- should concerns arise, the contract owners should engage with the potential supplier to understand issues and a plan to address these in the future; and
- in addition, where possible, provisions allow for an immediate right of termination at the Group's sole discretion, when a breach of the Supplier Code of Conduct is reported.

A number of Group policies[(2)] specify additional requirements related to potential risks of association with third party suppliers, following a proportionate and risk-based approach:

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

(1) Please refer to the Supplier Code of Conduct: (https://www.rothschildandco.com/en/corporate-sustainability/business-practices/).
(2) Please refer to the summary of major Group policies (https://www.rothschildandco.com/en/corporate-sustainability/business-practices/).

- The UK Modern Slavery Statement includes principles for identifying suppliers that are likely to pose a modern slavery risk and includes a risk grading of top suppliers.

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

5.2.4 Philanthropic partnerships: R&Co4Generations

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

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

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

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

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

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

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

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

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

Key figures:

- **26%** of employees globally engaged with R&Co4Generations/ Community Investment activities(1);
- more than **50 charities** are supported by the business across different **20 countries**; and
- the **average partnership duration is of two years**.

Sections 5.3.6 and 5.4.6 of this report provide examples of how different philanthropic initiatives support the Group's defined environmental and social priorities.

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

5.3 Environmental impact

5.3.1 Strategic priorities

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

Overview

Priorities	Supporting the transition to a low-carbon economy	Preserving and protecting of biodiversity
Objective	Limiting and reducing the impact of our operations, products and services on a changing climate, and act as a catalyst in support of the transition towards a low carbon economy	Preserving, protecting and enhancing the resilience of our planet's ecosystem services and the societies that rely on them
SDGs	7, 13	12, 15
Operational focus	Reducing and mitigating the direct and indirect climate impact of the Group's operations; climate change adaptation	A nature-positive approach that supports regeneration, resilience and circularity as part of our environmental management practices
Business line focus	Integration of environmental considerations in product and service offering, including investment approaches and advisory services aimed at influencing capital allocation in support of a just transition to a low carbon economy and towards nature-positive solutions	
Philanthropy focus	Supporting environmental initiatives with focus on climate change	
Group-wide commitments	• Net-zero operational impact by 2030[1] • 100% renewable energy by 2025 • 100% electricity from renewable sources by 2025 • Reduce energy consumption in offices by 25% per FTE by 2025[1] • Business-level exclusion policies for the thermal coal sector • Compensation for unavoidable operational GHG emissions	• Zero waste to landfill by 2030 • Reduce paper use by 25% per FTE by 2025 • Group recycling rate of 80% by 2025 • Business-level exclusion policies/due diligence requirements for activities related to severe, irreversible environmental damage
2021 impact highlights	• -70% operational GHG emissions vs. 2018 (baseline) • 91% electricity from renewable sources • Initiation of carbon-removal project selection • New Five Arrows Sustainable Investment fund (Merchant Banking) • Net Zero funds managed by AM Europe • AM Europe signatory to the Net Zero Asset Manager Initiative • Debt Advisory services on substantial number of transactions including an ESG angle • M&A advisory services leading on transactions relating to energy innovation and management	• 27 offices USUP[2] free (+35% vs. 2019) • Strategic partnership with World Land Trust which supports projects aimed at helping to stop deforestation • New Five Arrows Sustainable Investment impact fund (Merchant Banking)
Outlook	• Ongoing monitoring and minimizing of operational emissions • Building of carbon-removal portfolio to phase out carbon avoidance offsets by 2030 • Advising and supporting companies in their strategies to expand and meet their ESG targets and attract relevant ESG capital • Continuation of climate risk assessment • Training of investment teams about climate change and its consequences	• Increase recycling and promotion of circular economic practices • Initiation of biodiversity risk assessment

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

5.3.2 Products and services: investment approach

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

Policies and frameworks detailed in Section 5.2.1 of this report constitute the basis for monitoring the environmental impact related to the Group's investment activities, and the management of sustainability risks likely to significantly impact clients' best interests.

The Group has implemented **investment policies** aimed at limiting the environmental impact of investment activities, that apply to all investment business lines in the Group:

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

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

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

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

Investment product developments with an environmental theme

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

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

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

The Group's investment entities defined and implemented ambitious stewardship policies driving active **engagement** with companies in which they invest. In addition, Rothschild & Co entities are involved in collective initiatives aiming at promoting environmental best practices:

Overview of environmental collective engagement initiatives & commitments

Initiative	Engagement & commitments 2021
Climate Action 100+	Rothschild & Co Asset Management Europe and WM UK are signatories
Initiative Climat International	Five Arrows Managers SAS is a signatory since 2018
Net Zero Asset Managers Initiative	Rothschild & Co Asset Management Europe became a signatory in 2021
Investor Coalition for a Just Transition	Rothschild & Co Asset Management Europe is founding member

Climate-related risks in investments

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

Rothschild & Co supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

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

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

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

The Group aims to disclose in 2022 a stand-alone report dedicated to its strategy for reducing identified climate-related risks and managing its contribution to climate change.

5.3.3 Products and services: Global Advisory

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

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

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

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

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

Case study: Green bond

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

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

Case study: Sustainability Linked Bond

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

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

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

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

In addition, the businesses policies and procedures for **client and mandate on-boarding** take into consideration the risks associated with the environmental profile and impact of the transactions it advises on. For more detail, please refer to Section 5.2.2 of this report.

5.3.4 Operational environmental footprint

The Group's operational environmental management strategy focuses on minimising environmental risks resulting from operational activity, and is aimed at:

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

Governance: The Group's environmental management priorities are defined as part of the Group's sustainability strategy (Section 5.1.1 of this report) driven by the Managing Partner, advised by the Group's Sustainability function. The implementation of the Group's operational environmental management strategy is governed by the Group Environment, Health and Safety Committee, a committee consisting of senior representatives from business lines and support functions, that meets quarterly and reports directly to the Group Executive Committee.

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

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

	2018 (baseline)	2019	2020	2021	% change from 2020
TOTAL GHG EMISSIONS *(tCO_2eq)*[2]	**29,711.2**	**27,613.3**	**10,799.9**	**8,771.5**	**-19%**
Scope 1 *(tCO_2eq)*	932.5	371.6	364.2	421.2	+16%
Scope 2 *(tCO_2eq)*	2,562.5	2,306.2	1,351.1	930.4	-31%
Scope 3 *(tCO_2eq)*	26,216.2	24,935.5	9,084.6	7,419.5	-18%
thereof business travel	*21,466.0*	*20,189.5*	*4,609.7*	*2,541.5*	*-45%*
TOTAL ENERGY CONSUMPTION *(MWh)*[3]	**24,011.6**	**26,216.9**	**21,701.1**	**19,797.0**	**-9%**
% renewable electricity	54%	56%	85%	91%	+6%
TOTAL MATERIALS DISPOSED *(tonnes)*	**621.6**	**606.2**	**339.3**	**343.6**	**+1%**
Recycling rate	40%	51%	39%	38%	-1%
Paper use (*tonnes*)/FTE	0.08	0.07	0.03	0.03	-
Sustainable paper use	30%	67%	100%	99%	-1%
USUP free offices	0	20	27	27	-

(1) Extrapolated data.
(2) All GHG emissions in the table presented as market-based emissions.
(3) Total energy consumption is from premises use, it does not include MWh from company-owned cars and vans.

Supporting the transition to a low-carbon economy

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

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

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

Over the past 12 months, the Group has seen:

- a significant decrease in total **GHG emissions** compared to 2020;
- a decrease in total extrapolated **energy use** across its offices by 9% in 2021 to 19,797 MWh, of which 70% (13,816 MWh) is electricity;
- an expansion of its **renewable electricity** procurement to 91% of reporting offices from 85% in 2020, leading to reduced GHG emissions of 161 tCO_2eq in 2021;
- a further reduction in **travel-related GHG emissions** compared to 2020 of 2,068 tCO_2eq, and a 17,648 tCO_2eq reduction compared to pre-pandemic year 2019; and
- emissions from **IT equipment and server use** increase to 1,531.2 tCO_2eq, up from 1,163.1 tCO_2eq in 2020, due to the continued roll out of IT equipment across the Group.

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

In addition, in 2021 the Group has decided to raise its **Internal Carbon Price (ICP)** to €50 per tonne of CO_2e. This mechanism places a monetary value on operational greenhouse gases and is a way to responsibly influence emissions, including those linked to travel. The funds allocated through the ICP are used to develop further small and medium-scale carbon-reduction opportunities, and to procure verified compensation credits for unavoidable emissions.

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

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

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

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

In order to support this change, the Group will continue to:

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

Contribution to biodiversity protection and preservation

In line with a heightened awareness of the risks associated with biodiversity loss, the Group seeks to continuously improve its operational environmental management processes, aimed at minimising environmental impact resulting from resource use, such as paper and other consumables.

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

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

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

Progress against targets in 2021 (against a 2018 baseline)

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

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

Supply chain engagement

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

As part of this engagement effort, the Group uses its influence to increase disclosure and commitment to responsible environmental management practices in its supply chain.

(1) Rothschild & Co defines sustainable paper source as one, or a combination, of the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or made from 100% recycled material.

5.3.5 Employee engagement

In 2021, the Group took the opportunity to increase **employee information and engagement** with regards to environmental best practices as highlighted below.

Overview of employee engagement initiatives in 2021

Focus	Initiatives
Supporting the transition to a low-carbon economy	• Climate Action Weeks: engagement campaign, aimed at education and raising awareness for climate change risks. The initiative included: – an expert scientist talk aimed at demystifying climate science; – a panel discussion with internal experts on how climate change affects and can be addressed in the Group's different business divisions; – in-depth Climate Fresk workshops aimed at training on the drivers behind climate change; – announcement of net-zero operations commitment and new philanthropic project in support of fighting the effects of climate change (Sections 5.3.4 and 5.3.6 of this report. • Understanding employee travel-to-work (all staff survey) • Climate change workshops with c. 270 participants
Preserving and protecting biodiversity	• Targeted information via intranet aimed at influencing employee behaviour to limit the Group's environmental impact • World Environment Day: engagement campaign with focus on biodiversity risk, including expert talks from WWF and Cool Earth • All Americas unnecessary single-use plastic free (intranet article)
Influencing employee behaviour to limit the Group's environmental impact	• Awareness communication campaigns around: – the drivers of the Group's environmental footprint; – encouraging utilisation of technology for collaboration and interaction; – how to avoid unnecessary single-use plastic and reconsider printing habits; – test and tips to reduce individual carbon footprint; and – corporate operational environmental footprint training.

5.3.6 Philanthropic partnerships: R&Co4Generations

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

Case study: World Land Trust

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

Support from R&Co4Generations will contribute to the purchase of 10,000 acres of land in South America, leading to the permanent protection of threatened habitats from deforestation. The funding will also support the training of local people to become reserve rangers and patrol protected areas, monitor wildlife and assist researchers. Rangers also spread the message of environmentalism amongst their communities, running workshops for schools and encouraging children early on to focus their thinking towards environmental conservation.

For more information on specific R&Co4Generations projects please refer to www.rothschildandco.com.

5.4 People and social impact

5.4.1 Strategic priorities

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

Overview

Priorities	Championing diversity of thought	Ensuring employee wellbeing	Working against inequality
Objective	• Attracting and retaining the most talented people from a diverse range of backgrounds • Creating an environment of equal opportunity and partnership • Developing the best talent	• Safeguarding employee wellbeing and providing a sound support framework	• Equal opportunities for candidates from traditionally underrepresented groups • Respect for international Human Rights
SDG	5, 10		
Operational focus	• Inclusive culture • Equal opportunities • Balanced representation • Targeted development, incl. technical, personal and leadership capability	• Physical, mental and emotional health • Workplace flexibility and balanced approach to work • Health & Safety	• Early career opportunities for young people from underrepresented groups • Human rights risk management in supply chain
Business line focus	Integration of social impact considerations in product and service offering, including investment policy and advisory mandates		
Philanthropic focus	Supporting enhanced opportunities for disadvantaged young people		
Public commitments	• Women in Finance Charter: 30% AD+ by 2024 (Group) • 30% female members on GEC by 2027 • France Invest Charter for Gender Equality (France) • Advance – gender equality in business (Switzerland)		• International Labour Organisation Convention fundamental principles • Modern Slavery statement (UK) • Business-level exclusions/due diligence for activities related to Human Rights controversies
2021 impact highlights	• 25.4% AD+ female • 13% women on GEC • Refresh of graduate and early careers hiring • >50 female AD/D in Global Sponsorship Programme • c. 1,300 employees trained on Balance & Inclusion • Personal data campaign to support underrepresented groups • >150 participants in Graduate Programme • >230 participants in Promotion Programme • Balance & Inclusion survey	• Mobile and collaborative working technologies • Agile Working Charters • Pulse surveys to monitor employees' experiences • Project to design "Workplace of the Future" • 16 wellbeing seminars online • 98% of Health & Safety training assignments completed	• Competency-based interview framework • Partnerships with UpReach and Bright Network, #10000BlackInterns or Sponsors for Educational Opportunity • New Supplier Code of Conduct aimed at managing risk of unknown complicity in Human Rights abuses
Outlook	• Leadership engagement and accountability • Equip managers with skills to foster inclusive team cultures • Active talent management and succession planning • Embed and evolve approach to early careers recruitment and lateral hires • Mapping of opportunities across businesses to identify diverse talent • Increased digital learning opportunities with access for all employees	• Expand availability of learning opportunities and practical tools • Mental Health awareness, focus on the role of managers in safeguarding mental and emotional health	• Expand recruitment reach, including socioeconomic considerations • Embed Human Rights risk screening in the evolution of third-party supplier risk assessment process

5.4.2 Operational impact and people culture

The commitment and expertise of Rothschild & Co's diverse workforce in over 40 locations are essential in delivering the Group's business model and creating long-term value for all stakeholders. The firm is committed to:

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

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

Key indicators over time

	2019	2020	2021
Total employees	**3,559**	**3,587**	**3,816**
Female Assistant Director and above	**23.5%**	**24.1%**	**25.4%**
Total training hours[(1)]	**24,249**	**34,270**	**64,177**
New hires	**609**	**508**	**808**
Male	59%	61%	65%
Female	41%	39%	33%
Not specified	-	-	2%
Promotions	**409**	**345**	**430**
Male	67%	67%	73%
Female	33%	33%	27%
Graduates	**148**	**135**	**135**
Male	80%	72%	77%
Female	20%	28%	23%
Average tenure >5 years	**41%**	**43%**	**39%**
Employee turnover	**19%**	**14%**	**16%**

(1) Centrally recorded face to face training and e-learning. 2019 training data covers France and the UK (77% of headcount), 2020 and 2021 data covers 100% of headcount. In 2021, Graduate Training has been included for the first time.

Diversity & Inclusion

Rothschild & Co advocates an inclusive and supportive environment where diversity and different perspectives are valued.

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

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

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

Employee **networks,** such as the UK Embrace or LGBT network, represent different groups of employees in the business and are sponsored by the Global Balance and Inclusion Committee. These are an important part of Rothschild & Co's culture, and are critical in strengthening the Balance & Inclusion strategy, providing the opportunity for connection and education to ensure employees are fairly represented and to strengthen the Group's position as a diverse and inclusive place of work.

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

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

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

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

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

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

Public partnerships and commitments

Organisation	Commitment
Women in Finance Charter	N.M. Rothschild & Sons Limited is a signatory since 2019 – expanded commitment to the Group
The Mentoring Foundation, FTSE 100®Cross-Company Mentoring Programme	N.M. Rothschild & Sons Limited is a longstanding supporter of The Mentoring Foundation, supporting the FTSE-100 Cross-Company Mentoring Executive Programme and the Next Generation Women Leaders Programme
The Diversity Project	N. M. Rothschild & Sons Limited became a member in 2021
France Invest Charter for Gender Equality	Rothschild Martin Maurel SCS and Five Arrows Managers SAS are signatories since 2020
Advance – gender equality in business	Rothschild & Co Bank AG is a signatory since 2020

Rothschild & Co's strategy to ensure non-discriminatory treatment across recruitment, career development and remuneration decisions includes a commitment to work closely with employees living with disabilities and occupational health advisers to provide the necessary adjustments and support to enable them to succeed and flourish in the workplace.

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

This includes:

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

Rothschild & Co focuses on a number of initiatives globally to support balanced representation, across all the early careers recruitment programmes.

Overview of initiatives and partnerships for early career recruitment

Women in Finance events/workshops	Supporting female career development to identify talent at an early stage; allowing students to gain insights into the various aspects of an M&A transaction, as well as improve technical and presentation skills
UpReach	UpReach supports over 2,000 students to secure top graduate jobs, in partnership with City firms, helping to broaden horizons, raise aspirations and enable students with socio-economically challenged backgrounds to develop the skills, networks and experiences to succeed on merit
Bright Network	Bright Network helps companies attract a diverse range of candidates from traditionally underrepresented groups
#10000BlackInterns	#10000BlackInterns is an initiative designed to increase Black talent in the British investment management industry. The initiative aims to help transform the horizons and prospects of young Black people by offering training and development opportunities, as well as paid work experience
GTI Target Jobs	The largest employer and university network in the UK and Ireland for employer profiles, internships, placements and graduate opportunities, supporting students with self-discovery, career guidance, skills and finding roles

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

The Group has continued its efforts with regards to **data collection** aimed at improved understanding of the **diversity composition and nuances** of its workforce by inviting employees to share self-identification data (where permitted by local law). This will allow over time to further identify opportunities to advance a balanced and inclusive representation across the firm, including consideration of ethnicity and socio-economic background.

Only qualifications and skills important to a role will be a selection criterion in **promotion and rewarding performance.** An annual review process for all employees ensures there are no pay discrepancies within the Group for people performing similar roles. To safeguard transparency for all employees globally, the promotion policies are available on the Group's intranet and are implemented by divisional committees who oversee promotions on a global basis. The business is mindful of a balanced representation at these committees as well as at the Benchmarking Committees during the performance evaluation process.

Talent attraction and development

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

Graduates, interns and apprentices play a crucial part in shaping the business from their first day and throughout their career with the Group. When **recruiting** experienced professionals, the focus is on people who can add intellectual strength, offer a distinct perspective and have a genuine passion for what they do, and have the drive and determination to deliver excellence consistently.

The disruption to the physical work environment experienced over the last 18 months has altered the Group's approach to early careers recruitment and programme management, requiring creative and virtual solutions to attract the best early career talent. The introduction of a new virtual assessment centre platform allows to create an in-person experience with a fair and inclusive selection process. A hybrid summer internship programme in London and global graduate training programmes, are both virtual and classroom based.

Rothschild & Co offers a number of **structured training** programmes:

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

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

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

Managing performance is critical to the ongoing success of the Group's people strategy. Feedback on the individual's performance is encouraged regularly throughout the year and performance is assessed formally at the end of every year to help develop an individual's career. In 2021, 88%[(1)] of Group employees benefited from a performance review. The Rothschild & Co career frameworks reflect the Group's guiding principles and provide all employees with a clear and consistent set of expectations across all divisions, geographies and career paths.

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

Employee wellbeing

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Health and safety

Rothschild & Co seeks to comply with all applicable local health and safety laws and regulations to provide a healthy and safe work environment.

Governance: The Group Environment, Health and Safety Committee reports directly to the Group Executive Committee and advises the businesses on policy and initiatives. A dedicated Group Health and Safety Manager is responsible for coordinating activities at Group level. The implementation of Health and Safety management activities in each office rests with the locally appointed Health and Safety Champions.

The Group Health and Safety Policy defines the conformance standard for offices worldwide, to further strengthen and improve Health & Safety conformance requirements across all offices. More details on the policy and Health & Safety initiatives can be found in Section 5.6.

International Human Rights

It is Rothschild & Co's goal to provide a working environment free from **harassment, intimidation, discrimination,** and behaviours that are considered unacceptable. This commitment applies to all areas of employment including recruitment, the terms and conditions of employment, training, career development, promotion, transfer, redundancy, rehiring, benefits, compensation, retirement and termination. Rothschild & Co's policies and Code of Conduct[(1)] aim to ensure that the business will not unlawfully discriminate in employment because of age, disability, gender identity, marital status and civil partnership status, pregnancy and maternity, paternity, race, ethnicity, nationality, religion and belief and sexual orientation. The firm fosters a culture of openness, thereby enabling employees to raise any legal, compliance or ethical concerns, including those related to any breach of human rights. Grievance policies are set by office according to local employment law.

The Group's policies are reflective of the main provisions of the **International Labour Organisation Convention's (ILO) fundamental principles,** including the elimination of all forms of forced labour, the abolition of child labour, the elimination of all forms of discrimination in respect of employment and occupation, and also in respect of freedom of association and collective bargaining.

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

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

The Group has previously determined that its highest risk of operational exposure to modern slavery within its supply chains was in relation to the hotel industry in certain jurisdictions where modern slavery is particularly prevalent. In 2020 and 2021, the exposure to business travel has decreased significantly and, with it, the exposure to this risk. The business maintains a Preferred List of hotels that have agreed to adhere to the legislation surrounding the Modern Slavery Act 2015. Typically, criteria are used in appraising the risk of modern slavery in suppliers depending on the sector they operate, and the jurisdiction in which they operate or are incorporated, and the list of high-risk jurisdictions are collated with reference to the Global Slavery Index. Additionally, the firm looks at alternative sources so that its reference points remain up to date.

(1) Please refer to the Group Code of Conduct (https://www.rothschildandco.com/en/corporate-sustainability/business-practices/).

5.4.3 Employee engagement

Communicating achievements and plans for the future, encouraging input and participation are key to keep employees engaged and involved, including in areas of social impact.

Overview of employee engagement campaigns

Focus	Initiative
Diversity and Inclusion	• International Women's Day (#choosetochallenge): events ranging from celebrating the contribution of women in the business, hearing from external role models and thought leaders and workshops to explore how to call out bias • Global Balance & Inclusion survey and results communication • Pride month engagement campaign • Balance & Inclusion principles communication • Integration of regular Balance & Inclusion updates into Managing Partner Townhall updates • Celebration of Black History Month • Ongoing encouragement for employees to update their self-identification data to enable focus on strategy, report and track progress • "Improving our work culture" in Global Advisory (email, Townhall, monthly surveys) • Annual Group Health & Safety training
Wellbeing	• Smart working from home resources on intranet • Mental health, women's health and healthy habits (live seminars and recorded videos) • Wellbeing (newsletters, articles) • Updates on agile working best practices (Managing Partner Townhall, June)
Health and Safety	• Covid-19 secure office environment intranet page and resources • Return to work surveys and divisional follow-ups • Health & Safety training
Workplace of the Future	• All staff survey regarding Workplace of the Future • Focus groups to understand needs, expectations for agile working practices and potential new office layout

5.4.4 Products and services: investment approach

The consideration of social impact is part of the common Responsible Investment framework agreed by the investment entities and further integrated in each entity's Responsible Investment strategy as detailed in Section 5.2.1 of this report.

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

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

The investment teams pay specific attention to **social controversies** and certain **social KPIs.** For listed issuers, the monitoring of controversy and social scores or indicators is used to strengthen the engagement process and ultimately manage the exposure to companies.

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

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

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

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

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

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

Overview of investment products with social themes

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

5.4.5 Products and services: Global Advisory

Rothschild & Co increasingly supports its clients in their ambition to integrate sustainability principles into their strategy. Through its financing advisory practice, the Group supports **sustainable financing** for a range of causes from access to housing, education to sovereign states. Rothschild & Co facilitates M&A opportunities to accelerate inclusive growth.

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

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

In addition, the businesses policies and procedures for client and mandate on-boarding take into consideration the risks associated with the social profile and impact of the transactions it advises on. For more detail, please refer to Section 5.2.2 of this report.

5.4.6 Philanthropic partnerships: R&Co4Generations

Through R&Co4Generations, Rothschild & Co supports a range of organisations working to help address and alleviate inequalities, with a focus on enhanced educational opportunities for young people.

The fund supports projects which provide young people with opportunities to develop a wide range of skills and talent, and the entrepreneurial mindsets and resilience that they will need in order to face the challenges of the 21st century confidently and effectively.

In 2021, R&Co4Generations supported over 50 organisations working to achieve greater equality for disadvantaged groups.

Case study: Bibliothèques Sans Frontières

Bibliothèques Sans Frontières (BSF) works internationally to facilitate access to education, culture and information for people living in precarious situations, empowering them to make choices for a better future. R&Co4Generations supported three BSF projects in 2021.

For more information on specific R&Co4Generations projects please refer to www.rothschildandco.com.

5.5 Business practices

5.5.1 Strategic priorities

Rothschild & Co places great emphasis on responsible business conduct, based on personal accountability and commitment in the way employees work with each other, its clients and partners. The Group's approach to responsible business practices focuses on managing identified non-financial risks that are most material to its operations and for its stakeholders.

Overview

Priorities	Compliance culture & systems	Data & Cybersecurity
Objective	Setting standards for all individuals working for the Group to mitigate risks and reputational damage	Managing data privacy and confidentiality risks and preserving the integrity of clients' and partners' data to uphold the trust of our stakeholders
SDG	16	
Operational focus	Addressing risks related to: • Conflicts of interest • Money laundering • Bribery and corruption • Sanctions or counter-terrorist financing • Market abuse • Political lobbying and donations	Addressing risks related to: • Data privacy • Confidentiality • IT and Information Security
Public commitments	• Group Code of Conduct • Supplier Code of Conduct	
Relevant policies	• Group Anti-Bribery and Corruption Policy • Group Financial Crime Policy • Group Sanctions Policy • Group Market Abuse Policy • Whistleblowing Statement • Group Policy on Reporting Concerns or Irregularities • Group Client Due Diligence Policy • Group Conflicts of Interest Policy • Group Tax Policy	• Group Information Security Policy • Group Acceptable Use Policy • Group Information Security Standard • Group Data Protection Policy
2021 highlights	• All business lines assessed for ABC risk • 100% of clients subject to financial crime risk assessment • Launch of new employee compliance system • Financial Crime Prevention training rolled out (Anti-Money Laundering; Counter Terrorist Financing; Sanctions, Tax Evasion)	• Cybersecurity Awareness campaigns • Updated Annual Employee Information Security and Data Protection Training • Improved Security Schedule contract clauses for supplier contracts • Technical Security Control Improvements • Formation of Cloud Steering Committee
Outlook	• Publish updated Conflicts of Interest policy and training • Publish updated Market Abuse policy and training • Publish updated Whistleblowing policy and training • ESG training for Legal and Compliance teams	• Information Security Governance review • More targeted Information Security trainings for particular departments • Technical Security Control improvements

5.5.2 Compliance culture and systems

The Group's compliance systems, policies and procedures are aimed at setting standards for all employees and individuals working for the Group, supported by targeted and mandatory trainings to mitigate risks associated with money laundering, bribery and corruption, sanctions, counter-terrorist financing and conflicts of interest, among many others.

Governance: The priority of upholding responsible business practices with the investment in and implementation of robust compliance systems and technology, overlain by effective governance and oversight, are set out in accordance with the Group's framework on internal control (please refer to Section 4 of this report). The Group Head of Legal & Compliance is a member of the Group Executive Committee and the Group Operating Committee.

Policies, procedures and guidelines

The Group Code of Conduct[1] sets out the Group's standards and expected behaviours and is published on the Rothschild & Co website to ensure the expectations are visible to all partners and external stakeholders.

Expectations are clearly communicated in the Group's policies[2]. The Financial Crime Policy Statement[3] provides an overview of the Group's related policy commitments.

Each employee is required to read, understand and comply with Rothschild & Co's Group policies, procedures and guidelines that apply to their job and undertake all mandatory compliance and other professional training as and when required. This includes relevant regulatory qualifications.

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

Well embedded processes and policies for dealing with such risks across the Group include the Group Client Due Diligence Policy and New Client Acceptance and Review Committees, as well as Group, regional and business line Risk Committees, which meet frequently to consider relevant risks and other reputational matters. For more details on embedding ESG risk considerations in these procedures and policies, please refer to Section 5.2 of this report.

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

Market abuse

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

Conflicts of interest

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

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

Group tax policy

The Group's tax policy applies to all entities ultimately controlled by Rothschild & Co.

It applies to the management of the Group's corporate tax affairs as agreed by the Group Executive Committee detailing the governance process and the procedures in place to manage tax risks and is available for information of employees on the intranet.

The Group Tax Department is only responsible for corporate tax affairs. The Group organises its affairs to manage taxation efficiently, consistent with commercial needs and with a conservative approach to tax risk, in line with the approach to risk across the Rothschild & Co Group. Arrangements will not be entered into, facilitated or promoted without business purpose or commercial rationale, or if outside of the Group's risk appetite, or in conflict with the intention of parliamentary legislation.

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

The Group Tax department proactively identifies and monitors key tax risks throughout the year, taking into account changes in the business and applicable tax legislation, ensuring that the control framework governing tax risk is updated appropriately.

(1) Please refer to the Group Code of Conduct (https://www.rothschildandco.com/en/corporate-sustainability/business-practices/).
(2) Please refer to the summary of major Group policies (https://www.rothschildandco.com/en/corporate-sustainability/business-practices/).
(3) Please refer to the Financial Crime Policy Statement (https://www.rothschildandco.com/en/corporate-sustainability/business-practices/).

The team assists and works with the Finance department to ensure full and timely compliance with the tax reporting and other obligations as required by legislation. It maintains close working relationships with different parts of the business to ensure that the tax implications of transactions and any business changes are fully understood.

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

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

Tax transparency

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

5.5.3 Financial crime

Anti-Money-Laundering and "Know Your Client"

As summarised in Rothschild & Co's public Financial Crime Policy Statement, the Group has detailed and comprehensive policies and procedures governing the way in which it takes on clients and business. These policies and procedures cover matters from initial due diligence and research into the identity, purpose of relationship, expected activity, source of wealth or funds, and reputation of individual clients, to the ownership and governance structure of corporate bodies and other legal structures.

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

Rothschild & Co has specific new client acceptance processes, including committees which look at all matters relevant to the acceptance of new clients considered higher risk. Information relating to all existing clients is periodically re-examined, with Politically Exposed Persons and high-risk clients subject to enhanced due diligence and more frequent review. The Client Acceptance Committees are comprised of senior management, forming part of a disciplined and embedded process to reduce the reputational risk that the Group faces. For more details on embedding ESG risk considerations in these procedures and policies, please refer to Section 5.2 of this report.

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

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

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

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

Anti-bribery and corruption

The Group takes a zero-tolerance approach to all forms of bribery and corruption. The Group's policies are designed to ensure business is done fairly, honestly, openly and with integrity, and in accordance with applicable laws that promote and safeguard fair competition in the jurisdictions in which the Group operates.

All categories of Group employees complete regular mandatory anti-bribery and corruption training. Employees are expected to be familiar with, and attest to, the Group Anti-Bribery and Corruption (ABC) Policy, which was updated in 2020 and approved by senior management. The policy gives practical effect to relevant global initiatives such as the United Nations Convention Against Corruption. Clear communications from the Managing Partners at the time of publication of the Group Anti-Bribery and Corruption Policy set out the requirements and standards expected from employees. Training completion rates are tracked and monitored.

The Group has a well-resourced and dedicated Group Financial Crime Compliance team located in London, which oversees education, training, monitoring and assurance activities of local units with the same functions. A global ABC risk assessment is carried out by the Group Financial Crime Compliance team each year, which gathers regional and business line-specific ABC risk assessments and collates the results into one group-wide risk assessment. This exercise ensures that ABC risks are understood and reviewed and that they are suitably mitigated through robust and effective controls globally. The findings of the global ABC risk assessment help inform Rothschild & Co's ABC programme.

Tax evasion prevention

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

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

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

- conducting client due diligence, where applicable, to mitigate the risk that the Group is handling or dealing with the proceeds of crime;
- identification and reporting of incidents where a suspicion is formed that the Group is handling or dealing in the proceeds of crime;
- prohibiting exploitation of an association with Rothschild & Co to evade, or facilitate the evasion, of taxes legitimately due to any competent authority; and
- the institution of additional mitigating controls designed to help prevent the facilitation of tax evasion (e.g., risk assessments and relevant training).

Political lobbying activity and donations

As summarised in the public Financial Crime Policy Statement, Rothschild & Co does not engage in lobbying activity. It does not seek to actively influence public officials, laws, or regulations.

Rothschild & Co does not make or permit any of its employees to make on its behalf, any political donations, nor does it have any political affiliations. The Group, therefore, does not declare any expenditure in the EU Transparency Register (or equivalent registers).

Whistleblowing

Rothschild & Co is committed to conducting its business fairly, honestly and with integrity. The Group expects all employees to maintain the highest standards of professionalism and personal conduct, reflective of the Group Code of Conduct, policies and other applicable rules.

The Group encourages individuals to raise reportable concerns as soon as possible and the Group Policy on Reporting Concerns or Irregularities explains how individuals can confidentially escalate matters so that they may be assessed and resolved in a suitable manner (whistleblowing). This policy has been updated in 2021 and approved by senior management, with associated training and communications planned for employees. Various whistleblowing channels are available, and individuals may choose to remain completely anonymous by reporting to an independent whistleblowing hotline (Safecall). Individuals making any report in good faith are fully protected against any prejudicial treatment or retaliation. Rothschild & Co will not take any action against the individual for raising it, irrespective of whether it is later substantiated.

5.5.4 Data and cybersecurity

Confidentiality is of paramount importance to Rothschild & Co. We take appropriate technical and organisational measures to safeguard confidential information and all employees are expected to exercise the highest level of due care and attention when dealing with confidential information about the Group or its clients. These expectations are clearly communicated in the Group Code of Conduct.

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

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

Where compliance monitoring, reporting or internal audits reveal any concerns, remedial action is swiftly taken. Systems and controls are regularly tested and reviewed to ensure they are in line with technological developments and regulatory or market practice.

The security of the information the Group possesses and holds in relation to its clients, its employees, its businesses and its business partners is vital to Rothschild & Co's continued success. The Group's global Information Security Programme is aimed at managing the associated risks.

Governance: Responsibility for defining and implementing the global Information Security Programme lies with the Chief Information Security Officer, reporting to the Group Chief Risk Officer. The Chief Information Security Officer is supported by a team in London with specialist experience in Information Security Programme design, build & delivery, and Regional Information Security Officers based in Paris, Zurich and New York.

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

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

The Rothschild & Co Information Security Programme is guided by the Group Information Security Policy and outlines core principles, activities, governance and resources that collectively provide information on security services to the Group and its clients. The programme enables senior management to make risk management decisions by providing information about the organisation's information security capabilities. It is aimed at supporting the following objectives of the Group's information security strategy as supported by the Group Executive:

- ensure the confidentiality, integrity and availability of client and personal data and proprietary information irrespective of form;
- protect against anticipated threats to the confidentiality, integrity and availability of the IT infrastructure and information systems; and
- ensure ongoing compliance with regulatory requirements.

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

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

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

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

From the beginning of the Covid-19 pandemic, there has been no significant impact to the Group's cybersecurity protection measures relating to the change in the system access model with the majority of employees working remotely for some period of time. The incumbent security model surrounding its remote access has continued to provide proportionate protection to Rothschild & Co data and information.

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

The Rothschild & Co IT Security and Information Security Risk departments continuously control and govern the delivery of day-to-day technical security measures. These are selected to meet the requirements of the Information Security Programme. The key controls operated by the Group IT function include, but are not limited to:

- threat protection such as network and application firewalls, anti-virus and patching;
- threat detection including vulnerability management, penetration testing and security event monitoring;
- identity access management and specifically privileged access control and email verification, e.g. SPF;
- disaster recovery test coordination for data centre facilities, major offices, local offices and recovery sites;
- security incident response;
- a global data centre facility is ISO 27001-certified and covered by ISAE 3402 assurance report;
- due diligence processes to assess security control maturity of third parties who are managing or storing data on our behalf; and
- adding appropriate contract clauses in relation to data protection and information security.

Governance: Responsibility for the implementation of technical security measures sits with the Group IT Security Manager, reporting to the Chief Information Officer. Supporting the Group IT Security Manager is a team of security specialists in London. Wealth Management in Switzerland operates an independent IT Security department reporting to the local Chief Information Officer.

5.5.5 Employee engagement

In 2021, the Group took the opportunity to increase **employee information and education** on responsible business practices with dedicated engagement campaigns and trainings.

Overview employee campaigns and trainings

Focus	Initiative
Cybersecurity	• Importance of cybersecurity (Townhall) • Cybersecurity awareness month (engagement campaign) • Phishing tests (engagement campaign, regular email) • Information Security training • Data Protection training
Compliance	• Group-wide roll out of employee compliance system, designed to enhance several compliance processes related to colleague behaviour (intranet, email communication)
Legal & Compliance	• Introduction of Rothschild & Co Supplier Code of Conduct (Group intranet) • Financial Crime Prevention training launched

5.6 Appendices

5.6.1 Stakeholder dialogue

Maintaining ongoing dialogue with the Group's stakeholders enables the business to take their interests into account, identify changes in expectations and ensure relevant information is shared transparently. In accordance with the definition provided by the GRI Guidelines, Rothschild & Co Group's stakeholders are all entities or individuals that can reasonably be expected to be significantly affected by the Group's activities, products and/or services, and whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies or achieve its objectives. The below table provides an overview of all potential stakeholder groups, the key topics covered through engagement(1) (in particular sustainability matters), as well as the channels used to foster constructive dialogue each time. Rothschild & Co Group has identified as key stakeholders its shareholders, potential investors and analysts, clients, employees and future talent.

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

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

Key stakeholder group	Key topic and concerns	Engagement approach
Future talent Talented individuals are given the opportunity to learn about Rothschild & Co and its diverse career opportunities and to network with Rothschild & Co employees. These opportunities provide first-hand insights into the expectations of future talent towards the Group as an employer.	• Talent development opportunities • Employee wellbeing & workplace flexibility • Diversity, Balance & Inclusion	• Career fairs • Networking luncheons and dinners • Events • Corporate announcements and reportage via the Group's web and social media channels
Social dialogue (trade unions, France only) Employee representatives are given access to a comprehensive economic and social database, including comparative data on employees by gender and age on all aspects of working life. This gives employee representatives an informed view, on which to form their opinion each year during the consultation on social policy.	• Employee wellbeing & workplace flexibility • Talent attraction, development and retention • Socio-economic equality • Diversity, Balance & Inclusion • Equal opportunities • Health & Safety • Collective bargaining • Transparency	• At least monthly social dialogue between employee representatives in France and a member of management, including procedures for information, consultation and negotiation with employees
Social enterprises and charities Through R&Co4Generations, a dedicated platform for philanthropic partnerships, Rothschild & Co maintains close dialogue with social enterprises and charities, discussing opportunities for partnership, knowledge sharing or other collaborations.	• Socio-economic equality • Community support • Partnership and collaboration • Human Rights • Diversity, Balance & Inclusion • Climate Change • Biodiversity	• Sponsored activities, competition, awards • New global flagship project selection process • Sponsorship applications and donations • Pro-bono advisory projects • Matched-giving initiatives • Volunteering activities
Suppliers and third-party contractors The Group is committed to encouraging responsible business practices throughout its operational supply chain, aiming to ensure all parties are working with each other to build a relationship of respect, trust and transparency.	• Responsible business practices • Fundamental ethical, social and environmental principles • Fair payment conditions	• Supplier Code of Conduct • Direct engagement as part of contract negotiations
Financial market authorities and regulators The Group's dedicated functions have a collaborative and transparent dialogue with regulators. This aims to ensure the Group meets prudential and regulatory compliance standards.	• Transparency & public accountability • Compliance with regulation	• Annual Report disclosures • Various filings with regulators on a periodic basis
International organisations, local and international networks, think tanks Through the support of multistakeholder initiatives, the Group's dedicated functions interact with the wider society and the international organisations, networks and alliances aiming to represent their interests.	• Transparency • Diversity, Balance & Inclusion • Climate change • Partnership • Knowledge exchange	• Rothschild & Co is an active member of signatory of/contributor to a few selected multistakeholder initiatives and keeps an open dialogue with these • Group-wide public commitments and the partnerships through which the Group and its businesses publicly advocate for and engage with its stakeholders in sustainable development initiatives (Please refer to Section 5.1.3 of this report for more detailed information)
Extra-financial rating agencies The Group is committed to providing transparent and quality information on its extra-financial performance and holds regular dialogue with non-financial analysts to ensure its activities can be evaluated against ESG criteria.	• Transparency • Sustainability approach and key metrics • ESG integration and governance	• Sustainability disclosures in the annual and sustainability reports • Public policies and commitments on website • Direct engagement with non-financial analysts on rating methodology; scoring criteria; progress updates

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

Overview of selected client engagement & market communications

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

5.6.2 People

Responsible people culture

Diversity and inclusion

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

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

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

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

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

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

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

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

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

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

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

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

Remuneration

Our remuneration policies, procedures and practices are in line with Rothschild & Co's business strategy, objectives, values and long-term interests and are designed to promote sound and effective risk management. The Remuneration and Nomination Committee, a specialised committee of the Supervisory Board of Rothschild & Co, is responsible for overseeing remuneration-related matters in accordance with principles defined in the Group's remuneration policy.

Rothschild & Co rewards its people at a total compensation level, paying fixed and variable compensation. The Group ensures that fixed and variable components of total compensation are balanced appropriately. Fixed compensation is driven by the local market for the role, taking into account responsibilities, skills and experience. Annual variable compensation is awarded on a discretionary basis, driven by a combination of the consolidated results of the Group and the financial performance of the business division in which an individual works as well as local market competitiveness. It is then truly differentiated based on individual performance against financial and non-financial metrics.

In some cases, the Group operates arrangements to defer a proportion of variable compensation over three years. For those identified as Material Risk Takers, a proportion of variable compensation is deferred over four years, with part of this deferral awarded as non-cash instruments, ensuring compliance with all remuneration regulations applicable to the Group.

Detailed information is presented in the consolidated financial statements, under Note 28, "Operating expenses".

Equal opportunities

Rothschild & Co's strategy to ensure non-discriminatory treatment across recruitment, career development and remuneration decisions includes a commitment to work closely with employees living with disabilities and occupational health advisers to provide the necessary adjustments and support to enable them to succeed and flourish in the workplace. For example, in France, our annual involvement in actions to promote the employment of people with disabilities takes the form of recruitment or job retention activities, the adaptation of workstations, the funding of associations dedicated to this cause and the payment of a contribution to promote the employment of people with disabilities, where appropriate.

Employee networks are an important part of the Group's culture and are critical in strengthening its Balance & Inclusion strategy. Each network provides the opportunity for connection and education to ensure employees are fairly represented and to strengthen the Group's position as a diverse and inclusive place of work. The network groups represent the interest of the firm's employee communities and are sponsored by the Global Balance & Inclusion Committee to amplify their voice, strengthen collaboration and increase geographic reach. Examples are the EMbrace Network (ethnic minority network), Family Network and LGBT Network in the UK, and the Women's Network (UK, US, France).

Training and development

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

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

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

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

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

Social dialogue

In France, social dialogue at Rothschild & Co level is organised through the Social and Economic Committee and the union delegate, in other companies through the Social and Economic Committee, the Health, Safety and Working Conditions Committee, local representatives and union delegates. Social dialogue is held at least once a month between employee representatives and a member of management and includes procedures for information, consultation and negotiation with employees.

As part of this dialogue, employee representatives have access to a comprehensive economic and social database, which is regularly updated and contains historical data. The database includes comparative data on employees by gender and age on all aspects of working life, i.e. data on recruitment, training, remuneration and departures. This information makes it possible to address all subjects to ensure compliance with the principle of equal opportunities and to take appropriate countermeasures, if necessary. It also gives employee representatives an informed view so that they can give their opinion each year during the consultation on social policy.

Social dialogue also includes collective bargaining. French employees are covered by a collective agreement at industry level with more favourable provisions than those laid down by law.

In addition, employees benefit in the same way from agreements reached as part of their Company's social dialogue. Company agreements cover a wide range of issues, including gender equality, social protection, working time, work time flexibility, profit-sharing and employee savings. In addition, regular negotiations are held with trade union representatives on pay, quality of life at work and the management of jobs and career paths. The agreements reached with the trade unions cover 93% of French employees (and 30% of total workforce). In companies where there are no unions, unilateral decisions are taken and/or referenda are held to ensure that employees are also covered on these issues.

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

An agreement on telework was signed in 2019, opening three teleworking formulas (regular fixed, regular flexible and exceptional) to eligible employees. Due to the Covid-19 crisis and the containment measures, the deployment of this agreement was suspended, and teleworking was widely opened to all professions that could do so. An agreement on telework was signed in 2021 with the trade union delegates in order to envisage the future of telework. It was implemented in November 2021 and will allow maximum two days per week telework.

Only France is concerned by this subject. Staff thresholds are not reached in other countries where the law provides for staff representatives.

Gender equality agreement in France

In France, a gender equality agreement was signed in 2020, based on four pillars: recruitment, classification, the actual income and the balance between professional responsibility and family life:

- promote gender diversity in the workplace;
- raise awareness among all employees about the fight against stereotypes;
- improve pay policy and reduce any pay inequalities;
- create a balance between the private and professional spheres; and
- provide improved support for return from parenthood-related leave.

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

France Invest Charter

This charter has the following targets:

- in the investment teams of the management companies: 25% of women with responsibility for Investment Committee decisions by 2030 and 30% by 2035, and a target of 40% of women in investment teams by 2030; and
- in companies with more than 500 employees: at least 30% women in the Executive Committee by 2030.

Work organisation

Working hours vary from country to country depending on national legislation and are therefore managed and monitored by local management and HR teams. Absenteeism is actively monitored by line managers and is managed by local offices.

A group-wide HR system is operationally providing global consistency to many HR processes. Absence management functionality is being addressed on a location-by-location basis. This has been rolled out to Australia, North America, the United Kingdom, Guernsey and Switzerland. Further countries will be considered in due course.

In France and Monaco, more specifically, all kinds of absenteeism are already recorded: maternity and paternity leave, additional leave, breastfeeding leave, absences for working accident and sick leave.

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

Health and Safety

Rothschild & Co is committed to providing a safe and healthy working environment in all locations and aims to continually improve occupational health and safety management and performance.

The Group Health and Safety Policy prescribes a consistent approach to maintain the health, safety and wellbeing of all persons who might be affected by the activities within an office. All reporting locations continue to commit to implementing the conformance standards set within the requirements of the Policy whilst ensuring legal compliance is always met.

Rothschild & Co locations:

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

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

Throughout the **Covid-19 pandemic,** Rothschild & Co has taken all necessary steps to make sure employees are provided with the full support and guidance to navigate the crisis and stay healthy and safe. In 2021, control measures varied across locations, government requirements determined what percentage of the office population could safely return to the office.

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

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

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

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

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

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

For the 2021 financial year, reportable **workplace accidents** are listed in the following table. All reported accident and near miss data are classed as "not concerning";

- accident – when an individual has been injured as the result of an accident when on work premises; and
- near miss – for an event which did not cause harm or injury but had the potential to cause injury or ill health, such as a trip over a loose carpet tile, slip due to wet floor, etc.

Accident reporting requirements are in accordance with local legislation and are not comparable between office locations. In 2021, there have not been any Near Misses (2020: 2; 2019: 3) or Occupational Diseases.

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

In France, social dialogue also addresses Health and Safety issues. The role of the Health, Safety and Working Conditions Commission, which is made up of employee representatives, includes analysing the occupational risks to which employees may be exposed, making proposals for adapting jobs to facilitate access and retention of disabled people in all jobs and proposing actions to prevent moral or sexual harassment. Rothschild & Co in France evaluates procedures and systems for preventing occupational risks at least once a year through the *"Document d'évaluation des risques professionnels"* (Occupational Risk Assessment) and modifies the prevention measures whenever necessary through the *"Plan de prévention des risques"* (Risk Prevention Plan). These two documents are regularly reviewed by staff representatives.

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

5.6.3 Operational environmental impact

Operational greenhouse gas emissions[1]

Greenhouse gas emissions in tCO_2eq[2] as reported		2019	2020	2021
Direct emissions (scope 1)	Natural gas	128.7	128.0	148.7
	Biogas	0.9	0.8	0.7
	Other fuel	37.9	33.5	52.7
	Owned vehicles	176.4	175.2	193.9
	Refrigerant gas loss / other fugitive emissions[3]	0.0	0.0	3.4
Total scope 1		**343.9**	**337.5**	**398.6**
Indirect emissions (scope 2)	Electricity consumption (location-based)	3,321.1	2,585.9	2,130,6
	Electricity consumption (market-based)	1,844.1	989.6	600.9
	Heat consumption	289.9	262.3	269.4
	District cooling[4]	0.0	0.0	9.2
	Company owned cars (electric cars)[5]	0.0	0.0	1.0
Total scope 2 (location-based)		**3,611.0**	**2,848.2**	**2,410.2**
Total scope 2 (market-based)		**2,134.0**	**1,251.9**	**880.5**
Indirect emissions from travel (scope 3)	Business travel – Flights	17,856.5	4,004.7	2,039.8
	Business travel – Rail	210.1	41.6	40.2
	Business travel – Taxis	325.0	139.5	198.8
	Hotel stays	289.2	85.5	92.0
	Employee-owned cars[6]	0.0	0.0	34.2
Total emissions – Travel		**18,680.9**	**4,271.3**	**2,405.0**
Other emissions (scope 3)	Courier services	45.0	28.9	19.9
	Materials	201.7	98.8	89.0
	Recycling and disposal	22.0	18.3	16.9
	Remote working[7]	-	1,299.7	1,509.3
	Water	36.4	27.5	9.2
	Company leased vehicles	280.8	258.3	235.8
	IT equipment and server use (location-based)	594.8	1,083.4	1,431.6
	IT equipment and server use (market-based)	594.8	1,077.7	1,434.1
	Electricity Transmission and Distribution Losses (location-based)	327.2	249.4	170.0
	Electricity Transmission and Distribution Losses (market-based)	318.7	230.2	169.9
	Upstream emissions (WTT) (location-based)	2,914.8	1,138.5	1,135.0
	Upstream emissions (WTT) (market-based)	2,894.4	1,106.7	1,132.2
Total emissions – Other (location-based)		**4,422.6**	**4,202.8**	**4,616.7**
Total emissions – Other (market-based)		**4,393.7**	**4,146.3**	**4,616.3**
Total scope 3 (location-based)		**23,103.5**	**8,474.1**	**7,021.6**
Total scope 3 (market-based)		**23,074.5**	**8,417.6**	**7,021.3**
TOTAL SCOPE 1, 2 & 3 (LOCATION-BASED)		**27,058.4**	**11,659.8**	**9,830.4**
TOTAL SCOPE 1, 2 & 3 (MARKET-BASED)		**25,552.4**	**10,007.0**	**8,300.4**

(1) Non-extrapolated, reporting offices only. In 2021, Rothschild & Co collected data for approximately 95% of the Group's FTE.
(2) Rothschild & Co's GHG emissions are calculated as tonnes of carbon dioxide equivalent (tCO_2eq), a universal unit of measurement expressing the impact of each of the Kyoto GHGs in terms of the amount of CO_2 that would create the same amount of warming. The Group calculates tCO_2eq by multiplying its activity data, for example, waste incineration, landfill and air miles travelled, by the UK BEIS approved conversion factors or other sources of emissions factors.
(3) Refrigerant gas loss / other fugitive emissions has been added to the reporting scope for the first time in 2021.
(4) District cooling has been added to the reporting scope for the first time in 2021.
(5) Company owned cars (electric cars) has been added to the reporting scope for the first time in 2021.
(6) Employee-owned cars has been added to the reporting scope for the first time in 2021.
(7) 2019 data for remote working has not been calculated.

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

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

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

Greenhouse gas emissions (non-extrapolated, reporting offices)

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

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

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

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

Recycling and disposal

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

Total materials sent for disposal has remained relatively stable. Contributing factors to a slightly reduced recycling rate (38% in 2021 vs. 39% in 2020) was driven mainly by high levels of incineration from the Paris office. Other contributing factors include the reduction in high volume of heavy items (predominately paper, glass, and compostable material) being produced. For example, in the London office, a significant producer of recyclable material, the rates of recycling paper, glass and compostable material remain low due to further reduced occupancy levels.

Water use

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

Whilst Rothschild & Co is not a large consumer of water, it recognises its responsibility in the countries where it operates. Again in 2021, water use decreased significantly, due mainly to reduced office occupancy levels across the Group.

Materials use

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

Rothschild & Co understands that applying a traditional approach to resources use can place undue pressure on global resources, is wasteful and not economically viable in an increasingly challenging business environment. To that end, the Group ensures that it manages its resource use responsibly and as far as practicable.

Materials use predominately means paper use, although an increase in reporting scope over the years has resulted in more material types being added. The Group measures the amount of 100% recycled and sustainably sourced paper it procures (certified sustainable paper from FSC or PEFC). Responsible management of materials use is embedded in the Group's working practices.

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

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

Energy use

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

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

Rothschild & Co undertook a legal compliance and conformance assessment to understand the legal environmental responsibilities in each jurisdiction where Rothschild & Co has an office. This assessment led to the development of the Group environmental conformance standard for offices worldwide, and which the Group regularly monitors and uses to improve continuously.

Provisions have been identified in order to meet European Union (EU) energy efficiency obligations relevant to EU member states.

Provisions in the United Kingdom have been identified for operational environmental risk, pertaining to the Streamlined Energy and Carbon Reporting (SERC) scheme.

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

5.6.4 Methodology

Reporting of sustainability information – process for the 2021 reporting period

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

It should be noted that due to its business activities, the following Corporate Responsibility issues are **not considered as relevant** to Rothschild & Co: food waste, responsible, fair and sustainable food, fight against food insecurity and respect for animal welfare.

Reporting scope

Rothschild & Co provided the sustainability information with the overall objective of an enhanced qualitative approach and an improved verification process based on:

- Completeness: all fully consolidated entities within Rothschild & Co (excluding joint ventures) are included in the report boundary. Rothschild & Co strives to provide the most comprehensive information possible, notably by including indicators covering the most significant consolidated entities;
- Materiality: the published information is significant and representative of the Group's business. Rothschild & Co's performance data is presented within the social, economic and environmental context.

In consideration of the above, the reporting scope has been defined as follows:

Human Resources

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

Environment, Health and Safety

- Reporting offices: Birmingham, Brussels, Dubai, Frankfurt, Geneva, Guernsey, Hong Kong, Johannesburg, Leeds, London, Los Angeles, Luxembourg, Lyon, Madrid, Manchester, Marseille, Milan, Monaco, Mumbai, New York, Paris, São Paulo, Singapore, Sydney, Warsaw, Washington, Wilmslow and Zurich.
- Headcount covered: 95%.

Data sources:

- The environment reporting software tool references a large database of over 100,000 emission factors, sourced from over 350 different institutions, such as the UK government Department for Business, Energy and Industrial Strategy (BEIS), the Intergovernmental Panel and Climate Change (IPCC) and national government data from reporting countries such as the USA EPA and the Canadian NIR.
- The emission factors are automatically selected and applied to data based on geographical and temporal relevance, so that country-specific conversions are applied leading to the most accurate estimate of GHG emissions. There are over 300 different units of measurement available for the entry of data, and conversion of these to standard units for reporting is again automatic and location specific. The emissions factor database is accredited as Gold Software by the CDP (formerly the Carbon Disclosure Project) and a team of analysts ensure that all factors are reviewed and updated when source publications provide new releases. The system is independently assured by PricewaterhouseCoopers.
- Greenhouse gas emissions for energy consumption have been calculated using 2021 Department for Business, Energy and Industrial Strategy (BEIS) emissions factors and the resulting emissions are reported as tonnes of carbon dioxide equivalent (tCO_2eq) values.

Methodology:

- Refinements in data collection have resulted in an increased robustness of final data. Where assumptions, estimates or changes have been made, this is explained.
- GHG emissions are extrapolated to cover 100% of the Rothschild & Co Group. This extrapolation provides a more complete synopsis of the Group's operational emissions.
- Full-time equivalent (FTE) data is provided from Workday per 31 December 2021, with third party service providers or contractor employee headcount not captured. A ratio is applied to the total Group FTE headcount based on the offices included in the reporting scope. The result is used to calculate the impact per FTE (Impact/FTE). Impact per FTE is used to normalise the total impact against headcount.
- The Group's greenhouse gas emissions reporting is in respect of its operational activities and includes scope 1 and 2 emissions and scope 3 emissions relating to business travel, water supply and wastewater treatment, materials use, resources disposal and recycling, electricity transmission and distribution losses, courier services, remote working, IT equipment and server use, hotel night stays and upstream or well-to-tank emissions. Emissions are reported as carbon dioxide equivalent or CO_2e. In line with best practice, the Group produces a "dual report", reporting both location and market-based reporting instruments for scope 2.
- A Rothschild & Co "Group average intensity" figure for electricity consumption has been used in 2021. This assumes an electricity consumption of 0.1621 MWh/m^2 of office space per year. In total, this figure was used by five offices this year: Dubai, Geneva, Leeds, London Adam St and London Lombard St.
- In 2021, a Rothschild & Co Group "average energy intensity" figure was used to help offices estimate their annual natural gas consumption. This figure is 0.1092 MWh/m^2 of office space per year. This method of estimation is more accurate to Rothschild & Co facilities and replaces the industry benchmarks were used to help offices estimate their annual natural gas consumption in 2019. Five offices (Birmingham, Leeds, Manchester, London Adam St and London Lombard St) used average intensity figure to estimate their natural gas consumption for 2021.
- The locations-based methodology uses energy grid average emission factors in location specific geographies and over specific timeframes and allows the Group to compare emissions year-on-year. 2021 emissions reporting shows the summary in absolute emissions and relative emissions per full time equivalent employee for each scope. This has enabled the identification of true fluctuations across the three scopes on a per FTE basis.
- In 2021, refrigerant gas has been added as additional indicator.
- Data for leased vehicles has been missing for Madrid in 2020, a correction has been made to WTT. The errors were less than 0.5%, total numbers have been restated.
- Whilst emissions from employee commuting have been measured for the second time in 2021, they have not been included in the overall GHG emissions from the Group. These emissions have been calculated at 385 tCO_2eq.

Responsible Investment

Voting Coverage

AM Europe

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

AM US

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

WM UK

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

R&Co Bank AG

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

Number of voted resolutions

AM Europe

- Reported: 7,866
- Data sources: ISS

AM US

- Reported: 3,725
- Data sources: ISS

WM UK

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

Rothschild & Co Bank AG

- Reported: 630
- Data sources: manual collection by ESG specialists

% of consolidated WAM AuM covered by thermal coal principles

AM Europe

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

AM US

- Reported: 100%
- Perimeter: all asset classes

WM UK

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

Rothschild & Co Bank AG

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

RMM

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

% of funds covered by carbon intensity measurement

AM Europe

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

Engagement

AM Europe

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

MB

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

WM UK

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

Number of ESG-related initiatives joined in 2021

AM Europe

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

WM UK

- Say on Climate, Climate 100+

Number of labelled products

AM Europe

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

Number of funds with donation shares

AM Europe

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

R&Co4Generations

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

5.6.5 Universal reference table

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

	Ref.	UN GC	SDG	GRI[(1)]	TCFD[(2)]
Group-wide purpose statement, guiding principles and sustainability ambition as part of Rothschild & Co's business model	Chapter "Overview"	1-10		102-1 102-2 102-4 102-5 102-7	
Sustainability core to Group strategy					
Ambition to support the sustainability transition of the global economy anchored in Group strategy	S.5.1.1				
Common set of strategic priorities defined in group-wide ESG priority framework	S.5.1.1	1-10	16	102-15	
Non-financial risks and opportunities identified in materiality assessment	S.5.1.4	1-10		102-47	Strategy a)
Clear governance of sustainability matters, taken to the highest level in the organisation	S.5.1.2		16	102-19 102-20 102-22 102-23 102-29 102-31 102-32	Governance a), b)
Ongoing stakeholder dialogue: approach and engagement activities	S.5.1.3 S.5.6.1	1-10	16	102-21 102-40 102-42 102-43 102-44	
Continuous engagement through external partnerships and public commitments	S.5.1.3		5, 10, 12, 13, 15, 16	102-12 102-13	
ESG integration across the business model					
Group-wide responsible investment framework covering exclusions, engagement and stewardship, and dedicated investment products	S.5.2.1	1, 2, 6, 7, 9, 10	7, 10, 13, 16	103-1 103-2	Governance b)Strategy a) Risk management a), b)
ESG consideration in corporate client on-boarding	S.5.2.2	2, 5, 7, 10			
ESG considerations (incl. human rights) in selection of other supply chain partners	S.5.2.3	1- 10		102-9	Risk management a)
R&Co4Generations as dedicated philanthropic platform	S.5.2.4 S.5.3.6 S.5.4.6	6, 8, 9	5, 10, 13, 15	413-1	
Environmental impact					
Impact of climate change on our operations, products & services	S.5.3.2 S.5.3.3 S.5.3.4	7, 8, 9	13	201-2	Governance a), b) Risk management a), b)
Strategy to invest in assets which support the transition to a low carbon economy and/or aim to protect or preserve biodiversity	S.5.2.1 S.5.3.2	7, 8, 9	13, 15	302-5 304-2	Risk Management a), b)
Managing operational GHG emissions	S.5.3.4	7, 8, 9	7, 12, 13, 15	302-1 302-3 302-4 304-3 305-1 305-2 305-3 305-4 305-5	Governance b) Risk management a), b) Metrics + targets a), b), c)

	Ref.	UN GC	SDG	GRI[1]	TCFD[2]
Responsible consumption and resource use contributing to biodiversity protection and preservation	S.5.3.4	7, 8, 9	10, 12, 15	301-1 301-2 304-3 306-3 306-4 306-5	
Philanthropic support for protection of biodiversity and avoidance of climate change	S. 5.3.6	7, 8	13, 15	304-3	
People and social impact					
Philanthropic support to help address and alleviate inequalities	S.5.2.4 S.5.3.6 S.5.4.6	6	5, 10	413-1	
Policies and initiatives to encourage diversity and inclusion and create an environment of equal opportunity and partnership	S.5.4.2	3, 6	5, 10	405-1	
Developing the best talent / training opportunities	S.5.4.2	6	5, 10	404-1 404-2 404-3	
Fostering quality social dialogue and collective bargaining agreements	S.5.4.2	3, 6	5, 10	102-41	
Safeguarding physical, mental and emotional health, safety and wellbeing of employees	S.5.4.2 S.5.6.2			403-1 403-2 403-3 403-5 403-6 403-8	
Policies implemented in line with the main provisions of the International Labour Organisation's fundamental conventions on Human Rights	S.5.4.1 S.5.4.2	1, 2, 3, 4, 5, 6	5, 10, 16	407-1 408-1 409-1 412-1	
Business practices					
Group Code of Conduct sets out standards and expected behaviours	S.5.5.1	1, 2, 6, 7, 10	16	102-16	
Zero tolerance approach to all forms of corruption and bribery: standards and policies	S.5.5.3	10	16	205-1 205-2	
Tax transparency backed up by a strong tax governance	S.5.5.2	10	16	207-1 207-2	
No engagement in political lobbying activity and donations	S.5.5.3	10	16	415-1	
Managing data privacy and confidentiality risks and preserving the integrity of clients' and partners' data	S.5.5.4		16		
Additional information disclosed					
Other disclosures on employee headcount distribution and relating to diversity and inclusion, hiring and development	S.5.6.2	6	10	102-8	
Reporting period for the information provided	Section 2.1 of the 2021 Consolidated Financial Statement			102-50	
General governance structure of the organisation	Chapter "Overview"		5, 16	102-18 102-22	Governance
Effect of any restatements of information given in previous reports, and the reasons for such restatements	S.5.6			102-48	
Statutory Auditors' opinion: external assurance	S.5.6			102-56	

(1) The Section 5 of this report was written in consideration of GRI standards 101 and 103. Where appropriate, the report references selected GRI Standards, or parts of their content, to report specific information with a GRI-referenced claim.
(2) Standalone report to be published in 2022.

Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December 2021

To the Shareholders,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the COFRAC under number 3-1049[1], we have undertaken a limited assurance engagement on the historical information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31st, 2021 (hereinafter, respectively, the "Information" and the "Statement"), included in the Group's management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that causes us to believe that the Statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial Statement

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

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

Inherent limitations in preparing the Information

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

Responsibility of the entity

The Managing Partner is responsible for:

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

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

(1) Accreditation Cofrac Inspection, number 3-1049, scope available at www.cofrac.fr

Responsibility of the Statutory Auditor, appointed as independent third party/independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

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

However, it is not our responsibility to comment on:

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

Regulatory provisions and applicable professional guidance

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

Our independence and quality control

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

Means and resources

Our work was carried out by a team of five people between December 2021 and March 2022 and took a total of five weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some interviews with the people responsible for preparing the Statement.

Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

(1) ISAE 3000 (Revised) - *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[(1)]. Concerning certain risks[(2)], our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[(3)].
- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important[(4)], we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[5] and covers between 20% and 44% of the consolidated data selected for these tests;

We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

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

Paris-La Défense, on 11 March 2022

KPMG S.A.

Anne Garans	Arnaud Bourdeille
Partner	*Partner*
Sustainability Services	

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

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

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

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

6

Report on corporate governance

The Supervisory Board's report on corporate governance has been drawn up in accordance with Articles L.226-10-1 and L.22-10-78 of the French Commercial Code *(Code de commerce).* It has been approved by the Supervisory Board on 8 March 2022 and is appended to the Management Report of the Company.

The corporate governance code referred to by the Company on a voluntary basis is the Corporate Governance Code for Listed Corporations *(Code de gouvernement d'entreprise des sociétés cotées)* (revised in January 2020) published by the French *Association Française des Entreprises Privées* (Afep) and *Mouvement des Entreprises de France* (Medef) (the "Afep-Medef Code"). The Afep-Medef Code is available on the Afep website (www.afep.com) and the Medef website (www.medef.com).

The governance framework of the Company complies with the specific legal and regulatory provisions applicable to *"sociétés en commandite par actions".*

Where Rothschild & Co does not comply, or does not fully-comply, with some recommendations of the Afep-Medef Code, explanations are given on Section 6.2.9 of this report.

6.1 The Managing Partner, Rothschild & Co Gestion

6.1.1 Role and duties

In addition to being a general partner *(associé commandité)* of the Company, Rothschild & Co Gestion is the sole manager *(gérant)* and legal representative of the Company. Rothschild & Co Gestion was appointed by Rothschild & Co's articles of association as the first statutory manager for the duration of the Company. Rothschild & Co Gestion is referred to hereafter as "Rothschild & Co Gestion" or the "Managing Partner" in this report.

As Managing Partner, Rothschild & Co Gestion is responsible for the overall management of the Company and is vested with the broadest powers to act in all circumstances on its behalf.

Among other things, Rothschild & Co Gestion:

- establishes the strategic direction of the business of the Company and the entities within the Group on a consolidated basis;
- supervises the accounting and financial information and directs the internal control of the Company and the entities within the Group on a consolidated basis;
- determines the regulatory capital of the Company and the entities within the Group on a consolidated basis;
- approves the annual, consolidated and half-yearly financial statements of the Company;
- determines the agenda and prepare the draft resolutions of the General Meetings; and
- convenes the General Meetings.

The directorships and positions held by the Managing Partner as at 31 December 2021 are presented below:

Rothschild & Co Gestion SAS

Managing Partner

French simplified joint stock company
(société par actions simplifiée)
Term: duration of the Company
Date of first appointment: 8 June 2012
End of term: end of the Company
Rothschild & Co shares held: 1

Other directorships and positions held within the Group

- None

Directorships and positions held outside the Group

- Chairman of RCI Gestion SAS
- Chairman of RAM Gestion SAS
- Managing partner of RMM Gestion SNC

Directorships and positions expired over the past five years

- None

6.1.2 Organisation

The Executive Chairman of the Managing Partner

The Executive Chairman of Rothschild & Co Gestion has the broadest powers to act in Rothschild & Co Gestion's name in all circumstances, including in its capacity as Managing Partner of the Company, subject only to the powers granted to Rothschild & Co Gestion's shareholders pursuant to applicable laws or the articles of association of Rothschild & Co Gestion. The Executive Chairman is the sole legal representative of Rothschild & Co Gestion.

Alexandre de Rothschild is the Executive Chairman of the Managing Partner. His appointment as Executive Chairman was renewed by the shareholders of Rothschild & Co Gestion on 9 March 2021 for a three-year term expiring at the general meeting of Rothschild & Co Gestion convened in 2024 to approve the financial statements of the previous financial year.

Acting as legal representative, he is performing the functions of *dirigeant effectif* of Rothschild & Co referred to in Article L.511-13 of the French Monetary and Financial Code *(Code monétaire et financier)* applicable to Rothschild & Co as a financial holding company supervised on a consolidated basis by the ACPR.

The profil, the expertise and experience as well as the directorships and positions of Alexandre de Rothschild as at 31 December 2021 are presented below:

Alexandre de Rothschild

Executive Chairman of Rothschild & Co Gestion, the Managing Partner of Rothschild & Co

Age: 41 (born on 3 December 1980)
Nationality: French
Term: three years (renewable)
Date of first appointment: 17 May 2018
End of term: 2024
Rothschild & Co shares directly held: 41,615

Expertise and experience

Alexandre de Rothschild joined the Group in 2008 to focus primarily on the establishment of the Merchant Banking division. Before joining the Group, Alexandre de Rothschild gained substantial experience in investment banking and private equity in New York and London with Bear Stearns and Bank of America respectively. In 2011, Alexandre de Rothschild became a member of the Group Executive Committee. Since 2013, he is a Managing Partner of Rothschild Martin Maurel (formerly Rothschild & Cie Banque) and Rothschild & Cie. In 2014, Alexandre de Rothschild joined the Management Board of Rothschild & Co Gestion, and he became its Executive Deputy Chairman in March 2017.

Since 17 May 2018, he is the Executive Chairman of Rothschild & Co Gestion.

(1) Listed company.

Other directorships and positions held within the Group

- Managing Partner of Rothschild Martin Maurel SCS
- Managing Partner of Rothschild & Cie SCS
- Chairman of Aida SAS
- Chairman of Cavour SAS
- Chairman of Verdi SAS
- Chairman of SCS Holding SAS
- Chairman of Financière Rabelais SAS
- Chairman of K Développement SAS
- Chairman of Rothschild & Co Wealth & Asset Management SAS (formerly Martin Maurel SA)
- Chairman of the Board of Directors of Rothschild & Co Continuation Holdings AG (Switzerland)
- Member of the Board of Directors of Rothschild & Co Japan Ltd (Japan)

Directorships and positions held outside the Group

- Member of the Board of Directors of Bouygues SA[1]
- Member of the Board of Directors of Rothschild & Co Concordia SAS
- Chairman of Rothschild & Co Commandité SAS
- Chairman of Rothschild Martin Maurel Associés SAS
- Permanent representative of Rothschild & Co Gestion SAS as managing partner of RMM Gestion SNC
- Managing Partner of RCB Partenaires SNC
- Chairman of Financière de Tournon SAS
- Chairman of Pendjab SAS
- Managing Partner of Société Civile du Haras de Reux SC
- Managing Partner of SCI 38 Bac

Directorships and positions expired over the past five years

- Member of the Supervisory Board of Martin Maurel SA (until 2021)
- Vice-Chairman of the Board of Directors of Rothschild & Co Bank AG (Switzerland) (until 2019)
- Member of the Board of Directors of Rothschild & Co Concordia AG (Switzerland) (until 2019)
- Member of the Board of Directors of Rothschild & Co Holding AG (Switzerland) (until 2019)
- Executive Deputy Chairman of Rothschild & Co Gestion SAS (until 2018)
- Member of the Board of Directors of Five Arrows (Scotland) General Partner Limited (Scotland) (until 2018)
- Member of the Board of Directors of Treilhard Investissements SA (until 2017)

François Pérol, managing partner of Rothschild & Co Gestion, fulfils alongside the Executive Chairman of Rothschild & Co Gestion, the functions of *dirigeant effectif* of Rothschild & Co referred to in Article L.511-13 of the French Monetary and Financial Code by virtue of a delegation of power granted to him by the Executive Chairman of the Managing Partner.

The Management Board of Rothschild & Co Gestion

The Management Board is a collegial body of Rothschild & Co Gestion composed of the Executive Chairman and of managing partners appointed by the Executive Chairman which aims to assist the Executive Chairman of the Managing Partner in the performance of his duties as the legal representative of the Managing Partner.

As at 31 December 2021, the Management Board was composed of the following managing partners, alongside the Executive Chairman, who chairs the meetings and sets their agenda:

- Marc-Olivier Laurent, managing partner of Rothschild & Co Gestion;
- Robert Leitão, managing partner of Rothschild & Co Gestion and Co-Chairman of the Group Executive Committee; and
- François Pérol, managing partner of Rothschild & Co Gestion and Co-Chairman of the Group Executive Committee.

The Management Board meets monthly or more frequently if required by the Executive Chairman. On a quarterly basis, the Management Board meets ahead of the meeting of the Supervisory Board and its committees, notably to prepare and review the reports to be presented to the Supervisory Board and its committees.

A short biography of each member of the Management Board is available on the Company's website (www.rothschildandco.com).

6.1.3 The Group Executive Committee

The Group Executive Committee is the senior executive committee of Rothschild & Co, whose members are the most senior executive officers of the Group's business divisions and support functions. In its role, the Group Executive Committee proposes strategic orientations to the Managing Partner, and assists the Managing Partner in overseeing the implementation of the strategy across the Group and the operational management of the Group.

As at 31 December 2021, the Group Executive Committee was co-chaired by Robert Leitão and François Pérol, managing partners of Rothschild & Co Gestion, and was composed of the following additional members:

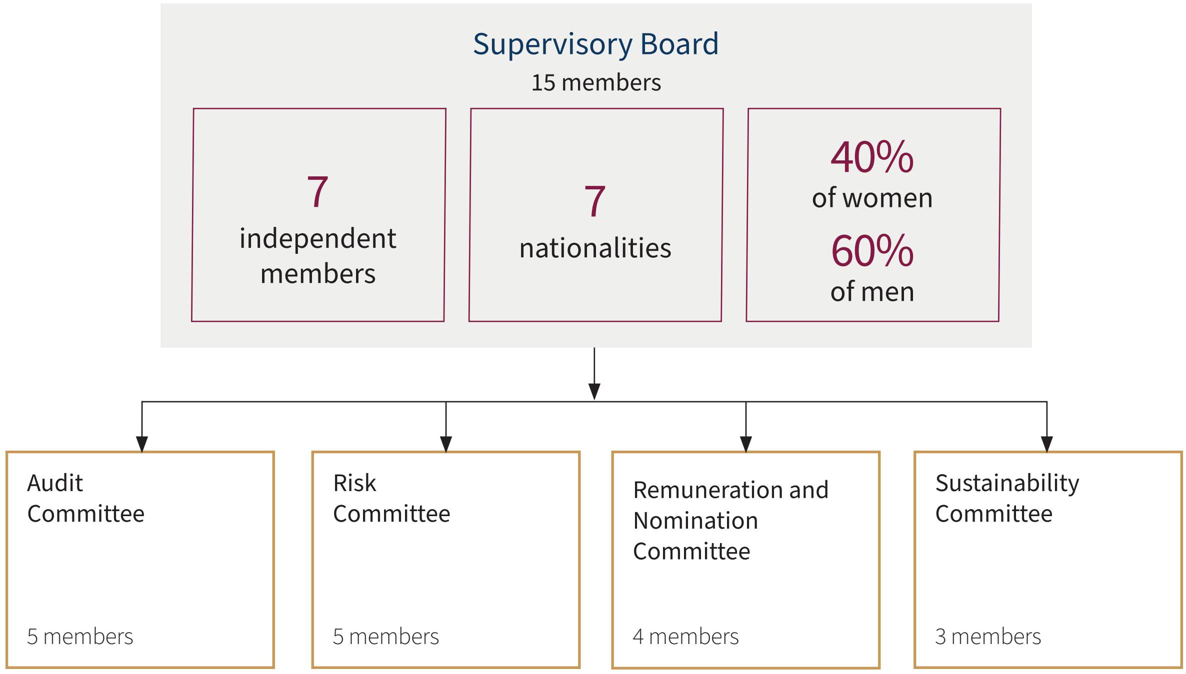
- Paul Barry (Group Human Resources Director);
- Grégoire Chertok (Head of Global Advisory, France – Deputy Head, Global Advisory);
- Mark Crump (Group Chief Financial Officer – Group Chief Operating Officer);
- Laurent Gagnebin (Head of Rothschild & Co Bank AG – Co-Head, Wealth Management);
- Javed Khan (Head of Merchant Banking);
- Marc-Olivier Laurent (Managing Partner – Executive Chairman of Merchant Banking);
- Alain Massiera (Head of France Wealth and Asset Management);
- Jimmy Neissa (Head of Rothschild & Co, North America – Deputy Head, Global Advisory);
- Gary Powell (Executive Chairman of Wealth Management);
- Martin Reitz (Head of Rothschild & Co, Germany – Deputy Head, Global Advisory);
- Emmanuelle Saudeau (Group Chief Digital Officer);
- Helen Watson (Head of Wealth Management, UK – Co-Head, Wealth Management); and
- Jonathan Westcott (Group Head of Legal and Compliance).

The Group Executive Committee meets at least eight times per annum or more frequently as required.

The Co-Chairmen of the Group Executive Committee report jointly to the Managing Partner on the Group Executive Committee's initiatives, propositions and decisions and ensure that the Group Executive Committee implement effectively any measures set out by the Managing Partner.

6.2 The Supervisory Board

The Supervisory Board is responsible for the ongoing supervision of the management of the Company by the Managing Partner. To do so, it is assisted by four specialised committees.



6.2.1 Composition of the Supervisory Board

In accordance with the articles of association of the Company, the Supervisory Board shall consist of six to 18 members. The Supervisory Board members represent the shareholders of the Company. They are appointed and revoked by the ordinary General Meeting which sets the duration of their term of office. As of 31 December 2021, no Supervisory Board members terms of office exceed three years, in line with the Afep-Medef Code recommendations which provides that the duration of directors' terms of office should not exceed four years. In addition, terms of office are staggered to avoid replacement of the entire body and to favour a smooth replacement of Supervisory Board members.

Members of the Supervisory Board as at 31 December 2021

	Personal details		Experience	Position on the Supervisory Board				Membership of comitees			
Name, nationality, age	Gender	Number of shares directly held	Number of directorship within other listed companies	Independence	Date of first appointment	End of term of office	Board seniority	Audit Committee	Risk Committee	Remuneration and Nomination Committee	Sustainability Committee
David de Rothschild *(Chairman)* French 79 years old	M	2,520	1	Non-independent member	17 May 2018	AG 2024	3 years and 7 months				
Éric de Rothschild *(Vice-Chairman)* French 81 years old	M	12	0	Non-independent member	29 October 2004	AG 2023	17 years and 2 months				
Lucie Maurel-Aubert *(Vice-Chairwoman)* French 59 years old	F	12,610	2	Non-independent member	8 June 2012	AG 2024	9 years and 6 months				Chairman/Chairwoman, Non-independent member
Adam Keswick *(Vice-Chairman)* British 48 years old	M	3,310	6(1)	Independent member	29 September 2016	AG 2023	5 years and 3 months				
Dr. Daniel Daeniker Swiss 58 years old	M	2,010	1	Independent member	25 September 2014	AG 2022	7 years and 3 months				
Gilles Denoyel French 67 years old	M	675	1	Independent member	14 May 2020	AG 2023	1 year and 7 months	Independent member	Independent member		
Sir Peter Estlin British 60 years old	M	260	0	Independent member	10 March 2020	AG 2024	1 year and 9 months	Chairman/Chairwoman, Independent member	Independent member	Independent member	
Sylvain Héfès French 69 years old	M	150	0	Non-independent member	29 March 2012	AG 2024	9 years and 9 months			Chairman/Chairwoman, Non-independent member	
Suet-Fern Lee Singaporean 63 years old	F	160(2)	0	Independent member	28 September 2017	AG 2023	4 years and 3 months	Independent member	Independent member		
Arielle Malard de Rothschild French 58 years old	F	3,388	1	Non-independent member	25 September 2014	AG 2022	7 years and 3 months	Non-independent member	Non-independent member		
Jennifer Moses American 60 years old	F	0	0	Non-independent member	14 December 2021(3)	AG 2022	1 month				
Carole Piwnica Belgian 63 years old	F	160	1	Independent member	25 September 2014	AG 2022	7 years and 3 months			Independent member	Independent member
Sipko Schat Dutch 61 years old	M	1,510	1	Non-independent member	8 June 2012	AG 2024	9 years and 6 months	Non-independent member	Chairman/Chairwoman, Non-independent member		
Lord Mark Sedwill British 57 years old	M	150(2)	0	Non-independent member	15 September 2021(3)	AG 2023	3 months				Non-independent member
Véronique Weill French 62 years old	F	160	2	Independent member	14 May 2020	AG 2022	1 year and 7 months			Independent member	

■ Chairman/Chairwoman
■ Independent member
■ Non-independent member

(1) Four out of six are Jardine Matheson group companies.
(2) All or part of these shares were acquired after 31 December 2021.
(3) Appointment by the Supervisory Board to be proposed for ratification at the next General Meeting.

Changes in the Supervisory Board composition during 2021

	End of term/resignation	Appointment	Renewal/ratification
Supervisory Board	• Anthony de Rothschild (15 September 2021) • Luisa Todini (11 October 2021)	• Lord Mark Sedwill (15 September 2021)[1] • Jennifer Moses (14 December 2021)[2]	• David de Rothschild (20 May 2021) • Lucie Maurel-Aubert (20 May 2021) • Adam Keswick (20 May 2021) • Anthony de Rothschild (20 May 2021) • Sir Peter Estlin (20 May 2021) • Sylvain Héfès (20 May 2021) • Sipko Schat (20 May 2021) • Véronique Weill (ratification) (20 May 2021)
Audit Committee	-	-	• Sir Peter Estlin (20 May 2021) • Sipko Schat (20 May 2021)
Risk Committee	-	-	• Sir Peter Estlin (20 May 2021) • Sipko Schat (20 May 2021)
Remuneration and Nomination Committee	• Luisa Todini (11 October 2021)	-	• Sylvain Héfès (20 May 2021) • Véronique Weill (20 May 2021)
Sustainability Committee	• Anthony de Rothschild (15 September 2021)	• Lord Mark Sedwill (15 September 2021)	• Lucie Maurel-Aubert (20 May 2021) • Anthony de Rothschild (20 May 2021)

(1) Lord Mark Sedwill was appointed (*coopté*) by the Supervisory Board to fill the vacancy left by Anthony de Rothschild, for the remainder of his term of office. The General Meeting to be held on 19 May 2022 will be called upon to ratify such appointment (*cooptation*).
(2) Jennifer Moses was appointed (*cooptée*) by the Supervisory Board to fill the vacancy left by Luisa Todini, for the remainder of her term of office. The General Meeting to be held on 19 May 2022 will be called upon to ratify such appointment (*cooptation*).

Changes proposed to the General Meeting to be held on 19 May 2022[1]

The General Meeting to be held on 19 May 2022 will be called upon to vote on: (i) the ratification of the appointment *(cooptation)* of Lord Mark Sedwill and Jennifer Moses and (ii) the re-appointment of four members of the Supervisory Board whose term of office is ending (Arielle Malard de Rothschild, Jennifer Moses, Carole Piwnica, Véronique Weill).

At its meeting on 8 March 2022, the Supervisory Board, based on the recommendation of the Remuneration and Nomination Committee opined in favour of these renewals.

(1) For more information on changes proposed after the date of this report on corporate governance, please refer to the section "Overview - Governance" of this report.

About the Supervisory Board members as at 31 December 2021

David de Rothschild

Chairman of the Supervisory Board

Age: 79 (born on 15 December 1942)
Nationality: French
Term: three years
Date of first appointment: 17 May 2018
End of term: General Meeting 2024
Rothschild & Co shares directly held: 2,520
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

David de Rothschild has worked for the Group for over 40 years. In 1982, Banque Rothschild, the company originally founded by James de Rothschild in the early XIXe century under the name "de Rothschild Frères", was nationalised by the French government. A group of associates led by David de Rothschild and his cousin, Éric de Rothschild, finally secured the right to operate a new banking business under the family name in 1986.

In 2012, David de Rothschild was appointed Chairman of Rothschild & Co Gestion, the Managing Partner of Rothschild & Co. In May 2018, he resigned to become Chairman of the Supervisory Board of Rothschild & Co.

Other directorships and positions held within the Group

- None

Directorship and positions held outside the Group

- Member of the Board of Directors and the Appointment and Compensation Committee of Casino SA(1)
- Vice-Chairman of the Board of Directors and CEO of Rothschild & Co Concordia SAS
- Chairman of Financière de Reux SAS
- Member of the Board of Directors of Béro SAS
- Sole Director of GIE Sagitas
- Managing partner of Rothschild Ferrières SC
- Managing partner of Société Civile du Haras de Reux SC
- Sole Director of GIE Five Arrows Messieurs de Rothschild Frères

Directorships and positions expired over the past five years

- Managing partner of SCI 2 Square Tour Maubourg SC (until 2021)
- Managing partner of SCI 38 Bac (formerly SCI 66 Raspail) (until 2021)
- Manager of Acadie AA1 SC (until 2021)
- Member of the Supervisory Board of Martin Maurel SA (until 2021)
- Chairman of SCS Holding SAS (until 2020)
- Chairman of Financière Rabelais SAS (until 2020)
- Chairman of Financière de Tournon SAS (until 2020)
- Managing partner of Béro SCA (until 2020)
- Chairman of Aida SAS (until 2020)
- Chairman of Cavour SAS (until 2020)
- Chairman of Verdi SAS (until 2020)
- Chairman of Rothschild & Co Commandité SAS (until 2020)
- Chairman of Paris Orléans Holding Bancaire SAS (until 2019)
- Chairman of RCI Partenaires SAS (until 2019)
- Chairman of RCG Partenaires SAS (until 2019)
- Chairman of Rothschild & Co Concordia SAS (until 2018)
- Chairman of Rothschild & Co Gestion SAS (until 2018)
- Manager of Rothschild Martin Maurel SCS (until 2018)
- Managing partner of Rothschild & Cie SCS (until 2018)
- Chairman of Rothschild Martin Maurel Associés SAS (until 2018)
- Permanent representative of Rothschild & Co Gestion SAS as managing partner of RCB Gestion SNC (until 2018)
- Managing partner of RCB Partenaires SNC (until 2018)
- Member of the Governance and Social Responsibility Committee of Casino SA(1) (until 2018)
- Member of the Board of Directors of Continuation Investments NV (the Netherlands) (until 2018)
- Member of the Board of Directors of La Compagnie Financière Martin Maurel SA until its merger with the Company (until 2017)
- Chairman of Rothschild & Co Europe BV (the Netherlands) (until 2017)

(1) Listed company.

Éric de Rothschild

Vice-Chairman of the Supervisory Board

Age: 81 (born on 3 October 1940)
Nationality: French
Term: three years
Date of first appointment: 29 October 2004
End of term: General Meeting 2023
Rothschild & Co shares directly held: 12
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

Éric de Rothschild was appointed on 8 June 2012 as Chairman of the Supervisory Board, a position he already held from 2004. He joined Paris Orléans in 1974 as Chairman of the Board of Directors. Along with David de Rothschild, he was the main driving force in bringing together the English and French branches of the Rothschild family, and holds several other duties and positions within the family's companies including wine-making companies.

He is also President and Chairman of the Board of Directors of Rothschild & Co Concordia SAS.

He graduated from the *École Polytechnique* of Zurich (Switzerland).

Other directorships and positions held within the Group

- None

Directorship and positions held outside the Group

- President and Chairman of the Board of Directors of Rothschild & Co Concordia SAS
- Managing partner of RCB Partenaires SNC
- President and Chairman of the Board of Directors of Béro SAS
- Member of the Supervisory Board of Impact Partners SAS
- Manager of SCI 6/10 rue de Pali-Kao
- Managing partner of 7 Marigny SC
- Member of the Board of Directors of Baronnes et Barons Associés SAS
- Permanent representative of Béro SAS as Managing Partner of Beart SNC
- Permanent representative of Béro SAS as Chairman of Ponthieu Rabelais SAS
- Permanent representative of Béro SAS as co-manager of Château Lafite Rothschild SC
- Member of the Board of Directors of Christie's France SAS
- Member of the Board of Directors of Société des Amis du Louvre
- Chairman of the Board of Directors of Rothschild Archive Ltd (United Kingdom)
- Chairman and Director of DBR USA Inc. (United States of America)

Directorship and positions expired over the past five years

- Member of the Board of Directors of *Centre national de la photographie* (until 2021)
- General partner and manager of Béro SCA (until 2020)
- Chairman of Fondation des Artistes (until 2019)
- Member of the Supervisory Board of Milestone SAS (until 2019)
- Member of the Supervisory Board of SIACI Saint-Honoré SA (until 2019)
- Chairman of the Board of Directors of Rothschild & Co Holding AG (Switzerland) (until 2019)
- Member of the Board of Directors of Los Vascos SA (Chile) (until 2018)
- Chairman of the Supervisory Board of Rothschild & Co SCA(1) (until 2018)
- General manager of Rothschild & Co Concordia SAS (until 2018)
- Member of the Board of Directors of Continuation Investments NV (the Netherlands) (until 2018)
- Member of the Board of Directors of Rothschild Employee Trustees Ltd (United Kingdom) (until 2017)

(1) Listed company.

Lucie Maurel-Aubert

Vice-Chairwoman of the Supervisory Board

Chairwoman of the Sustainability Committee

Age: 59 (born on 18 February 1962)
Nationality: French
Term: three years
Date of first appointment: 8 June 2012
End of term: General Meeting 2024
Rothschild & Co shares directly held: 12,610
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

Lucie Maurel-Aubert was a business lawyer at Gide Loyrette Nouel for 17 years, where she practised EU law, competition, industrial property and corporate law. She was also lecturer at HEC and at the ISA from 1987 to 1992. In 2002, she joined the family bank, of which she became a Director in 1999.

Appointed Deputy Chief Executive Officer of Compagnie Financière Martin Maurel in 2007, she was Chief Executive Officer and member of the executive Board of Directors of Banque Martin Maurel.

Other directorships and positions held within the Group

- Chairwoman of Messine SAS
- Chairwoman of the Supervisory Board of Wargny BBR SA
- Member of the Board of Directors of Rothschild & Co Wealth Management Monaco SA

Directorships and positions held outside the Group

- Vice-Chairwoman of Rothschild Martin Maurel Associés SAS
- Vice-Chairwoman of the Association Française des Banques
- Member of the Board of Directors of Compagnie Plastic Omnium SA(1)
- Member of the Board of Directors of SNEF SA
- Member of the Board of Directors of STEF SA(1)
- Manager of SC BD Maurel
- Manager of SC Paloma
- Member of the Board of Directors of *Fonds de dotation du Grand Paris*
- Vice-Chairwoman of the Festival d'Aix-en-Provence

Directorship and positions expired over the past five years

- Chairwoman of the Supervisory Board of Martin Maurel SA (until 2021)
- Chairwoman of the Supervisory Board of Hoche Gestion Privée SA (until 2018)
- Member of the Supervisory Board of Fonds de garantie des dépôts et de résolution (until 2018)
- Chairwoman of Immobilière Saint Albin SAS (until 2018)
- Chairwoman of the Supervisory Board of BBR Rogier SA (until 2018)
- Manager (Type A) of Mobilim International SÀRL (Luxemburg) (until 2018)
- Member of the Board of Directors of Théâtre du Châtelet (until 2017)
- Chairwoman of the Supervisory Board of International Capital Gestion SA (until 2017)
- Chairwoman of the Supervisory Board of Martin Maurel Gestion SA (until 2017)
- Chairwoman of Grignan Participations SAS (until 2017)
- Chairwoman of the Supervisory Board of Optigestion SA (until 2017)
- Member of the Executive Board and CEO of Martin Maurel SA (formerly Banque Martin Maurel) (until 2017)
- Vice-Chairwoman, Deputy Chief Executive Officer and Director of Compagnie Financière Martin Maurel SA (until 2017)
- Member of the Supervisory Board of Martin Maurel Gestion SA (until 2017)
- Permanent representative of Martin Maurel (formerly Banque Martin Maurel) SA as member of the Supervisory Board of Optigestion SA (until 2017)

(1) Listed company.

Adam Keswick

Vice-Chairman of the Supervisory Board

Independent member of the Supervisory Board

Age: 48 (born on 1 February 1973)
Nationality: British
Term: two years
Date of first appointment: 29 September 2016
End of term: General Meeting 2023
Rothschild & Co shares directly held: 3,310
Attendance rate at Supervisory Board meetings: 80%

Expertise and experience

Adam Keswick first joined the Jardine Matheson group in 2001 and was appointed to the Board of Jardine Matheson Holdings Limited in 2007. He was Deputy Managing Director of Jardine Matheson from 2012 to 2016 and became Chairman of Matheson & Co in 2016.

Adam Keswick is a Director of Dairy Farm, Hongkong Land, Jardine Matheson, Jardine Strategic and Mandarin Oriental. He is also a Director of Ferrari, Schindler and Yabuli China Entrepreneurs Forum.

Other directorship and positions held within the Group

- None

Directorships and positions held outside the Group

- Member of the Board of Directors of Jardine Pacific Holdings Limited (Bermuda)(2)
- Chairman of Jardine Schindler Holdings Limited (British Virgin Islands)(2)
- Chairman of Matheson & Co, Limited (United Kingdom)(2)
- Member of the Board of Directors of Jardine Matheson Holdings Limited(1) (Bermuda)(2)
- Member of the Board of Directors of Jardine Motors Group UK Limited (United Kingdom)(2)
- Member of the Board of Directors of Dairy Farm International Holdings Limited(1) (Bermuda)(2)
- Member of the Board of Directors of Hongkong Land Holdings Limited(1) (Bermuda)(2)
- Member of the Board of Directors of Mandarin Oriental International Limited(1) (Bermuda)(2)
- Member of the Board of Directors of JMH Finance Holdings Limited (British Virgin Islands)(2)
- Member of the Board of Directors of JMH Investments Limited (British Virgin Islands)(2)
- Member of the Board of Directors of JMH Management Holdings Limited (British Virgin Islands)(2)
- Member of the Board of Directors of JMH Treasury Limited (British Virgin Islands)(2)
- Member of the Board of Directors of JSH Treasury Limited (British Virgin Islands)(2)
- Non-executive member of the Board of Directors of Ferrari NV(1) (the Netherlands)
- Non-executive member of the Board of Directors of Yabuli China Entrepreneurs Forum (China)
- Non-executive member of the Board of Directors and member of the Remuneration Committee of Schindler Holding Limited(1) (Switzerland)

Directorships and positions expired over the past five years

- Member of the Board of Directors of Jardine Strategic Holdings Limited(1) (Bermuda)(2) (until 2021)
- Deputy Chairman of Jardine Lloyd Thompson Group Limited(1) (formerly Jardine Lloyd Thompson Group plc) (United Kingdom) (until 2019)

(1) Listed company.
(2) Jardine Matheson group.

Dr. Daniel Daeniker

Independent member of the Supervisory Board

Age: 58 (born on 12 March 1963)
Nationality: Swiss
Term: three years
Date of first appointment: 25 September 2014
End of term: General Meeting 2022
Rothschild & Co shares directly held: 2,010
Attendance rate at Supervisory Board meetings: 80%

Expertise and experience

Dr. Daniel Daeniker is the Senior Partner of Homburger AG, one of Switzerland's leading law firms based in Zurich.
His practice focuses on mergers & acquisitions, corporate governance, equity capital markets and financial services regulation.

He studied law at the Universities of Neuchâtel and Zurich, where he obtained a doctorate in 1992, and at the University of Chicago, from where he graduated from a master of law in 1996. He spent most of his career at Homburger AG where he became a Partner in 2000, Head of the Corporate/M&A practice group in 2009, Managing Partner in 2013 and Senior Partner in 2019.

Dr. Daniel Daeniker is a Director of Dormakaba Holding AG, where he chairs the Audit Committee, and of Hilti AG, where he is a member of the Audit Committee. He served as an independent Director of Rothschild & Co Continuation Holdings AG from 2001 to 2014.

Other directorships and positions held within the Group

- None

Directorships and positions held outside the Group

- Member of the Board of Directors of Hilti AG, member of the Audit Committee (Liechtenstein)
- Member of the Board of Directors and Chairman of the Audit Committee of Dormakaba Holding AG(1) (Switzerland)
- Senior partner and Member of the Board of Directors of Homburger AG (Switzerland)

Directorships and positions experienced over the past five years

- Member of the Risk Committee of Rothschild & Co SCA(1) (until 2019)

(1) Listed company.

Gilles Denoyel

Independent member of the Supervisory Board

Member of the Risk Committee

Member of the Audit Committee

Age: 67 (born on 4 August 1954)
Nationality: French
Term: three years
Date of first appointment: 14 May 2020
End of term: General Meeting 2023
Rothschild & Co shares directly held: 675
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

A graduate of the top French engineering school *École des Mines de Paris,* the *Institut d'Études Politiques de Paris* (*Sciences Po*) and a civil servant student at *École Nationale d'Administration* (ENA), Gilles Denoyel was appointed *Inspecteur des Finances* at the French Ministry of Finance in 1981.

In 1985, he joined the Treasury Department where he was successively in charge of the CIRI *(Comité Interministériel de Restructuration Industrielle),* export financing, financial market regulation, the supervision of the Insurance sector and the privatisation programme.

In 1996, he joined the CCF as Chief Financial Officer. He became Deputy Chief Executive Officer in 2000. In 2004, he was appointed Executive Director Chief Operating Officer of the CCF and then of HSBC France. From 2015, he was Chairman of International Institutional Relations for Europe of the HSBC Group.

Since his retirement from the HSBC Group in 2016, he has been Senior Adviser of Bain Consulting and Operating Partner of Advent International. In January 2018, he joined the Board of Memo Bank and was appointed Chairman of the Board of Dexia in May 2018. In May 2019, he joined the Board of EDF, where he chairs the Nuclear Commitments Monitoring Committee.

Other directorships and positions held within the Group

- None

Directorships and positions held outside the Group

- Chairman of the Board of Directors of Dexia Crédit Local
- Member of the Board of Directors and Chairman of the Nuclear Commitments Monitoring Committee of EDF SA(1)
- Member of the Supervisory Board of Memo Bank SA
- Chairman of the Board of Directors of Institut Aspen France (association)
- Chairman of the Board of Directors, Chairman of the Appointment Committee and member of the Remuneration Committee of Dexia (Belgium)

Directorships and positions expired over the past five years

- None

(1) Listed company.

Sir Peter Estlin

Independent member of the Supervisory Board

Chairman of the Audit Committee

Member of the Risk Committee

Member of the Remuneration and Nomination Committee

Age: 60 (born on 4 July 1961)
Nationality: British
Term: three years
Date of first appointment: 10 March 2020
End of term: General Meeting 2024
Rothschild & Co shares directly held: 260
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

Following a 30-year career in finance and banking, Sir Peter Estlin now holds several non-executive and charitable appointments in banking, digital innovation and skills. He was knighted in the 2020 New Year's Honours for services to international business, skills and inclusion, having served the office of Lord Mayor of the City of London in 2018/2019. He qualified as a chartered accountant, becoming a Partner with Coopers & Lybrand in 1993. He spent 25 years in banking, initially as CFO for Salomon Brothers Asia in Hong Kong, then CFO for Citigroup's Corporate & Investment Banking division in New York and London. He joined Barclays in late 2008 as Group Financial Controller and has been CFO of the Retail & Business Banking and Non-Core divisions, as well as Acting Group CFO and a Senior Adviser.

Other directorships and positions held within the Group

- Non-executive member of the Board of Directors of N.M. Rothschild & Sons Limited (United Kingdom)

Directorships and positions held outside the Group

- Chairman of the Board of Directors of Association of Apprentices (United Kingdom)
- Chairman of the Board of Directors of Tabletop Holdings Ltd (United Kingdom)
- Director of Trust for London (United Kingdom)
- Independent member of HM Treasury Audit Committee (United Kingdom)
- Alderman of the City of London Corporation (United Kingdom)
- Chairman of FutureDotNow (CIO) (United Kingdom)
- Trustee of HR Professionals Charitable Trust (charitable trust) (United Kingdom)
- Trustee of Morden College (charitable trust) (United Kingdom)
- Trustee of St Pauls Cathedral Choir Foundation (charitable trust) (Unite Kingdom)
- Vice-President of Bridewell Royal Hospital (charitable trust)

Directorships and positions expired over the past five years

- Chairman of Workfinder Ltd (United Kingdom)(until 2021)
- Director of The Lord Mayors Appeal (United Kingdom) (Chairman until 30 September 2020)(until 2021)
- Director of KESW Enterprises (United Kingdom) (until 2020)
- Trustee of Educators Trust (CIO) (United Kingdom) (until 2020)
- Director of The Lord Mayors Show (United Kingdom) (until 2019)

Sylvain Héfès

Member of the Supervisory Board

Chairman of the Remuneration and Nomination Committee

Age: 69 (born on 28 March 1952)
Nationality: French
Term: three years
Date of first appointment: 29 March 2012
End of term: General Meeting 2024
Rothschild & Co shares directly held: 150
Attendance rate at Supervisory Board meetings: 80%

Expertise and experience

Financial *attaché* with the French Embassy in Canada in 1974, Sylvain Héfès started his career at the Rothschild Bank in Paris in 1976 (until 1980). He joined NMR in London for two years before returning to the Paris-based bank where he was deputy chief executive officer from 1982 to 1989.

In 1990, Sylvain Héfès joined Goldman Sachs in London where he was a General Partner from 1992 to 2004. He held the positions of Head of French operations, Chief Executive Officer for the European private banking operations, Co-Chairman of the International Advisory Board of Goldman Sachs International and Chairman of the Board of Directors of Goldman Sachs Bank AG.
He graduated from HEC Paris.

Other directorships and positions held within the Group

- Member of the Supervisory Board and Chairman of the Remuneration and Nomination Committee of Rothschild Martin Maurel SCS
- Member of the Advisory Committee of Five Arrows Managers SAS

Directorships and positions outside the Group

- Member of the Board of Directors of Rothschild & Co Concordia SAS

Directorships and positions expired over the past five years

- European Chairman of Rhône Capital (until 2019)
- Member of the Board of Directors of Rhône Capital LLC (United States of America) (until 2019)
- Member of the Audit Committee of Rothschild & Co SCA[1] (until 2019)
- Chairman of Francarep, Inc. (United States of America) (until 2019)
- Member of the Board of Directors of Five Arrows Capital Ltd (British Virgin Islands) (until 2017)

(1) Listed company.

Suet-Fern Lee

Independent member of the Supervisory Board

Member of the Audit Committee

Member of the Risk Committee

Age: 63 (born on 16 May 1958)
Nationality: Singaporean
Term: three years
Date of first appointment: 28 September 2017
End of term: General Meeting 2023
Rothschild & Co shares directly held: 160[(2)]
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

Suet-Fern Lee is a founder of Stamford Law Corporation, a major law firm based in Singapore which merged with Morgan Lewis Stamford LLC, in 2015. She has served on the Board of Morgan Lewis & Bockius where she has chaired the International Leadership Team.

Suet-Fern Lee has also served as a member of the Board of Directors of various companies in Singapore and abroad.

She is currently also on the Board of Directors of the World Justice Project, an international organisation based in Washington DC that promotes the rules of law. In addition, she is a trustee of the Nanyang Technological University, a major university in Singapore.

She has been the long-standing Chairman of the Asian civilisations Museum in Singapore and a member of the National Heritage Board, where she chaired various Board committees.

She is the former president of the Inter-Pacific Bar Association.

Suet-Fern Lee holds a law degree from Cambridge University. She qualified as a barrister-at-law at Gray's Inn, London in 1981 before being admitted to the Singapore bar in 1982.

Other directorships and positions held within the Group

- None

Directorships and positions held outside the Group

- Member of the Board of Directors of the World Justice Project (United States of America)
- Member of the Board of Directors of Caldecott Inc. (Cayman Islands)
- Partner of Morgan Lewis & Bockius LLP (United States of America)
- Member, international leadership team, Morgan Lewis & Bockius LLP (United States of America)
- Chair of the Inter-Pacific working group, Morgan Lewis & Bockius LLP (United States of America)
- Director and member of the Audit Committee of AXA Holdings Japan Co., Ltd (Japan)

Directorships and positions over the past five years

- Director of Morgan Lewis Stamford LLC (Singapore) (until 2020)
- Member of the Board of Directors of Stamford Corporate Services Pte Ltd (Singapore) (until 2020)
- Member of the Board of Directors of Sanofi SA[(1)] (until 2020)
- Chair of the international leadership team, Morgan Lewis & Bockius LLP (United States of America) (until 2019)
- Member of the Board of Directors and member of the Finance Committee of AXA SA[(1)] (until 2018)
- Member of the Board of Directors of AXA Asia (Hong Kong) (until 2018)
- Member of the Board of Directors of Rickmers Trust Management Pte Ltd[(1)] (Singapore) (until 2017)

(1) Listed company.
(2) Part of these shares have been acquired after 31 December 2021.

Arielle Malard de Rothschild

Member of the Supervisory Board

Member of the Audit Committee

Member of the Risk Committee

Age: 58 (born on 20 April 1963)
Nationality: French
Term: three years
Date of first appointment: 25 September 2014
End of term: General Meeting 2022
Rothschild & Co shares directly held: 3,388
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

Arielle Malard de Rothschild spent ten years at Lazard Frères & Cie in the Sovereign advisory team. She then co-created Rothschild Conseil International in 1999 to provide financial advisory services to corporates and governments in emerging markets, an entity which was then merged into Rothschild & Cie SCS in 2004. Managing Director at Rothschild & Cie SCS since 2006, Arielle became Global Advisory Partner in 2019.

She received a PhD in economic sciences from the *Institut d'Études Politiques* of Paris *(Sciences Po)* and a master's degree in bank and finance from Paris II University.

Other directorships and positions held within the Group

- Managing Director of Rothschild & Cie SCS
- Global Advisory partner of Rothschild & Co

Directorships and positions held outside the Group

- Member of the Board, the Audit Committee and the Remuneration and Selection Committee of Société Foncière Lyonnaise[(1)]
- Member of the Board of Sagard Holdings Inc.
- Member of the Board of Sagard Holdings Management

Directorships and positions expired over the past five years

- Member of the Board of Directors of Groupe Lucien Barrière SAS (until 2019)
- Member of the Board of Electrica SA[(1)] (Romania and United Kingdom) (until 2018)
- Member of the Audit and Risk Committee of Electrica SA[(1)] (Romania and United Kingdom) (until 2018)
- Member of the Nomination and Remuneration Committee of Electrica SA[(1)] (Romania and United Kingdom) (until 2018)
- Chairwoman of CARE France (charity) (until 2018)
- Member of the Board of Directors of Imerys SA[(1)] (until 2017)
- Member of the Nomination and Remuneration Committee of Imerys SA[(1)] (until 2017)

(1) Listed company.

Jennifer Moses

Member of the Supervisory Board

Age: 60 (born on 4 August 1961)
Nationality: American
Term: for the remainder of Luisa Todini's mandate
Date of first appointment: 14 December 2021 (cooptation submitted for ratification to the next General Meeting)
End of term: General Meeting 2022
Rothschild & Co shares directly held: 0
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

Jennifer Moses' career has combined finance and public policy in the United States and abroad. She was a Managing Director in the Investment Banking Division at Goldman Sachs, served as Chief Executive Officer of the British policy think tank Centre Forum, and was a Senior Policy Adviser to Prime Minister Gordon Brown, helping to restructure the British banking sector during the financial crisis of 2008-2009. She is also a co-founder and Chair of Caliber Schools, a charter school management organisation in the San Francisco Bay Area dedicated to improving educational outcomes for historically underserved children. She was CEO for the first five years. This follows her work as a co-founder of ARK, one of the largest children's charities in the United Kingdom, and King Solomon Academy, an inner-city charter school in London that is one of the top non-selective schools in the country. She is a Pahara-Aspen Education Fellow and passionate about equal opportunities in education. Since retiring, she has become involved in the Tech ecosystem, particularly through ventures relating to EdTech and educational initiatives.

Other directorships and positions held within the Group

- None

Directorships and positions held outside the Group

- Co-founder of Undauntedk12 (not for profit organisation) (United States of America)
- Chairwoman of the Board of Caliber public schools (not for profit organisation) (United States of America)
- Chairwoman of the Board of King Solomon Academy (not for profit organisation) (United States of America)
- Member of the Board of Brown University (not for profit organisation) (United States of America)
- Member of the Board of Theatre Aspen (not for profit organisation) (United States of America)

Directorships and positions expired over the past five years

- Member of the Board of Stir Education (not for profit organisation) (United States of America) (until 2021)
- Member of the Board of Mountain Minyan (not for profit organisation) (United States of America) (until 2021)
- CEO of Caliber Public Schools (not for profit organisation) (United States of America) (until 2019)

Carole Piwnica

Independent member of the Supervisory Board

Member of the Remuneration and Nomination Committee

Member of the Sustainability Committee

Age: 63 (born on 12 February 1958)
Nationality: Belgian
Term: three years
Date of first appointment: 25 September 2014
End of term: General Meeting 2022
Rothschild & Co shares directly held: 160
Attendance rate at Supervisory Board meetings: 80%

Expertise and experience

Carole Piwnica received a bachelor of law from Brussels University and a master of law from New York University. She was a member of the New York and Paris bars. She started her career in New York at Proskauer Rose and joined the M&A department of Shearman & Sterling in Paris. She spent 15 years in the food and agricultural processing industries and was Chairwoman of the Amylum group (Belgium) and a Director and Vice-Chairwoman of Tate & Lyle (United Kingdom). She is a member of the Board of Directors and the Remuneration Committee of Sanofi (France). Since 2019, Carole Piwnica has been a Director founder of Naxos SARL (Switzerland).

(1) Listed company.

Other directorships and positions held within the Group

- None

Directorships and positions held outside the Group

- Independent member of the Board of Directors and member of the Remuneration Committee of Sanofi SA[1]
- Managing partner of Naxos SARL (Switzerland)

Directorships and positions experienced over the past five years

- Member of the Board of Directors and member of the Leadership, Development, Inclusion and Compensation Committee of Amyris Inc.[1] (United States of America)(until 2021)
- Member of the Board of Directors of Arianna SA (Luxembourg)(until 2021)
- Independent member of the Board of Directors and Chairwoman of the Nomination and Governance Committee of Eutelsat Communications SA[1] (until 2019)
- Member of the Board of Directors of Naxos UK Ltd (United Kingdom) (until 2019)
- Member of the Board of Directors of Elevance (United States of America) (until 2019)
- Member of the Board of Directors of I20 (United Kingdom) (until 2019)
- Member of the Audit Committee of Rothschild & Co SCA[1] (until 2018)
- Member of the Audit Committee of Sanofi SA[1] (until 2018)
- Member of the Board of Directors of Big Red (United States of America) (until 2018)

Sipko Schat

Member of the Supervisory Board

Chairman of the Risk Committee

Member of the Audit Committee

Age: 61 (born on 21 March 1960)
Nationality: Dutch
Term: three years
Date of first appointment: 8 June 2012
End of term: General Meeting 2024
Rothschild & Co shares directly held: 1,510
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

Sipko Schat worked in the Rabobank group for over 25 years, where he was a member of the Executive Board of Rabobank Nederland. He was also responsible for the Wholesale Clients division of Rabobank International and managed the Wholesale Management Team.

(1) Listed company.

Other directorships and positions held within the Group

- Member of the Board of Directors of Rothschild & Co Bank AG (Switzerland)

Directorships and positions held outside the Group

- Member of the Supervisory Board of Drienim B.V. (the Netherlands)
- Non-executive member of the Board of Directors of OCI N.V.(1) (the Netherlands)
- Member of the Board of Directors of Trafigura Group Pte Ltd (Singapore)
- Member of the Board of Directors of Randstad Beheer B.V. (the Netherlands)

Directorships and positions expired over the past five years

- Chairman of the Supervisory Board of Van Wonen Holding B.V. (the Netherlands) (until 2020)
- Chairman of the Audit and Risk Committee of the Board of Directors of Rothschild & Co Bank AG (Switzerland) (until 2020)
- Chairman of the Supervisory Board of Vion N.V. (the Netherlands) (until 2018)

Lord Mark Sedwill

Member of the Supervisory Board

Member of the Sustainability Committee

Age: 57 (born on 24 October 1964)
Nationality: British
Term: for the remainder of Anthony de Rothschild's mandate
Date of first appointment: 15 September 2021 (cooptation submitted for ratification to the next General Meeting)
End of term: General Meeting 2023
Rothschild & Co shares directly held: 150[(1)]
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

Mark Sedwill, Baron Sedwill of Sherborne KCMG FRGS, is Chairman of the Atlantic Future Forum and a member of the UK Parliament's House of Lords. He was Chairman of the G7 Panel on Global Economic Resilience (2020-2021), cabinet Secretary & Head of the Civil Service (2018-2020), national security Adviser (2017-2020), permanent Secretary at the Home Office (2013-2017), and HM Ambassador and NATO Representative in Afghanistan (2009-2011). Before that he had a diplomatic and security career serving in Egypt, Syria, Jordan, Cyprus and Pakistan. He was also CEO of UKvisas (2005-2008).

Educated at St Andrews and Oxford Universities, Lord Sedwill is a Fellow of the Royal Geographical Society and of the Institute of Directors, and the recipient of several awards and honours for national and international public service. He is president of the Special Forces Club and Senior Independent Director and Deputy Chair of Lloyd's of London and has several charitable interests.

(1) Shares acquired after 31 December 2021.

Other directorships and positions held within the Group

- None

Directorships and positions held outside the Group

- Senior Independent Director and Deputy Chair of Lloyd's of London (United Kingdom)
- Director of Sherborne Lord Advisory Ltd (United Kingdom)
- Director of Sherborne Lord Holdings Ltd (United Kingdom)
- Consultant Advisor of Westbury Partners (United Kingdom)
- Chairman of Atlantic Future Forum (United Kingdom)
- President of Special Forces Club (United Kingdom)
- President of The Leaders Club (United Kingdom)
- Advisory council of International Institute of Strategic Studies (United Kingdom)
- Member of the UK Parliament's House of Lords (United Kingdom)
- Chair of the D Group Advisory Board
- Member of Temasek EMEA Advisory Panel

Directorships and positions experienced over the past five years

- Chairman of G7 Panel on Economic Resilience (United Kingdom) (until 2021)

Véronique Weill

Independent member of the Supervisory Board

Member of the Remuneration and Nomination Committee

Age: 62 (born on 16 September 1959)
Nationality: French
Term: three years
Date of first appointment: 14 May 2020
End of term: General Meeting 2022
Rothschild & Co shares directly held: 160
Attendance rate at Supervisory Board meetings: 100%

Expertise and experience

Véronique Weill spent over 20 years at J.P. Morgan, where she held various positions including global Head of operations for investment banking and global Head of IT & operations for asset management and private banking.

In June 2006, she joined the AXA Group as Chief Executive Officer of AXA business services and Head of operational excellence.

Before her departure in 2017, she also held executive supervisory positions in the global asset management business and was Chairwoman of the Board of Directors of various subsidiaries in Italy and Spain, as well as Group Chief Operating Officer and member of the Management Committee of the AXA group. In 2017, she joined Publicis Group as General Manager in charge of M&A, Re:Sources, IT, Real Estate and Insurance.

Since 2016, she has been an independent member of the Board of Directors of Valeo and of several of its committees: Audit and Risks Committee, Governance, Appointments and Corporate Social Responsibility Committee, and Compensation Committee. Since 2020, she has been Chairwoman of the Board of Directors of CNP Assurances.

Véronique Weill graduated from the *Institut d'Études Politiques* of Paris (*Sciences Po*) and from the University of Paris – La Sorbonne (with a degree in literature).

Other directorships and positions held within the Group

- None

Directorships and positions held outside the Group

- Chairwoman of the Board of Directors of CNP Assurances SA(1)
- Independent Director, member of the Audit and Risks Committee, the Governance, Appointments and Corporate Social Responsibility Committee and the Compensation Committee of Valeo SA(1)
- Director of Gustave Roussy Foundation
- Member of the European Advisory Board of Salesforce (United States of America)
- Director of Caixa Seguros Holding (Brazil)
- Director of Holding XS1 (Brazil)

Directorships and positions expired over the past five years

- General manager and member of the Management Committee of Publicis SA(1) (until 2020)
- Director of Publicis Groupe (United Kingdom) (until 2020)
- Director of Louvre Museum (until 2020)
- Director of Fondation Georges Besse (until 2020)
- Director of BBH Holdings Ltd (Bartle Bogle Hegarty) (United Kingdom) (until 2020)
- Director of Prodigious UK Ltd (United Kingdom)
- Director of Translate Plus (United Kingdom) (until 2020)
- Group Chief Customer Officer and member of the Management Committee of the AXA group (until 2017)
- Chief Executive Officer, AXA Global Asset Management (until 2017)
- Member of the Scientific Board, AXA Research Fund (until 2017)
- Chair of the Board of Directors, AXA Assicurazioni SpA (Italy), AXA Aurora Vida, SA de Seguros y Reaseguros (Spain), AXA Pensiones SA, Entidad Gestora de Fondos de Pensiones, Sociedad Unipersonal (Spain), AXA Seguros Generales SA de Seguros y Reaseguros (Spain), AXA Vida SA de Seguros y Reaseguros (Spain), AXA Global Direct SA (France) and AXA Banque Europe (Belgium) (until 2017)
- Director, AXA Assistance SA (Italy), AXA MPS Assicurazioni Danni SpA (Italy) and AXA MPS Assicurazioni Vita SpA (Italy) (until 2017)

(1) Listed company.

Diversity policy within the Supervisory Board and its specialised committees

The Supervisory Board attaches great importance to achieving a balance within its membership in terms of diversity of profile, experience and skills.

At its meeting of 18 February 2022, the Remuneration and Nomination Committee reviewed the diversity policy in relation to the composition of the Supervisory Board and implementation measures. On this occasion, it proposed to update the diversity policy to specify the expertise expected from the Audit Committee members, the rest of the diversity policy remaining unchanged. It also reviewed the composition of the Supervisory Board notably in light of this policy.

At its meeting of 8 March 2022, the Supervisory Board approved the amended diversity policy, on the recommendation of the Remuneration and Nomination Committee, and the results of the analysis of the composition of the Supervisory Board carried out by the Remuneration and Nomination Committee.

Objectives of the diversity policy and current situation

The diversity policy aims at having a wide range of complementary profile, knowledge and skills on the Supervisory Board, in order to obtain a variety of viewpoints and experiences, to allow the Supervisory Board to gain insight into its stakeholders expectations and to facilitate the expression of independent opinions and the making of relevant decisions. To this end, objectives are set for each of the diversity criteria considered: gender balance, nationality, age, qualifications and professional experience and independence of Supervisory Board members.

- Gender balance: the diversity policy aims for a balanced representation of women and men on the Supervisory Board and its committees. Consistent with applicable legal requirements, the Supervisory Board must be composed of at least 40% of each gender. This objective is met: as at 31 December 2021, six out of 15 members of the Supervisory Board are women representing 40% and men representing 60%. In addition, on average, women represent 49% and men 51% of the four committees' members.
- Nationalities: the nationalities of the members making up the Supervisory Board must be diversified and reflect the Group's international dimension. This objective is met: as at 31 December 2021, seven nationalities are represented on the Supervisory Board (French, British, American, Dutch, Singaporean, Belgian and Swiss), with 46% of the Supervisory Board members being French and 20% being British.
- Age: the overall composition of the Supervisory Board must comply with the Company's articles of association, which provide that the proportion of Supervisory Board members over 75 years of age may not exceed one-third of the Supervisory Board members. This objective is met: as at 31 December 2021, 13% of the members of the Supervisory Board are over 75 years old and the average age of the members of the Supervisory Board is 63.5 years old.
- Qualifications and professional experience: the members of the Supervisory Board should have varied and complementary professional qualifications and experience so that the Supervisory Board collectively has the knowledge, skills and experience necessary for the Supervisory Board to understand the Group's activities, as well as the economic and regulatory environment in which it operates and the main risks to which it is exposed. To this end, the following aspects are examined in particular: (i) expertise in banking and finance; (ii) international experience; (iii) senior executive/management experience; (iv) other professional skills relevant to the missions of the Supervisory Board such as accounting, risk management, digital transformation and sustainability. Audit Committee members should be competent in finance or accounting. At its meeting held on 8 March 2022, the Supervisory Board considered that this objective is met as the qualifications and experience of the members of the Supervisory Board are diversified and complementary and enable the Supervisory Board and the Audit Committee to carry out their missions effectively.
- Independence: it is important for the Supervisory Board to include a significant proportion of independent directors, not only in order to satisfy the expectations of the market but also in order to ensure the quality of proceedings. This objective is met: as at 31 December 2021, 7 out of 15 members of the Supervisory Board, representing 47% of the members, are independent.

Please refer to Section 6.2.1, paragraphs "Members of the Supervisory Board as at 31 December 2021" and "About the Supervisory Board members as at 31 December 2021" of this report for detailed information on each Supervisory Board members.

Implementation measures provided for the diversity policy

Each year, the Remuneration and Nomination Committee reviews the diversity policy and the composition of the Supervisory Board in light of the policy and presents the results of its review to the Supervisory Board, together with any recommendations. On this basis, the Supervisory Board assesses the implementation of the diversity policy and may decide to approve any changes or take any actions to enhance its effectiveness.

In addition, the Remuneration and Nomination Committee considers the objectives of the diversity policy in connection with its examination of the profiles of potential candidates for Supervisory Board membership and makes recommendations to the Supervisory Board in this respect.

Gender diversity within the Group

As of 31 December 2021:

- 13% of the members of the Group Executive Committee are women; and
- women represent 25.4% of the Group employees with the title "Assistant Directors" or above (compared with 24.1% on 31 December 2020).

The Managing Partner aims over time to improve the balance of gender representation across the Group, including within the most senior positions. In this context, it has set the medium-term objectives that by 2024, 30% of the Group employees with the title "Assistant Directors" and above should be women and that by 2027, 30% of the members of the Group Executive Committee should be women.

In order to achieve these objectives, and more generally, to ensure a balanced and inclusive environment where diversity and difference are valued, the Group has launched a number of initiatives which were most recently presented to the Supervisory Board on 8 March 2022 and are described on Chapter 5 of this report. The Managing Partner will monitor the implementation of these initiatives and will report regularly on progress made.

Independent members

As at 31 December 2021 seven out of 15 members of the Supervisory Board, *i.e.* 47% of the members, are independent.

As a controlled company, Rothschild & Co significantly exceed the 33.33% threshold recommended by the Afep-Medef Code for controlled companies.

The Supervisory Board, in conjunction with senior management, carries out its own studies of the independence of each potential candidate before approaching them.

Qualification as an independent member of the Supervisory Board is discussed by the Remuneration and Nomination Committee in the light of the criteria set out by the Afep-Medef Code: (i) on the occasion of the appointment of new Supervisory Board members and (ii) annually for all Supervisory Board members.

After examining the recommendation of its Remuneration and Nomination Committee:

- the Supervisory Board may consider that, notwithstanding the fulfilment of the independence criteria, a Supervisory Board member should not be qualified as independent in view of his/her specific situation or for any other reason; and
- by contrast, the Supervisory Board may consider that a member who does not strictly fulfil all the independence criteria is nevertheless independent.

The independence criteria that apply are those referred to in the Afep-Medef Code:

- not to be and not to have been within the previous five years:
  - an employee or executive officer of the Company,
  - an employee, executive officer or director of a company consolidated within the Company,
  - an employee, executive officer or director of the Company's parent company or a company consolidated within this parent company;
- not to be an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office within the last five years) holds a directorship;
- not to be a customer, supplier, commercial banker, investment banker or consultant:
  - that is significant to the Company or its Group, or
  - for which the Company or its Group represents a significant portion of its activity;
- not to be related by close family ties to a Company officer;
- not to have been an auditor of the Company within the previous five years; and
- not to have been a director of the Company for more than twelve years. Loss of the status of independent director occurs on the date when this twelve year-limit is reached.

At its meeting dated 8 March 2022, on the recommendation of the Remuneration and Nomination Committee, the Supervisory Board:

- confirmed the qualification of Adam Keswick, Dr. Daniel Daeniker, Gilles Denoyel, Suet-Fern Lee, Carole Piwnica and Véronique Weill as independent members, as they meet all the Afep-Medef Code independence criteria;
- decided, in line with 2021 assessment, that Sir Peter Estlin qualifies as an independent Supervisory Board member, notwithstanding his presence as non-executive director on the board of N.M. Rothschild & Sons Limited, considering that: (i) N.M. Rothschild & Sons Limited is a fully owned subsidiary of Rothschild & Co, (ii) Sir Peter Estlin's role on N.M. Rothschild & Sons Limited board is a non-executive role, (iii) by adhering to Rothschild & Co Supervisory Board terms of reference, Sir Peter Estlin has taken undertaken to refrain from participating in the deliberations of Rothschild & Co Supervisory Board which could give rise to a potential conflict of interest with N.M. Rothschild & Sons Limited, and (iv) Sir Peter Estlin is effectively making sound, objective and independent contributions to the Supervisory Board; and
- continued to consider David de Rothschild, Eric de Rothschild, Lucie Maurel-Aubert, Sylvain Héfès, Arielle Malard de Rothschild, Jennifer Moses, Sipko Schat and Lord Mark Sedwill as non-independent members.

In addition, at its meeting of 8 March 2022, on recommendation of the Remuneration and Nomination Committee, the Supervisoy Board approved the following selection process for independent Supervisory Board members:

- on an annual basis, and upon recommendation of the Remuneration and Nomination Committee, the Supervisory Board reviews its composition and, where relevant, considers potential desirable evolutions;
- the Chair of the Supervisory Board, together with the Chair of the Remuneration and Nomination Committee, one additional member of the Remuneration and Nomination Committee and the Managing Partner of Rothschild & Co, review a list of preselected candidates, with the assistance of a recruitment advisor when deemed relevant. The list of preselected candidates is submitted to the Remuneration and Nomination Committee for comments;
- individual interviews with the preselected candidates are then organized with the Chair of the Supervisory Board, the Chair of the Remuneration and Nomination Committee, one additional member of the Remuneration and Nomination Committee and the Managing Partner of Rothschild & Co;
- following these meetings, a selection is carried out considering the personal and professional qualities of the candidates, as well as their availability, and by assessing the balance of skills, experience, and diversity of the members of the Supervisory Board;
- the candidate(s) so selected are presented to the Remuneration and Nomination Committee for recommendation, and then to the Supervisory Board; and
- the Supervisory Board analyses the proposed profile(s) and on this basis decides whether (i) to submit certain nomination(s) to the shareholders for approval or (ii) to approve their "cooptation", if relevant.

6.2.2 Duties of the Supervisory Board members

The Supervisory Board's terms of reference make each Supervisory Board member aware of his/her responsibilities at the time of appointment and encourage him/her to observe the rules of ethics relating to his/her term of office. The Supervisory Board members' duties summarised herein reflect the amended terms of reference approved by the Supervisory Board at its meeting on 8 March 2022. The terms of reference of the Supervisory Board can be found on Rothschild & Co website (www.rothschildandco.com).

Before accepting a seat on the Supervisory Board, each candidate must be aware of the general and special obligations incumbent on them. In particular, they must familiarise themselves with the laws and regulations governing the duties of Supervisory Board members.

The Company provides new members with the Company's articles of association and the Supervisory Board's terms of reference before they take office. By accepting a seat on the Supervisory Board, members agree to abide by these terms of reference.

Supervisory Board members must hold (directly or indirectly) at least 150 shares of the Company for the duration of their term of office. Such shares must be held in registered form.

The term of office of Supervisory Board members is set by the ordinary General Meeting but shall not exceed four years.

When taking part in Supervisory Board meetings and casting a vote, Supervisory Board members are representing all of the Company's shareholders and acting in the interests of the Company.

Supervisory Board members must allocate the required time to preparing for Supervisory Board meetings and meetings of any committees on which they sit, as the case may be, by carefully reading the documentation provided to them.

They may ask the Chairman for any further information that they require.

Supervisory Board members must attend all Supervisory Board meetings and meetings of any committees of which they are members, as the case may be, as well as General Meetings, unless subject to an impediment and provided that they notify the Chairman and/or the Secretary of the Supervisory Board accordingly beforehand.

Confidentiality

Without prejudice to applicable laws, the Supervisory Board members are held to a general obligation of secret, confidentiality and discretion in the interest of the Company.

Documentation for Supervisory Board meetings, information collected before or during Supervisory Board meetings, debates and decision of the Supervisory Board as well as the opinions or votes expressed during the Supervisory Board are confidential. This also applies to each committee. Supervisory Board members, and all other persons invited to attend Supervisory Board or committee meetings, may not pass on such information to a third person, for any purpose or activity other than those for which the information was provided to them. They are required to take appropriate measures to protect the confidentiality of such information. Such information ceases to be personal and confidential when published externally by the Company, particularly in the form of a press release.

Conflicts of interest

As the Company is controlled by a group of shareholders acting in concert, the Supervisory Board pays particular attention to preventing potential conflicts of interest and taking into account all interests.

Supervisory Board members are not permitted to use their position and/or duties to procure any kind of benefit, whether financial or otherwise, either for themselves or for a third party.

Supervisory Board members are required to disclose any situation of conflict of interest, even potential, between the Company's interest and the direct or indirect personal interest or the interest of the shareholder or group of shareholders they represent.

As such, they must:

- inform the Supervisory Board as soon as they become aware of it; and
- draw any conclusions regarding the exercise of their position on the Supervisory Board. Thus, as the case may be, he/she will have to:
  - abstain from participating in the vote on the corresponding deliberation, or even to the discussion preceding this vote,
  - not attend the Supervisory Board meeting during which he/she is in a conflict of interest situation, or
  - if appropriate, resign from his/her position on the Supervisory Board.

The direct or indirect involvement of any Supervisory Board member in an operation or a transaction in which the Group has a direct interest, or of which his is aware as a result of his membership of the Supervisory Board, must be disclosed to the Supervisory Board prior to the conclusion of such operation or transaction.

Supervisory Board members undertake not to assume personal responsibilities in companies or affairs that compete directly or indirectly with those of the Group without notifying the Supervisory Board in advance. In addition, each Supervisory Board member undertakes to ensure, before accepting any new directorship, that his or her situation complies with applicable laws and regulations and the recommendations of the Afep-Medef Code regarding plurality of directorships.

Each Supervisory Board member should keep the Chairman and the Company informed of directorships held in other companies, including his or her participation on committees of these companies, both in France and abroad.

Transactions involving financial instruments of the Company

Each member of the Supervisory Board must respect applicable regulation in relation to market abuse and inside information.

Each member is responsible for checking, either with the Company or his/her advisors whether or not he/she is in possession of inside information. In this respect, each member of the Supervisory Board may be registered on a section of the Company's insider list relating to insider information to which he or she has had access and which may be made available to the AMF at the latter's request.

Supervisory Board members, and all other persons who are invited to attend Supervisory Board meetings, must not engage, either in person or via an intermediary, in transactions involving financial instruments of the Company and/or any other issuer for as long as they possess as a result of their duties or presence at a Supervisory Board meeting, an inside information.

Similarly, Supervisory Board members must refrain from disclosing such information to any other person outside the ordinary scope of their functions or for any purpose other than that for which the information was provided to them. Lastly, Supervisory Board's members must refrain from advising any other person to purchase or sell the financial instruments to which such information relates.

To this end, the following measures must be taken:

- shares in the Company held by a Supervisory Board member personally or by a member's cohabiting spouse, minor child (not of full age) or any other intermediary must be registered:
  - either in a registered account managed by the holder of the Company's register,
  - or in the books of a French custodian account keeper whose details shall be provided to the Supervisory Board's secretary;
- report on transactions performed on the Company's securities by each Supervisory Board member to the AMF and to the Company in accordance with applicable legal and regulatory provisions;
- Supervisory Board members are not permitted to engage in any short or deferred transaction involving derivatives or financial instruments relating to securities issued by the Company (financial futures, warrants, exchangeable bonds, etc.); and
- transactions by Supervisory Board members or any other person who attended the Supervisory Board meeting at which the results were reviewed involving Company's shares, including hedge transactions are not allowed (i) during the 30 calendar day-period prior to release of the annual results and the half-year results and on the relevant publication date and (ii) during the 15 calendar day-period prior to the release of quarterly financial information and on the publication date.

6.2.3 Tasks and responsibilities of the Supervisory Board

The Supervisory Board carries out the ongoing supervision of the Company's management by the Managing Partner, including notably the Company's financial and accounting reporting system and its internal control mechanisms applicable to risk, compliance and internal audit and shall otherwise comply with legal and regulatory requirements applicable to it, notably as a result of its status as listed company and financial holding company.

In particular:

- the Supervisory Board shall conduct the investigations and verifications it considers appropriate at any time of the year, and may ask to be provided with the documents it considers useful to perform its work;
- every three months or more frequently if requested by the Supervisory Board, the Managing Partner shall present a report to the Supervisory Board on the status and conduct of corporate affairs, such report to be drawn up as directed by the Supervisory Board;
- the Managing Partner shall present the annual and consolidated financial statements and the half-year financial statements to the Supervisory Board for verification and control purposes;
- the Managing Partner shall submit its annual operating objectives to the Supervisory Board and, at least once a year, its long-term strategic projects;
- in accordance with Article L.226-9, paragraph 2 of the French Commercial Code, the Supervisory Board shall present a report to shareholders at the annual General Meeting in which it shall report any discrepancies and/or inaccuracies in the annual and consolidated financial statements and set out its comments on the management report;
- the Supervisory Board shall draw up, pursuant to Articles L.226-10-1 and L.22-10-78 of the French Commercial Code, a report on corporate governance, which shall include the information required pursuant to Article L.225-37-4 and Articles L.22-10-9 to L.22-10-11 of the French Commercial Code;
- the Supervisory Board shall draw up, pursuant to Article L.22-10-76 of the French Commercial Code, the compensation policy applicable to its members and shall issue an advisory opinion on the compensation policy applicable to the Managing Partner and the Executive Chairman of the Managing Partner;
- the Supervisory Board shall allocate among its members the total annual amount of attendance fees in consideration of their duties, within the limit of the annual envelop approved by the annual General Meeting;
- it shall decide each year on the Company's policy in terms of professional equality and equal pay;
- it is informed about (i) market developments, the competitive environment and the most important aspects facing the Company, including in the area of social and environmental responsibility and (ii) the Company's financial situation, cash position and commitments;
- the agreements referred to in Article L.226-10 of the French Commercial Code shall be submitted to the Supervisory Board for prior authorisation;
- the Supervisory Board shall review the Company's articles of association at regular intervals;
- it shall maintain a watch over the quality of information issued by the Group to shareholders and the financial markets, through the financial statements prepared by the Managing Partner and the annual report drawn up by the Managing Partner, or at the time of major transactions; and
- it shall set and review a diversity policy applicable to its members.

In addition to the powers granted to it by law, in accordance with Article 10.2.3 of the Company's articles of association, the Supervisory Board shall issue an opinion:

- by way of an advisory opinion given to the Managing Partner in respect of:
  - the strategic policies, annual budget and three-year business plan of the Group,
  - any investment in any organisation or company, any acquisition, sale or exchange of shares, property, debts or assets of the Company or an entity controlled by the Company, outside the ordinary course of business, of an amount exceeding €50 million being specified that, for any transaction that involves only companies controlled by the Company, the Managing Partner will be free to decide whether or not to seek the Supervisory Board's advisory opinion on that transaction,
  - any strategic initiative or major refocusing of the business of the Group; and
- by way of a recommendation to shareholders regarding the Company's dividend policy.

Moreover, the Supervisory Board shall present a report to shareholders and a reasoned opinion on any resolution submitted to the General Meeting and on any matter that is the subject of a report by the Statutory auditors. It shall prepare the report on corporate governance. The Supervisory Board may call a General Meeting.

The Supervisory Board may be assisted by experts of its choice, whose expenses shall be paid by the Company. It has the broadest powers of investigation and may submit written questions to, or seek the opinion of, the Managing Partner at any time.

The Supervisory Board may decide to set up committees from among its members and determine their composition and powers, in accordance with the law.

The Chairman organises and directs the work of the Supervisory Board. In this context, he sets the agenda for the Supervisory Board meetings. He may request any document or information that he deems useful to shed light on the discussions and ensures the quality of the information provided to the members prior to the meetings. In addition, he brings his experience to the Company.

6.2.4 Organisation and operation of the Supervisory Board

Notice of meetings

On a proposal by its Chairman, the Supervisory Board shall prepare a schedule of Supervisory Board meetings each year, for the following year.

The Supervisory Board shall meet as often as required in the interests of the Company and at least four times a year, further to a notice of meeting issued by any means by the Chairman, at least one-half of the Supervisory Board members, the Managing Partner, or a General Partner, subject to reasonable notice unless circumstances require a meeting to be called at very short notice.

The person(s) who call(s) a Supervisory Board meeting shall prepare the agenda of the meeting and provide it to the Supervisory Board members in a timely manner and by any appropriate means.

The Supervisory Board may appoint a secretary, who may but need not be a Supervisory Board member. All Supervisory Board members may consult the secretary and benefit from the latter's services. The secretary is responsible for all procedures relating to the operation of the Supervisory Board and for the organisation of the meetings.

Documents are provided to Supervisory Board members to enable them to express an opinion in full knowledge of the facts on items included on the agenda shall be provided to Supervisory Board members at least 48 hours prior to Supervisory Board meetings, except in an emergency or if there is a requirement to keep such documents strictly confidential.

Members of the Management Board of Rothschild & Co Gestion shall be informed of Supervisory Board meetings and may attend the meeting of the Supervisory Board in an advisory capacity. Any other person outside the Supervisory Board may be invited to attend whole or part of a Supervisory Board meeting by the Chairman of the Supervisory Board.

Organisation of meetings

In any case, at any of its meetings, in the event of an emergency and on a proposal by the chairman of the meeting, the Supervisory Board may discuss matters referred to its members that are not included on the agenda.

At each Supervisory Board meeting, the Chairman shall inform Supervisory Board members of the main facts and significant events concerning the Group's operations that have occurred since the date of the previous Supervisory Board meeting.

Supervisory Board meetings may be held at the registered office or at any other location indicated in the notice of meeting, as well as by videoconferencing or teleconferencing facilities that identify members of the Supervisory Board and guarantee their effective involvement through the use of technical resources that continually and simultaneously transmit discussions. Meetings shall be chaired by the Chairman or, in the latter's absence, by the longest-standing Vice-Chairman present or, in the absence of a Vice-Chairman, by the member appointed for that purpose by the Supervisory Board.

Supervisory Board members also have the opportunity to meet with the Company's principal executive managers, including in the absence of the Managing Partner, with prior notice.

Attendance and majority

Supervisory Board members are entitled to be represented at any meetings by another member, pursuant to specific authorisation set out in a letter, a fax, an email or any other method of communication. A member of the Supervisory Board may only represent one other member at any meeting.

Supervisory Board members who take part in a meeting via the technical resource methods referred to above are deemed present.

Decisions are taken by an ordinary majority of members who are present or represented and authorised to vote. In the event of a tie, the chairman of the meeting shall have a casting vote.

Training

Training is provided to Supervisory Board members upon joining the Supervisory Board. In addition, they may individually or collectively receive, upon request, and outside the regular schedule of meetings, trainings on specific matters from the Group support functions or external experts.

6.2.5 Supervisory Board's activity

The Supervisory Board meets at least four times a year.

During 2021, the Supervisory Board met five times, on 9 March, 19 May, 22 June, 15 September and 14 December.

The main items reviewed and discussed during these meetings were the following:

- regular reviews of Group performance;
- business presentations and strategic considerations;
- examination of the consolidated and parent company annual financial statements and half-year financial statements;
- review of the Group's capital plan;
- review of the Group's three-year business plan;
- review of the Group budget;
- discussions of the proposed shareholders return;
- approval of the acquisition of a block of Rothschild & Co shares from the Jardine Matheson group;
- discussions of the interim dividend;
- discussions of the share buyback program;
- review of the Paris Bertrand post acquisition feedbacks;
- updates on IT security;
- discussion of digital strategy and sustainability strategy;
- discussion of talent management, succession planning of key managers within the Group, diversity and inclusion;
- review of the new Equity Scheme's rules;
- approval of the diversity policy for the Supervisory Board;
- review of the composition of the Supervisory Board and its committees including review of the independence of Supervisory Board members;
- approval of the proposed appointments (by way of cooptation) of Jennifer Moses and Lord Mark Sedwill as members of the Supervisory Board;
- review of activity reports from the committees of the Supervisory Board with regard to internal control, remuneration, nomination and governance matters, policy on professional equality and equal pay and sustainability updates;
- review of the draft annual report, including the management report and the consolidated non-financial statement;
- approval of the report on corporate governance drawn up in accordance with Articles L.226-10-1 and L.22-10-78 of the French Commercial Code; and
- approval of the report from the Supervisory Board to the shareholders.

A session without the presence of the senior management representatives was organised on 14 December 2021. All members of the Supervisory Board were present.

Information on the attendance rate of each Supervisory Board member is provided on Section 6.2.8 of this report.

6.2.6 Assessment of the Supervisory Board's composition, organisation and operations

Once a year, the Supervisory Board discusses its composition, organisation and operation in order to improve its effectiveness.

A formal assessment shall be carried out at least every three years, possibly under the direction of an independent Supervisory Board member, if necessary, with the help of an external consultant.

Each committee assesses its own operating methods under the same conditions and on the same time scale and reports to the Supervisory Board.

In respect of the financial year 2021, the Supervisory Board carried out a triennial self-assessment of its composition, organisation and operations.

This evaluation took the form of a detailed questionnaire addressing the following issues:

- composition of the Supervisory Board and its committees;
- information, reporting and training;
- organisation of the meetings of the Supervisory Board;
- debates (including individual contribution of each member);
- interactions with committees of the Supervisory Board;
- relations of the Supervisory Board with other stakeholders;
- internal rules and ethics; and
- quality of the assessment.

For each topic, Supervisory Board members had the ability to make additional and/or general comments.

The Remuneration and Nomination Committee reviewed the anonymized detailed answers to the questionnaire, discussed the main considerations arising out of these answers and made recommendations to the Supervisory Board.

These recommendations were discussed at the meeting of the Supervisory Board on 8 March 2022.

Overall, the Supervisory Board members expressed very positive views on the composition and the operations of the Supervisory Board and its Committees and noted that they had improved over the past three years. Despite the efficiency of available technical means, they looked forward to resuming face to face interactions, as it facilitates the onboarding of new members and interactions with the management teams. The topics to which Supervisory Board members would like to dedicate more time were discussed and it was agreed to adjust the work program accordingly.

The Supervisory Board plans to conduct the next formal assessment in respect of its 2024 financial year.

6.2.7 Specialised committees of the Supervisory Board

The Supervisory Board has four specialised committees:

- the Audit Committee;
- the Risk Committee;
- the Remuneration and Nomination Committee; and
- the Sustainability Committee (prevsiously named the Corporate Responsibility Committee).

Audit Committee

Composition

As at 31 December 2021, the Audit Committee was composed of five members (out of which three are independent):

- Sir Peter Estlin (Chairman and independent member, also a member of the Risk Committee and the Remuneration and Nomination Committee);
- Sipko Schat (also Chairman of the Risk Committee);
- Gilles Denoyel (independent member, also a member of the Risk Committee);
- Suet-Fern Lee (independent member, also a member of the Risk Committee); and
- Arielle Malard de Rothschild (also a member of the Risk Committee).

The Audit Committee's composition is identical to that of the Risk Committee to increase their efficiency on subjects of common interest falling within the missions assigned to them related to the internal control and risk management systems especially around financial supervision, compliance and information security.

In accordance with legal requirements and the Afep-Medef recommendations, the Audit Committee members are all competent in finance and/or accounting. For more information on their respective skills, please refer to Section 6.2.1, paragraph "About the Supervisory Board members as at 31 December 2021" of this report.

The Group Chief Financial Officer, the Head of Group Finance and Group Treasurer, the Group Head of Internal Audit, the Group Head of Legal & Compliance, the Group Chief Risk Officer, the Secretary General and the Statutory auditors attended all the meetings of the Audit Committee.

Tasks

The Audit Committee is mainly responsible for:

- reviewing the process of drawing up the financial information;
- reviewing the statutory audit of Rothschild & Co's financial statements and consolidated financial statements by the Statutory auditors;
- reviewing the independence and objectivity of the Statutory auditors;
- giving a recommendation regarding the appointment and the renewal of the Statutory auditors;
- reviewing the effectiveness of the Group's internal control systems and internal audit; and
- approving the supply of services as defined by Article L.822-11 of the French Commercial Code.

The Audit Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties.

In connection with its duties, the Audit Committee is authorised to obtain at the Group's expense, any outside legal or other professional advice, to secure the attendance of external advisers at its meetings if it considers it necessary. The Audit Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

The Chair of the Audit Committee consults with the Chairs of the other committees of the Supervisory Board, whenever he/she deems it necessary and at least once a year, on various subjects, including but not limited to, subjects of common interest falling within the missions assigned to them.

Activity

The Audit Committee meets at least four times a year or more frequently if so required.

Before each meeting of the Audit Committee, with reasonable notice, members receive a file containing all the documentation, notes and reports relating to each item on the agenda requiring prior analysis and review.

The Audit Committee usually meets at the end of each meeting with the Group Head of Internal Audit and/or the Statutory auditors without the presence of any representative of senior management.

After each meeting, the Audit Committee submits a report on the work of the Audit Committee to the Supervisory Board members.

During 2021, the Audit Committee met four times, on 4 March, 12 May, 8 September and 8 December 2021.

The main items reviewed and discussed during these meetings were the following:

- the 2020 parent company financial statements and the 2020 consolidated financial statements (including examination of the accounting methods applied, review of the consolidation scope, update on key subsidiaries) and the presentation of the Statutory auditors reports thereon;
- the 2021 half-year financial statements and the presentation of the Statutory auditors reports thereon;
- the 2020 annual results press release and the 2021 half-year results press release;
- the relevant sections of the Annual Report and of the Corporate Responsibility report;
- internal reporting and controls in respect of non-financial information;
- the Statutory auditors' work schedule;
- the design and effectiveness of the Group's internal control framework and in particular the activity and results from the first and the second line of defence;
- the Pillar 3 report and the regulatory ratios;
- the Group report on internal control and Group report on financial crime;
- the internal audit activity and recommendations and the audit plan for 2022;
- non-audit services fees and audit fees and audit strategy and plans for 2021;
- IT security (updates on controls and transition to the new IT infrastucture supplier);

- presentation on ESEF;
- the plan to accelerate the financial results publication;
- the result of permanent controls and litigation;
- exchanges with the Group's supervisors and regulators; and
- the annual work programme.

Throughout the year, the Audit Committee had the opportunity to benefit from numerous presentations from management, including from the Group Chief Financial Officer, the Head of Group Finance and Group Treasurer, the Group Head of Internal Audit, the Group Head of Legal and Compliance and the Group Chief Risk Officer.

Information on the attendance rate of each Audit Committee member is provided in Section 6.2.8 of this report.

Risk Committee

Composition

As at 31 December 2021, the Risk Committee was composed of five members:

- Sipko Schat (Chairman, also a member of the Audit Committee);
- Sir Peter Estlin (Independent member, also Chairman of the Audit Committee and a member of the Remuneration and Nomination Committee);
- Suet-Fern Lee (independent member, also a member of the Audit Committee);
- Gilles Denoyel (independent member, also a member of the Audit Committee); and
- Arielle Malard de Rothschild (also a member of the Audit Committee).

The Group Chief Risk Officer, the Group Head of Legal & Compliance, the Group Head of Internal Audit, the Group Chief Financial Officer, the Head of Group Finance and Group Treasurer and the Secretary General attended all the meetings of the Risk Committee.

Tasks

The Risk Committee is mainly responsible for:

- advising the Supervisory Board on the overall current and future risk appetite and strategy, both at Group and Company levels and assisting the Supervisory Board in overseeing the implementation of that strategy;
- reviewing on a consolidated basis the material risks of the Group, and the total exposure of the Group's activities to risks;
- reviewing the results of the Group's risk assessment that identifies and evaluates exposures to risk in the light of internal and external factors;
- reviewing the Group's broad policy guidelines relating to risk management and examining the effectiveness of the risk management policies put in place;
- reviewing all material new products and new classes of products and funds that have been approved pursuant to the Group's new products policy;
- reviewing (i) the Group's policy relating to Anti-Money Laundering and Counter-Terrorism Financing, (ii) the framework and (iii) the procedures put in place to comply with applicable regulation in this respect and any measures required to remedy significant incidents and weaknesses in this area, and assess the efficiency of any such measures; and
- examining incentives provided by the remuneration policies and practices to ensure they are consistent in light of the risk, capital, liquidity and likelihood and timing of expected earnings for entities.

The Risk Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties.

In connection with its duties, the Risk Committee is authorised to obtain at the Group's expense, any outside legal or other professional advice, to secure the attendance of external advisers at its meetings if it considers necessary. The Risk Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

The Risk Committee reports to the Supervisory Board after each meeting of the Risk Committee on its main activities including, if applicable, its recommendations.

The Chair of the Risk Committee will consult with the Chair of the other Supervisory Board committees, whenever he/she deems it necessary and at least once a year, on various subjects, including but not limited to, subjects of common interest falling within the missions assigned to them.

Activity

The Risk Committee meets at least four times a year or more frequently if so required.

Before each meeting, every member receives a file containing all the documentation, notes and reports relating to each item on the agenda.

During 2021, the Risk Committee met four times, on 4 March, 12 May, 8 September and 8 December 2021.

The main items reviewed and discussed during these meetings were the following:

- the strategic risk assessment;
- the quarterly Group legal, compliance and risk reports;
- regulatory reports (Group report on internal control, Group report on financial crime);
- various Group policies;
- update on information security work programme;
- regulatory update on internal control;
- Group internal control process;
- risks within the Group's three businesses;
- bi-annual liquidity review;
- the Group lending and group credit book;
- the Group risk framework and the Group risk appetite statement;
- the Group capital plan (including ICAAP);
- the 2021 recovery plan;
- Group's business continuity plans;
- analysis of permanent control results;
- sustainability issues and interactions with the newly created Sustainability Committee; and
- the annual work programme.

Information on the attendance rate of each Risk Committee member is provided on Section 6.2.8 of this report.

Remuneration and Nomination Committee

Composition

As at 31 December 2021, the Remuneration and Nomination Committee was composed of four members:

- Sylvain Héfès (Chairman);
- Carole Piwnica (independent member, also a member of the Sustainability Committee);
- Sir Peter Estlin (independent member, also Chairman of the Audit Committee and a member of the Risk Committee); and
- Véronique Weill (independent member).

Tasks

The Remuneration and Nomination Committee is mainly responsible for:

In respect of remuneration matters:

- setting the principles and parameters of remuneration policy for the Group as a whole and periodically reviewing the policy's adequacy and effectiveness taking into account all factors which it deems necessary including the Group's strategy from time to time;
- supervising and reviewing the broad policy framework for the remuneration of the Group Executive Committee and the principles of the remuneration policy applicable to Regulated Persons[1];
- reviewing the nature and scale of the Group's short and long term incentive performance arrangements to ensure that they encourage enhanced performance and reward individuals in a fair and responsible manner for their contribution to the success of the Group in light of an assessment of the Group's financial situation and future prospects;
- supervising and reviewing the total spend on remuneration paid across the Group;
- supervising and reviewing the total variable remuneration awarded across the Group, ensuring the amount has been subject to fair and appropriate adjustment considering current and future risks that may impact the Group;
- supervising the remuneration paid/awarded to members of the Compliance, Internal Audit and Risk divisions and, where appropriate, the employment and remuneration arrangements of the Group Executive Committee and Regulated Persons;
- reviewing and agreeing the list of Regulated Persons in the Group and each of its regulated entities for the purposes of the ACPR and other local regulators as appropriate;
- reviewing and making recommendations to the Supervisory Board on the remuneration policy for corporate officers, appropriate levels of Supervisory Board and committee fees and what the overall quantum of fees for each financial year should be;
- reviewing the adequacy, timing and content of any significant disclosures on remuneration; and
- undertaking any other remuneration-related obligation placed upon the Remuneration and Nomination Committee by either the Group's head regulator or a local regulator.

In respect of nomination matters:

- assisting the Supervisory Board with its duties in relation to its composition, as provided by the Afep-Medef Code and applicable regulations and in particular, reviewing and making recommendations to the Supervisory Board on the selection and nomination of its members.

The Remuneration and Nomination Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties.

In connection with its duties, the Remuneration and Nomination Committee is authorised to obtain, at the Group's expense, any outside legal or other professional advice including the advice of independent remuneration consultants, to secure the attendance of external advisers at its meetings if it considers this necessary, and to obtain reliable, up-to-date information about remuneration in other companies. The Remuneration and Nomination Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

Activity

The Remuneration and Nomination Committee meets at least two times a year or more often as required by the circumstances.

Before each Remuneration and Nomination Committee meeting, members receive a set of briefing documents including all reports, memos and other information providing background on each of the agenda items.

The Remuneration and Nomination Committee reports to the Supervisory Board after each meeting of the Remuneration and Nomination Committee on its main activities including, if applicable, its recommendations.

No Group employee is allowed to take part in discussions or decisions involving their own remuneration.

Only members of the Remuneration and Nomination Committee have the right to attend its meetings. However, other individuals including the Rothschild & Co Gestion officers, human resource executives, the Group Chief Financial Officer, Group Head of Internal Control, members of senior business management and external advisers may be invited to attend for all or part of any meeting and when appropriate if required by the Remuneration and Nomination Committee.

During 2021, the Remuneration and Nomination Committee met five times, on 2 February, 12 February, 7 September, 14 October and 10 December 2021.

(1) Regulated Persons (also referred to as Material Risk Takers or MRTs) are staff members whose professionnal activity have a material impact on the risk profile of the Group and/or on the risk profile of the regulated entities of the Group.

The main items reviewed and discussed during these meetings were the following:

- updates to remuneration regulations (including CRD IV and V, UCITS V and AIFMD, IFPR and IFD);
- 2021 remuneration policies;
- Regulated Persons identification methodology and resultant Regulated Persons list;
- the Group Legal, Compliance & Risk presentation on the Group's risks assessment;
- the Group forecast financial results;
- the aggregate compensation proposals for each business;
- the 2021 Equity Scheme;
- the new compensation plans within the respective business areas;
- internal and external remuneration disclosures;
- the remuneration policies of the Supervisory Board, the Managing Partner and the Executive Chairman of the Managing Partner for 2021;
- the remuneration paid to the Supervisory Board members for 2021;
- the diversity policy of the Supervisory Board;
- the composition of the Supervisory Board and its committees including the review of the independence of Supervisory Board members;
- the proposed appointments (by way of cooptation) of Jennifer Moses and Lord Mark Sedwill as members of the Supervisory Board;
- the annual work programme; and
- the establishment of the triennal self-assessment process.

Information on the attendance rate of each Remuneration and Nomination Committee member is provided on Section 6.2.8 of this report.

Sustainability Committee

Composition

As at 31 December 2021 the Sustainability Committee was composed of three members:

- Lucie Maurel-Aubert (Chairwoman);
- Carole Piwnica (independent member, also a member of the Remuneration and Nomination Committee); and
- Lord Mark Sedwill.

Tasks

The Sustainability Committee is mainly responsible for assisting the Supervisory Board in:

- ensuring the Group considers issues relating to sustainability in line with strategic priorities for the business;
- ensuring the Group is in a position to best identify and address opportunities and risks associated therewith; and
- monitoring and reviewing (i) the strategic priorities, policies implemented, and objectives set by the Group and its entities relating to sustainability matters, and (ii) the consolidated non-financial statement included in the Rothschild & Co Management report.

The Sustainability Committee consults the Audit Committee and the Risk Committee, whenever it deems it necessary on various subjects, including but not limited to subjects relating to (i) non-financial risks with the Risk Committee and (ii) the non-financial reporting with the Audit Committee.

The Sustainability Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties.

As part of its duties, the Sustainability Committee may, at the Group's expense, and after having informed the Chairman of the Supervisory Board or the Supervisory Board itself: (i) use the services of any legal or other professional advisers and request external advisers to attend its meetings; it ensures the objectivity of the concerned adviser; and (ii) request any report, study or survey that it deems necessary to help it fulfil its obligations.

Activity

The Sustainability Committee meets at least two times a year or more often as required by the circumstances.

Before each Sustainability Committee meeting, members receive a set of briefing documents including all reports, memos and other information providing background on each of the agenda items.

Invited to attend all Sustainability Committee meetings are:

- the managing partner of Rothschild & Co Gestion, Co-Chairman of the Group Executive Committee;
- the member of the Group Executive Committee responsible for Rothschild & Co sustainability initiatives globally;
- the Group Head of Sustainability; and
- the Secretary General.

During 2021, the Sustainability Committee met twice, on 23 February and 10 September 2021.

The main items reviewed and discussed during these meetings were:

- the operations of the Sustainability Committee;
- the Group's sustainability governance structure, priorities and strategy;
- the Group's sustainability initiatives and progress made in line with the Group's sustainability strategy; and
- the Corporate Responsibility report and related non-financial disclosures.

Information on the attendance rate of each Sustainability Committee member is provided in the following Section.

6.2.8 Attendance rates of the members of the Supervisory Board

The following table provides the individual attendance rates at the Supervisory Board and its specialised committees' meetings during 2021:

Member	Supervisory Board		Audit Committee		Risk Committee		Remuneration and Nomination Committee		Sustainability Committee	
David de Rothschild	5/5	100%	–	–	–	–	–	–	–	–
Éric de Rothschild	5/5	100%	–	–	–	–	–	–	–	–
Lucie Maurel-Aubert	5/5	100%	–	–	–	–	–	–	2/2	100%
Adam Keswick	4/5	80%	–	–	–	–	–	–	–	–
Dr. Daniel Daeniker	4/5	80%	–	–	–	–	–	–	–	–
Anthony de Rothschild *(Term of office ended on 15 September 2021)*	4/4	100%	–	–	–	–	–	–	2/2	100%
Gilles Denoyel	5/5	100%	4/4	100%	4/4	100%	–	–	–	–
Sir Peter Estlin	5/5	100%	4/4	100%	4/4	100%	5/5	100%	–	–
Sylvain Héfès	4/5	80%	–	–	–	–	5/5	100%	–	–
Suet-Fern Lee	5/5	100%	4/4	100%	4/4	100%	–	–	–	–
Arielle Malard de Rothschild	5/5	100%	4/4	100%	4/4	100%	–	–	–	–
Jennifer Moses *(Term of office started on 14 December 2021)*	1/1	100%	–	–	–	–	–	–	–	–
Carole Piwnica	4/5	80%	–	–	–	–	5/5	100%	2/2	100%
Sipko Schat	5/5	100%	4/4	100%	4/4	100%	–	–	–	–
Lord Mark Sedwill *(Term of office started on 15 September 2021)*	1/1	100%	–	–	–	–	–	–	–	–
Luisa Todini *(Term of office ended on 11 October 2021)*	4/4	100%	–	–	–	–	4/4	100%	–	–
Véronique Weill	5/5	100%	–	–	–	–	5/5	100%	–	–
TOTAL	**5**	**95.29%**	**4**	**100%**	**4**	**100%**	**5**	**100%**	**2**	**100%**

6.2.9 Corporate governance code (Afep-Medef Code)

The Company has decided to refer to the Afep-Medef Code revised in January 2020 as the corporate governance reference code in accordance with the provisions of Article L.22-10-10-4° of the French Commercial Code.

The Company is very committed to the principles of good governance and to the recommendations of the Afep-Medef Code. It should, however, be stressed that the very principle of partnerships limited by shares, the Company's form of incorporation, gives a unique structure to governance providing a clear separation of powers between the Company's Managing Partner and the Supervisory Board, which cannot comply with the Afep-Medef recommendations without adaptation. In this situation, the Supervisory Board takes into account the specific characteristics of this form of incorporation, and the Supervisory Board is organised in a way that is adapted to the nature of the functions conferred upon it by law and the articles of association as well as by the recommendations of the Afep-Medef Code.

The Afep-Medef Code recommendations not applied by the Company are described below, with an explanation for each of them:

Afep-Medef recommendations	Explanations
Proportion of independent members on the Audit Committee (§16.1) *"The proportion of independent directors on the audit committee should be at least equal to two-thirds […]."*	As at 31 December 2021, the Audit Committee comprises three independent members out of five members, *i.e.* 60% of independent members, a proportion slightly below the proportion of two thirds recommended by the Afep-Medef Code. However, the Supervisory Board considers that this situation remains compliant with the Afep-Medef Code given that the Audit Committee is chaired by an independent member (in line with the position of the High Committee for Corporate Governance).
Succession planning for company officer (§17.2.2) *"The nominations committee (or an ad hoc committee) should design a plan for replacement of company officers […]."*	The establishment of a succession plan for the managing partner in a French partnership limited by shares (*société en commandie par actions*) does not fall within the competence of the Supervisory Board. The presence of a second *dirigeant effectif* of Rothschild & Co enables in practice to fill any vacancy of the Managing Partner.
Status of the Chairman of the Remuneration and Nomination Committee (§18.1) *"[…] It is recommended that the chairman of the committee should be independent […]."*	The Remuneration and Nomination Committee is chaired by Sylvain Héfès, who is not independent within the meaning of the Afep-Medef Code. However, during the annual review of its composition, the Supervisory Board took note that: • remuneration matters in regulated companies are particularly complex and require an extensive knowledge of applicable laws and regulations. In this respect, experience and knowledge of the banking and financial sector and remuneration matters by Mr. Héfès is extremely valuable to the Remuneration and Nomination Committee; • Mr. Héfès is consistently demonstrating distance and independence of mind in the performance of his duties; and • the proportion of independent members within the Remuneration and Nomination Committee is of 75% as at 31 December 2021, which is higher than the threshold recommended by the Afep-Medef Code (majority), and this composition ensures that the Remuneration and Nomination Committee effectively carry out its missions independently.
Number of directorships of company officers and directors (§19.4) *"A director should not hold more than four other directorships in listed corporations, including foreign corporations, outside of the group."*	Adam Keswick currently holds six directorships in listed corporations outside the Group. Since four of them belong to the Jardine Matheson group, the Supervisory Board considered that this situation does not prevent Adam Keswick from participating actively in the Supervisory Board.
Executive officers' remuneration (§25) The Afep-Medef Code set various principles of determination of the remuneration of executive officers *(dirigeants mandataires sociaux),* including that their remuneration should be *"competitive, adapted to the company's strategy and context and must aim, in particular, to improve its performance and competitiveness over the medium and long term, notably by incorporating one or more criteria related to social and environmental responsibility."*	In accordance with the articles of association of the Company, its statutory Managing Partner, Rothschild & Co Gestion, which is also a General Partner *(associé commandité)* of the Company, does not receive any remuneration in respect of its position as Managing Partner, aside from expense reimbursements[1]. The Supervisory Board considered that this structure is adapted to Rothschild & Co's corporate form and guarantees sustainable governance due to: • the very form of limited partnership by shares *(société en commandite par actions),* according to which the General Partners of Rothschild & Co, including Rothschild & Co Gestion, are jointly and severally liable for the Rothschild & Co's debts; • the fact that costs for which Rothschild & Co Gestion may seek reimbursement, which mostly consist in the Executive Chairman remuneration, are subject to the review of the Remuneration and Nomination Committee to ensure that they are incurred in connection with the operations of Rothschild & Co Gestion as Managing Partner of Rothschild & Co and in no other capacity; • the fact that the remuneration of its Executive Chairman is fixed and may only be reviewed at relatively long intervals, therefore providing stability to the Company; and • the fact that the Company voluntarily submits Rothschild & Co Gestion Executive Chairman remuneration to a vote of its shareholders on an annual basis.

(1) For more information, please refer to Section 6.3.1, paragraph "Remuneration policy for the Managing Partner and the Executive Chairman of the Managing Partner" of this report.

6.2.10 Terms and conditions of attendance to General Meetings

Please refer to Section 3.1.3, paragraph "Terms and conditions of attendance to General Meetings" of this report for a description of the terms and conditions of shareholders' attendance at General Meetings.

6.3 Corporate officers remuneration and other benefits

6.3.1 Remuneration policies

In accordance with Article L.22-10-76 of the French Commercial Code, the remuneration policies for the Managing Partner, the Chairman of the Supervisory Board and the Supervisory Board members:

- have been established respectively (i) for the Managing Partner, by the General Partners of the Company, based on the favourable opinion of the Supervisory Board (acting upon the recommendation of the Remuneration and Nomination Committee) at its meeting held on 8 March 2022, and taking into account the principles and conditions provided for in the Company's articles of association and (ii) for the Supervisory Board and its Chairman, by the Supervisory Board (acting upon recommendation of the Remuneration and Nomination Committee) at its meeting held on 8 March 2022, with the approval of the General Partners; and
- will be submitted for approval to the General Meeting to be held on 19 May 2022.

In addition, for the sake of good governance, the Company has, on a voluntary basis, decided to implement a process for establishing and reviewing the remuneration policy for the Executive Chairman of the Managing Partner, which mirrors the requirements applicable to the Managing Partner's remuneration policy and taking into account the requirements provided for in the articles of association of the Managing Partner. Therefore, the remuneration policy for the Executive Chairman of the Managing Partner:

- has been established by the shareholders' meeting of the Managing Partner, on the basis of the favourable opinion of the Supervisory Board (acting upon the recommendation of the Remuneration and Nomination Committee) at its meeting held on 8 March 2022; and
- will be submitted for approval to the General Meeting to be held on 19 May 2022.

In developing its recommendation on the remuneration policies, the Remuneration and Nomination Committee, which is predominantly independent, takes any appropriate measure to avoid conflicts of interest during the approval process.

Any significant amendment to such remuneration policies would follow the same procedure.

Remuneration policies for the Managing Partner and the Executive Chairman of the Managing Partner

In line with the corporate interest of Rothschild & Co and given the specific status of the legal entity, neither the Managing Partner of the Company, who is also General Partner, nor its legal representative, shall receive any variable remuneration in respect of their respective duties, unlike most of the Group's employees.

This stable remuneration structure, which has been in place since June 2012, is adapted to Rothschild & Co's corporate form and guarantees a sustainable governance.

Rothschild & Co Gestion, in its capacity as Managing Partner

The Managing Partner is the sole corporate executive officer of Rothschild & Co. As per the articles of association of the Company, the Managing Partner (which is the first statutory Managing Partner for the duration of the Company, as well as a General Partner of Rothschild & Co) shall not be remunerated in its capacity as Managing Partner but shall be entitled to reimbursement of its operating expenses, including employee costs, the remuneration of its corporate officers and statutory auditors' fees.

In addition, the remuneration policy of the Managing Partner provides that:

- operating expenses to be reimbursed to the Managing Partner shall be duly documented; and
- the detailed expenses incurred by the Managing Partner and for which a reimbursement has been sought shall be reviewed on an annual basis by the Remuneration and Nomination Committee, with a view to confirm that they were incurred in connection with the operations of the Managing Partner as Managing Partner of the Company, and in no other capacity.

The major part of the expenses reimbursed to the Managing Partner corresponds to the remuneration of the Executive Chairman of the Managing Partner (and related tax and social security charges) by application of the aforementioned principles.

The Executive Chairman of the Managing Partner

The Executive Chairman of the Managing Partner is the only executive corporate officer and therefore the only legal representative of Rothschild & Co Gestion. He does not benefit from any employment contract with the Company.

Pursuant to the articles of association of the Managing Partner, the remuneration of its Executive Chairman is set by the shareholders' meeting of the Managing Partner acting by a simple majority, after consultation of the Supervisory Board, which consults its own Remuneration and Nomination Committee.

The remuneration policy of the Executive Chairman of the Managing Partner is as follows, in line with the remuneration policy and practice for 2021:

- as legal representative of the Managing Partner, the Executive Chairman of the Managing Partner shall only receive a fixed remuneration, exclusive of any other form of remuneration. In particular, he shall not be granted any variable (in cash or in shares) or exceptional remuneration and shall not benefit from any supplementary pension scheme, remuneration or benefit due in the event of termination of office or change in function and non-competition clauses in respect of his duties as Executive Chairman of the Managing Partner;
- in accordance with the recommendations of the Afep-Medef Code, this fixed remuneration, which reflects the requirements of the role and the executive's skills and experience, may only be reviewed at relatively long intervals; and
- the fixed remuneration of the Executive Chairman of the Managing Partner for 2022 shall be set at €500,000, an amount unchanged since 2018.

Remuneration policy for Supervisory Board members

General Principles

The members of the Supervisory Board are entitled to a remuneration in a maximum global annual amount as approved by the ordinary General Meeting of the Company.

At the General Meeting to be held on 19 May 2022, the shareholders of the Company will be asked to approve the allocation to Supervisory Board members of a global annual remuneration envelop of €1.200.000 (the "Annual Envelop") as from 1 January 2022. The increase in the Annual Envelop compared with 2021 is proposed following a benchmark exercise, and takes into account the status of Rothschild & Co as a financial holding company, the heavily regulated environment in which the Group operates, its multi-jurisdictional dimension and the increased number of expected meetings.

Subject to approval of the Annual Envelop by the General Meeting to be held on 19 May 2022, the Supervisory Board, at its meeting of 8 March 2022, acting upon recommendation of its Remuneration and Nomination Committee, approved the following amended policy for the allocation of fees to its members:

The Annual Envelop shall be allocated to the Supervisory Board members under the following rules:

Fixed remuneration

Annual fees in euros *(per member and per year)*	
Fixed fee for the Chairman of the Supervisory Board	200,000
Base fee for Supervisory Board member	20,000
Base fee for Chairperson of committee	20,000

Distribution of the above-mentioned fees is subject to the following:

- when a member holds multiple positions in the Supervisory Board and committee(s), the fees are cumulative. For example, a Supervisory Board member chairing a committee shall receive a €40,000 base fee per financial year; and
- all fees are paid on a *prorata* basis at the end of the annual financial year ended on 31 December. For example, when a Supervisory Board member has been appointed by the General Meeting in May, fees granted correspond to the period from the date of the nomination as member of the Supervisory Board to date of the end of the financial year.

Variable remuneration

Annual fees in euros *(per member and per year)*	**Fees**	**Number of expected meetings**
Supervisory Board members (other than the Chairman of the Supervisory Board)	24,000	6
Audit Committee members	24,000	6
Risk Committee members	16,000	4
Remuneration and Nomination Committee members	16,000	4
Sustainability Committee members	8,000	2

The annual fees set out above will be allocated amongst the Supervisory Board members at the end of each year. They will be reduced for any given Supervisory Board member on a *prorata* basis in case of absence to one or more meetings of the Supervisory Board and its committees (where relevant).

The members of the Supervisory Board shall not be entitled to receive any other kind of remuneration or benefit from the Company in respect of their duties on the Supervisory Board and its committees.

6.3.2 Remuneration of Rothschild & Co corporate officers for 2021

This Section notably includes information mentioned by Article L.22-10-9-I of the French Commercial Code *(Code de commerce).*

In accordance with Article L.22-10-77-II of the French Commercial Code, the information set out in this Section in relation to the Managing Partner and the Chairman of the Supervisory Board has been approved by the General Partners and will be submitted for approval to the General Meeting to be held on 19 May 2022.

In addition, for the sake of good governance, the Company will, on a voluntary basis, submit the information set out in this Section in relation to the Executive Chairman of the Managing Partner to the approval to the General Meeting to be held on 19 May 2022.

The information relating to the remuneration of corporate officers referred to Article L.22-10-9-I of the French Commercial Code has been approved at 99.46% by the General Meeting held on 20 May 2021.

Remuneration of the Managing Partner of Rothschild & Co

During or in respect of the financial year ended 31 December 2021 and in accordance with Rothschild & Co's articles of association and the remuneration policy submitted to the General Meeting held on 20 May 2021:

- no remuneration was paid or awarded to the Managing Partner in its capacity as manager of the Company; and
- the Managing Partner was reimbursed the amount of €924,115.20 for the 2021 financial year (€916,811.54 for the 2020 financial year) in respect of its operating expenses related to its role as manager of the Company.

For the sake of completeness, the Managing Partner also received a profit share *(préciput)* in accordance with the articles of association of the Company, as described on Section 3.1.2, paragraph "General presentation" of this report. This profit share was attributed to it in return for its joint and several liability for the Company's debt in its capacity as General Partner, not as a remuneration in respect of its role as Managing Partner of the Company.

Remuneration of the Executive Chairman of the Managing Partner

The remuneration and benefits in kind paid during or awarded in respect of the financial year ended 31 December 2021 by Rothschild & Co Gestion, Rothschild & Co and the companies within the consolidation scope of the latter, within the meaning of Article L.233-16-II of the French Commercial Code to Alexandre de Rothschild, the Executive Chairman of the Managing Partner, are set out below. The remuneration paid or awarded to the Executive Chairman of the Managing Partner in respect of such position are in line with the remuneration policy approved by the General Meeting held on 20 May 2021.

During or in respect of the financial year ended 31 December 2021, Alexandre de Rothschild did not benefit from any employment contract, supplementary pension scheme, remuneration or benefit due or that may be due in the event of termination of office or change in function and non-competition clauses in respect of his duties as Executive Chairman of the Managing Partner.

Item submitted to the vote *(in euros)*	**Paid during 2021**	**Awarded in respect of 2021**	**Presentation**
Fixed remuneration	500,000	500,000	€500,000 of fixed remuneration in respect of its position as Executive Chairman of the Managing Partner during 2021.
Variable remuneration	–	–	–
Annual variable remuneration	–	–	–
Exceptional remuneration	–	–	–
Stock options, performance shares and other long-term benefits		–	–
Directorship' fees	–	–	–
Benefits in kind	–	–	
Welcome bonus and severance pay	–	–	–
Non-competition indemnity	–	–	–
Supplementary pension scheme	–	–	–

As recommended by the Afep-Medef Code, the tables below summarise key information related to Alexandre de Rothschild's remuneration.

Table summarising the remuneration, options and shares awarded to Alexandre de Rothschild[1]

(in euros)	2020	2021
Remuneration awarded in respect of 2021 (details in the table below)	500,000	500,000
Valuation of the stock options awarded during 2021 (details in the table below)	–	–
Valuation of the performance shares awarded during 2021	–	–
Valuation of the other long-term compensation plans	–	–
TOTAL	**500,000**	**500,000**

(1) Table No. 1 of the Annex 4 of the Afep-Medef Code.

Table summarising the remuneration of Alexandre de Rothschild[1]

	2020		2021	
(in euros)	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	500,000	500,000	500,000	500,000
Annual variable remuneration	–	–	–	–
Extraordinary remuneration	–	–	–	–
Director’s fees	–	–	–	–
Benefits in kind	–	–	–	–
TOTAL	**500,000**	**500,000**	**500,000**	**500,000**

(1) Table No. 2 of the Annex 4 of the Afep-Medef Code.

Past award of subscription or purchase options[1]

Options to subscribe for or purchase Rothschild & Co shares were allocated to Alexandre de Rothschild before he took up his position as Executive Chairman of the Managing Partner on 17 May 2018. The tables below show past allocations.

	2013 Equity Scheme
Date of the General Meeting	26 September 2013
Date of the decision of the Managing Partner	11 October 2013
Total number of stock-options granted	30,000[2]
Starting date for the exercise of options 2013-1	30 November 2016
Expiration date	11 October 2023
Subscription price	€17.50
Starting date for the exercise of options 2013-2	11 October 2017
Expiration date	11 October 2023
Subscription price	€18.00
Starting date for the exercise of options 2013-3	11 October 2018
Expiration date	11 October 2023
Subscription price	€19.00
Starting date for the exercise of options 2013-4	11 October 2019
Expiration date	11 October 2023
Subscription price	€20.00
Terms and conditions of the exercise	Refer to Section 3.2.3 of this report
Number of stock-options exercised during the 2021 financial year	0
Cumulative number of subscription or purchase options cancelled or lapsed	0
Stock-options remaining at the end of the 2021 financial year	0

(1) Table No. 8 of the Annex 4 of the Afep-Medef Code.
(2) All stock options were fully exercised prior to the start of 2021 financial year.

Tables No. 4 ("Subscription or purchase options awarded during the financial year to each executive officer by the issuer and by any group company"), No. 5 ("Subscription or purchase options exercised during the financial year by each executive officer"), No. 6 ("Performance shares awarded during the financial year to each executive officer by the issuer and by any group company"), No. 7 ("Performance shares that have become available during the financial year for each executive officer"), No. 9 ("Past awards of performance shares"), No. 10 ("Table summarising the multi-annual variable compensation paid to each executive officer") and No. 11 (Regarding executive officers: employment contract, supplementary pension scheme, benefits or entitlements due or likely to become due as a result of termination or change of position and benefits relating to a noncompetition clause") of the Annex 4 of the Afep-Medef Code have not been reproduced as they are not applicable.

Remuneration of Supervisory Board Members

Remuneration of the Chairman of the Supervisory Board

The remuneration and other benefits paid during or awarded in respect of the financial year ended 31 December 2021 by Rothschild & Co and the companies within the consolidation scope, within the meaning of Article L.233-16-II of the French Commercial Code to David de Rothschild, the Chairman of the Supervisory Board, are set out below. The remuneration paid or awarded to the Chairman of the Supervisory Board in respect of such position is in line with the remuneration policy approved by the General Meeting held on 20 May 2021.

Item submitted to the vote *(in euros)*	**Paid during 2021**	**Awarded in respect of 2021**	**Presentation**
Fixed remuneration	200,000	200,000	€200,000 of fixed remuneration in respect of its position as Chairman of the Supervisory Board during 2021
Variable remuneration	–	–	–
Annual variable remuneration	–	–	–
Exceptional remuneration	–	–	–
Stock options, performance shares and other long-term benefits	–	–	–
Directorship' fees	–	–	–
Benefits in kind	–	–	–
Welcome bonus and severance pay	–	–	–
Non-competition indemnity	–	–	–
Supplementary pension scheme	–	–	–

Remuneration of Supervisory Board members

The remuneration and other benefits paid during or awarded in respect of the financial year ended 31 December 2021 by Rothschild & Co and the companies within its consolidation scope, within the meaning of Article L.233-16-II of the French Commercial Code to the members of the Supervisory Board, are set out below. The remuneration paid or awarded to Supervisory Board members in respect of Supervisory Board membership is in line with the remuneration policy approved by the General Meeting held on 20 May 2021.

	2021 Items submitted to the vote *(in euros)*				
	Remuneration in respect of their term of office as Rothschild & Co Supervisory Board member		Other remuneration		
	Fixed	Variable			
Supervisory Board members	Awarded and paid			Awarded	Paid
David de Rothschild Chairman of the Supervisory Board	200,000	–	–	–	–
Éric de Rothschild Vice-Chairman of the Supervisory Board	20,000	12,500	–	–	–
Lucie Maurel-Aubert Vice-Chairwoman of the Supervisory Board	35,000	17,500	Benefits in kind [1]	26,329	26,329
Adam Keswick Vice-Chairman of the Supervisory Board	20,000	10,000	–	–	–
Dr. Daniel Daeniker	20,000	10,000	–	–	–
Anthony de Rothschild *(Term of office ended on 15 September 2021)*	14,082	15,000	Consultancy fees[2]	116,090[3]	116,090[3]
Gilles Denoyel	20,000	32,500	–	–	–
Sir Peter Estlin	35,000	45,000	Directorship fees[1]	18,574[3]	16,833[3]
Sylvain Héfès	35,000	22,500	Consultancy fees[2]	174,135[3]	174,135[3]
			Directorship fees[1]	18,000	18,000
Suet-Fern Lee	20,000	32,500	–	–	–
Arielle Malard de Rothschild	20,000	32,500	Fixed salary[1]	391,830	391,830
			Variable[1]	560,001	349,149
			Benefits in kind[1]	18,309	18,309
Jennifer Moses *(Term of office started on 14 December 2021)*	986	2,500		–	–
Carole Piwnica	20,000	27,500	–	–	–
Sipko Schat	35,000	32,500	Consultancy fees[2]	150,000	125,000
			Directorship fees[1]	50,000	50,000
Lord Mark Sedwill *(Term of office started on 15 September 2021)*	5,918	2,500	Consultancy fees[2]	290,225[3]	290,225[3]
Luisa Todini *(Term of office ended on 11 October 2021)*	15,507	20,000	–	–	–
Véronique Weill	20,000	25,000	–	–	–
TOTAL	**876,493.15**				

(1) Remuneration in respect of a directorship within a subsidiary of Rothschild & Co.
(2) Remuneration in respect of a senior adviser contract with a subsidiary of Rothschild & Co.
(3) Based on a €/£ average rate for 2021.

For more information regarding Supervisory Board members attendance in 2021 and the activity of the Supervisory Board during 2021, please refer to Sections 6.2.8 and 6.2.5 of this report.

As recommended by the Afep-Medef Code, the table below summarises the remuneration paid during or awarded in respect of the financial years ended 31 December 2020 and 31 December 2021 to the Supervisory Board members.

Table on remuneration received by Supervisory Board members[1]

(in euros) Supervisory Board members		2020 Awarded	2020 Paid	2021 Awarded	2021 Paid
David de Rothschild Chairman of the Supervisory Board	Remuneration in respect of the term of office	200,000	200,000	200,000	200,000
	Other remuneration	–	–	–	–
Éric de Rothschild Vice-Chairman of the Supervisory Board	Remuneration in respect of the term of office	35,257	35,257	32,500	32,500
	Other remuneration	–	–	–	–
Lucie Maurel-Aubert Vice-Chairwoman of the Supervisory Board	Remuneration in respect of the term of office	55,257	55,257	52,500	52,500
	Other remuneration	25,862	25,862	26,329	26,329
Adam Keswick Vice-Chairman of the Supervisory Board	Remuneration in respect of the term of office	32,757	32,757	30,000	30,000
	Other remuneration	–	–	–	–
Dr. Daniel Daeniker	Remuneration in respect of the term of office	35,257	35,257	30,000	30,000
	Other remuneration	–	–	–	–
Anthony de Rothschild *(Term of office ended on 15 September 2021)*	Remuneration in respect of the term of office	40,257	40,257	29,082	29,082
	Other remuneration	18,539	–	116,090	116,090
Gilles Denoyel	Remuneration in respect of the term of office	28,663	28,663	52,500	52,500
	Other remuneration	–	–	–	–
Sir Peter Estlin	Remuneration in respect of the term of office	58,641	58,641	80,000	80,000
	Other remuneration	22,775	17,769	18,574	16,833
Sylvain Héfès	Remuneration in respect of the term of office	56,005	56,005	57,500	57,500
	Other remuneration	181,356	181,356	192,135	192,135
Suet-Fern Lee	Remuneration in respect of the term of office	52,757	52,757	52,500	52,500
	Other remuneration	–	–	–	–
Arielle Malard de Rothschild	Remuneration in respect of the term of office	53,505	53,505	52,500	52,500
	Other remuneration	716,091	640,117	970,140	759,288
Jennifer Moses *(Term of office started on 14 December 2021)*	Remuneration in respect of the term of office	–	–	3,486	3,486
	Other remuneration	–	–	–	–
Carole Piwnica	Remuneration in respect of the term of office	43,505	43,505	47,500	47,500
	Other remuneration	–	–	–	–
Sipko Schat	Remuneration in respect of the term of office	70,257	70,257	67,500	67,500
	Other remuneration	200,000	212,500	200,000	175,000
Lord Mark Sedwill *(Term of office started on 15 September 2021)*	Remuneration in respect of the term of office	–	–	8,418	8,418
	Other remuneration	–	–	290,225	290,225
Luisa Todini *(Term of office ended on 11 October 2021)*	Remuneration in respect of the term of office	42,757	42,757	35,507	35,507
	Other remuneration	–	–	–	–
Véronique Weill	Remuneration in respect of the term of office	21,163	21,163	45,000	45,000
	Other remuneration	–	–	–	–

(1) Table No. 3 of the Annex 4 of the Afep-Medef Code.

Other information related to remuneration

The information related to remuneration required by Article L.22-10-9-I-6° and 7° of the French Commercial Code concerning the Company's executive corporate officers *(dirigeants mandataires sociaux)* is presented below. This information is presented for the Chairman of the Supervisory Board and, on a voluntary basis, for the Executive Chairman of the Managing Partner. It is reminded that the Managing Partner is not entitled to a remuneration in accordance to the Company's articles of association (for more information, please refer to Section 3.1.1 of this report):

	2021	2020	2019	2018	2017
Performance of the Company					
Net income – Group share	€765.8 million	€160.5 million	€242.7 million	€286.3 million	€236.3 million(1)
Change compared with the previous financial year	+377.13%	-33.87%	-15.23%	+21.16%	–
ROTE excl. exceptionals	32.3%	8.8%	12.6%	18%	17.2%(2)
Change compared with the previous financial year	+267.05%	-30.16%	-30.00%	+4.65%	–
Employees					
Average remuneration	€137,580(3)	€121,495(4)	€116,873	€114,831	€113,197
Change compared with the previous financial year	+13%	+4%	+2%	+1%	-
Executive Chairman of the Managing Partner(5)					
Remuneration of Alexandre de Rothschild	€500,000	€500,000	€500,000	€189,583(6)	–
Remuneration of David de Rothschild	–	–	–	€311,828(7)	€500,000
Change compared with the previous financial year	0%	0%	0%	0%	–
Ratio to the average employee remuneration	3.63	4.12	4.28	4.37	4.42
Change compared with the previous financial year	-12%	-4%	-2%	-1%	–
Ratio to the median employee remuneration	6.57	6.72	7.14	7.37	7.31
Change compared with the previous financial year	-2%	-6%	-3%	+1%	–
Chairman of the Supervisory Board					
Remuneration of David de Rothschild	€200,000	€200,000	€62,500(8)	€96,829(9)	–
Change compared with the previous financial year	0%	+220%	-35%	–	
Ratio to the average employee remuneration	1.45	1.65	0.53	0.84	–
Change compared with the previous financial year	-12%	+208%	-37%	–	–
Ratio to the median employee remuneration	2.63	2.69	0.89	1.42	–
Change compared with the previous financial year	-2%	+201%	-37%	–	–

(1) The net income for 2017 is a *pro forma* net income, due to a change of year end in 2017 from March to December, calculated as the nine months to December 2017 plus the three months to March 2017.

(2) The ROTE excl. exceptionals for 2017 is a *pro forma* ROTE excl. exceptionals due to a change of year end in 2017 from March to December, calculated as the nine months to December 2017 plus the three months to March 2017.

(3) The final amounts due were not yet available, an estimate for *intéressement/participation* has been included in the 2021 amounts disclosed, based on the 2020 *intéressement/participation* award.

(4) The 2020 average remuneration was rectified: it now includes the final *interéssement*/participation due or awarded to employees for 2020. The 2020 ratios disclosed in the 2020 annual report were rectified in this report accordingly. For the record, the average remuneration disclosed in the 2020 annual report comprised an estimate of the 2020 *intéressement*/participation based on the 2019 *intéressement*/participation, since the definitive amounts were not available at the time of publication of the said report.

(5) David de Rothschild was Executive Chairman of the Managing Partner from the General Meeting on 8 June 2012 until 17 May 2018. Alexandre de Rothschild took over his term of office from this date and continues the role at the date of the present report.

(6) This amount corresponds to the pro-rated remuneration due to Alexandre de Rothschild, for the period of time where he was Executive Chairman of the Managing Partner in 2018, *i.e.* from 17 May 2018 to 31 December 2018. No other remuneration was due or awarded to him in 2018.

(7) This amount corresponds to the pro-rated remuneration due to David de Rothschild, for the period of time where he was Executive Chairman of the Managing Partner in 2018, *i.e.* from 1 January to 17 May 2018. No other remuneration was due or awarded to him in 2018.

(8) As a consequence of a material error, the Supervisory Board noted during its meeting on 17 December 2019 that David de Rothschild elected to waive the portion of his remuneration as Chairman of the Board in excess of the maximum amount of €600,000 of fees available for allocation to the Supervisory Board members. Please also refer to page 108 of the 2019 Annual Report for more information.

(9) This amount corresponds to the pro-rated remuneration due to David de Rothschild for the period of time where he was Chairman of the Supervisory Board in 2018, *i.e.* from 17 May 2018 to 31 December 2018. No other remuneration was due or awarded to him in 2018.

Methodology followed for the preparation of the above table

For the purpose of calculating these figures, the following information has been included:

Remuneration of the Chairman of the Supervisory Board and the Executive Chairman of the Managing Partner.

The gross elements of remuneration due or awarded for the relevant financial year by the Company and the companies in the consolidation scope within the meaning of Article L.233-16-II of the French Commercial Code *(Code de commerce)* has been considered.

More precisely, all the following gross elements of remuneration due or awarded for the relevant financial year ("N") have been take into account:

- fixed remuneration;
- variable remuneration due for the N financial year and paid during the N+1 financial year or later on in case of deferred;
- exceptional remuneration due for the N financial year and paid during the N+1 financial year;
- directors' fees, as long as they have been received by the executive corporate officer for the N financial year;
- long-term incentives: stock-options, other long-term elements of remuneration and multi-annual variable remuneration awarded for the N financial year (valued at their IFRS value); and
- benefits in kind.

Severance, termination and non-competition indemnities due or awarded are excluded.

Remuneration of the Group employees

Representative perimeter of employees

Insofar as Rothschild & Co is a holding company with very few employees, and in accordance with Article 26.2 of the Afep-Medef Code, a more representative perimeter was considered for the purpose of calculating the remuneration: the Rothschild Martin Maurel UES *(unité économique et sociale)*. The latter includes the following companies for 2021: Rothschild Martin Maurel, Rothschild & Cie, Transaction R&Co, Rothschild & Co Immobilier, R&Co Asset Management Europe, all controlled by Rothschild & Co within the meaning of Article L.233-16 II of the French Commercial Code (*Code de commerce*). The Rothschild Martin Maurel UES represented 92% of the French continuing population in 2021. This scope is representative of main business lines of Rothschild & Co in France: Global Advisory, Wealth and Asset Management and support functions.

Continuing population

A continuing population has been considered, *i.e.* employees (excluding expatriates, interns and apprentices), if they were employed on 1 January of the relevant financial year ("N") and were part of the bonus eligible population at the end of that relevant financial year ("N").

Remunerations

The following gross elements of remuneration due or awarded by the Company or the companies in the consolidation scope within the meaning of Article L.233-16-II of the French Commercial Code *(Code de commerce)* for the relevant financial year ("N") have been take into account:

- fixed remuneration;
- variable remuneration due for the N financial year and paid during the N+1 financial year or later in case of deferred;
- exceptional remuneration due for the N financial year and paid during the N+1 financial year;
- long-term incentives: stock options, other long-term elements of remuneration awarded for the N financial year (valued at their IFRS value);
- employee savings schemes (profit sharing and incentive schemes); and
- benefits in kind.

Severance, termination and non-competition indemnities due or awarded to employees are excluded.

Miscellaneous

- amounts disclosed are on a full-time equivalent basis; and
- fixed compensation is based on annualised amounts as at 31 December each year.

Performance of the Group

The figures disclosed corresponds to the net income – Group share, *i.e.* the Group net income after tax and minority interests, and to the ROTE (Return on Tangible Equity) excluding exceptional items.

6.4 Transactions involving the Company's securities by corporate officers

Pursuant to the provisions of Article 223-26 of the AMF General Regulation, the transactions involving the Company's securities during the 2021 financial period executed by persons mentioned in Article L.621-18-2 of the French Monetary and Financial Code *("Code monétaire et financier")*, disclosed to the Company and the AMF, are summarised in the table below[1]:

Name	Quality	Transaction date	Nature of the transaction	Unit price *(in euros)*	Total amount *(in euros)*	AMF decisions[2]
Rothschild & Co Concordia SAS	Legal entity related to Éric de Rothschild, Vice-Chairman of the Supervisory Board of Rothschild & Co SCA, David de Rothschild, Chairman of the Supervisory Board of Rothschild & Co SCA and Alexandre de Rothschild, Executive Chairman of the Managing Partner of Rothschild & Co SCA	18/01/2021	Acquisition	28.00	5,600,000	2021DD728691
Rothschild & Co Concordia SAS	Legal entity related to Éric de Rothschild, Vice-Chairman of the Supervisory Board of Rothschild & Co SCA, David de Rothschild, Chairman of the Supervisory Board of Rothschild & Co SCA and Alexandre de Rothschild, Executive Chairman of the Managing Partner of Rothschild & Co SCA	10/03/2021	Pledge	N/A	N/A	2021DD738098
François Pérol	Managing Partner of Rothschild & Co Gestion, Managing Partner of Rothschild & Co SCA	31/03/2021	Acquisition	31.15	467,250	2021DD739880
Sipko Schat	Member of the Supervisory Board of Rothschild & Co SCA	23/04/2021	Acquisition	29.9401	44,910.15	2021DD745339
Adam Keswick	Member of the Supervisory Board of Rothschild & Co SCA	17/05/2021	Acquisition	33.00	108,900	2021DD746790
Rothschild & Co Concordia SAS	Legal entity related to Éric de Rothschild, Vice-Chairman of the Supervisory Board of Rothschild & Co SCA, David de Rothschild, Chairman of the Supervisory Board of Rothschild & Co SCA and Alexandre de Rothschild, Executive Chairman of the Managing Partner of Rothschild & Co SCA	16/07/2021	Pledge	N/A	N/A	2021DD764575
Rothschild & Co Concordia SAS	Legal entity related to Éric de Rothschild, Vice-Chairman of the Supervisory Board of Rothschild & Co SCA, David de Rothschild, Chairman of the Supervisory Board of Rothschild & Co SCA and Alexandre de Rothschild, Executive Chairman of the Managing Partner of Rothschild & Co SCA	23/07/2021	Acquisition	29.30	40,000,008.40	2021DD765421
Rothschild & Co Concordia SAS	Legal entity related to Éric de Rothschild, Vice-Chairman of the Supervisory Board of Rothschild & Co SCA, David de Rothschild, Chairman of the Supervisory Board of Rothschild & Co SCA and Alexandre de Rothschild, Executive Chairman of the Managing Partner of Rothschild & Co SCA	06/10/2021	Acquisition	34.00	28,695,456	2021DD773649
Rothschild & Co Concordia SAS	Legal entity related to Éric de Rothschild, Vice-Chairman of the Supervisory Board of Rothschild & Co SCA, David de Rothschild, Chairman of the Supervisory Board of Rothschild & Co SCA and Alexandre de Rothschild, Executive Chairman of the Managing Partner of Rothschild & Co SCA	06/10/2021	Acquisition	36.50	1,438,136.50	2021DD794110

(1) Pursuant to Article L.621-18-2 of the French Monetary and Financial Code, the concerned persons are required to declare the transactions they are involved in individually.
(2) These decisions are available on the AMF website (www.amf-france.org).

6.5 Agreements and undertakings

6.5.1 Agreements within the meaning of Article L.225-37-4-2° of the French Commercial Code

The purpose of this Section is to provide information regarding the agreements within the meaning of Article L.225-37-4-2° of the French Commercial Code, which have been entered into during the 2021 financial year, directly or indirectly, between a Rothschild & Co related party and a company controlled by the Company within the meaning of Article L.233-3 of the French Commercial Code, except agreements related to ordinary transactions and concluded under normal terms and conditions.

All the agreements within the meaning of Article L.225-37-4-2° which have been entered into during the 2021 financial year related to ordinary transactions and were concluded under normal terms and conditions.

6.5.2 Regulated agreements *(conventions réglementées)*

The purpose of this Section is to provide information regarding regulated agreements, within the meaning of Article L.225-38 of the French Commercial Code.

New regulated agreement

In accordance with Articles L.225-40 and R.225-30 of the French Commercial Code applicable to Rothschild & Co pursuant to Article L.226-10 of the same code, the Statutory auditors have been informed of a regulated agreement entered into during the 2021 financial year.

On 22 June 2021, J S Holdings Luxembourg SÀRL (a Jardin Matheson group entity) and the Company entered into a share purchase agreement upon which the Company bought 1,208,138 Rothschild & Co shares as part of its share buyback programme. The purchase price per share was €29.30. The transaction purchase price was €35,398,443.40.

In light of the positions held by Adam Keswick (as member of the Supervisory Board) within the Jardine's entities, and notwithstanding the fact that Adam Keswick does not hold a position within the selling entity itself, Rothschild & Co deemed it appropriate as a matter of good governance to subject the transaction to the authorisation procedure applicable to regulated agreements.

Additional information on this agreement, which has been authorised by the Supervisory Board at its meeting on 22 June 2021 is available on the Company's website: www.rothschildandco.com. The report of the Statutory auditors will be available in the Notice of the General Meeting to be held on 19 May 2022 and will be also available on the Company's website.

Ongoing related agreement

No regulated agreement entered into by the Company in the past financial years was still in force as at 31 December 2021.

6.5.3 Evaluation process of the agreements relating to ordinary transactions and entered into under normal terms and conditions

Pursuant to the provisions of Article L.22-10-12 of the French Commercial Code, the Supervisory Board is required to set up an evaluation process assessing whether the agreements deemed as relating to ordinary transactions and entered into under normal terms and conditions meet these conditions.

Each time a potential regulated agreement within the meaning of Article L.225-38 of the French Commercial Code is concluded, amended or renewed, the Legal department of the Company is in charge of assessing, in liaison with the Group finance and/or tax departments, whether such agreement meets two conditions: being related to an ordinary transaction and being entered into under normal terms and conditions. The persons who are directly or indirectly interested in the agreement are not involved in the process.

If an agreement does not qualify as an agreement relating to ordinary transactions and entered into under normal terms and conditions, it is then submitted to the approval procedure provided by Articles L.225-38 *et seq.* of the French Commercial Code.

The Legal department of the Company uses the following cumulative criteria to assess if an agreement as relating to ordinary transactions and entered into under normal terms and conditions do meet these conditions:

- the agreement relates to ordinary transactions, *i.e.* transactions that the Company usually carries out in the normal course of its business. The following criteria may be considered in assessing whether the agreement relates to ordinary transactions or not: its repetition over time, the circumstances surrounding its conclusion, its legal significance, its economic consequences, and its duration; and
- the agreement is entered into normal terms and conditions, *i.e.* under the same conditions as usually practiced by the Company with third parties or by other companies operating in the same business line. The following criteria may be considered in assessing whether the agreement is entered into normal terms and conditions: the market price/practices and the general balance of the terms and conditions under which the agreement is concluded.

An agreement is also deemed as relating to ordinary transactions and entered into normal terms and conditions when it is entered into by the Company and a company wholly hold, either directly or indirectly, by the Company.

For instance, the following agreements are deemed as relating to ordinary transactions and entered into normal terms and conditions:

- agreements with low financial stakes, provided that the agreement is not of significant importance to contracting parties involved; and
- intra-Group agreements relating to the following transactions:
  - provision of services (in particular human resources, IT, management, communication, finance, legal and accounting services),
  - assistance with financing and re-invoicing of financial instruments,
  - cash management or loan operations,
  - tax integration known as “neutral” (insofar as it explicitly provides the modalities leading to neutrality, not only during the lifetime of the integration but also at the time of leaving the regime),
  - acquisitions or sales of insignificant assets or securities,
  - acquisitions or sales of receivables,
  - transfer or loan of Company shares to a corporate officer in the performance of its duties, and
  - facilities granted by an entity, once expenses have been invoiced at cost plus a margin to cover unallocated indirect costs, if any.

This list is non exhaustive, and the presumption may be rebutted if the examined agreement was concluded under exceptional terms and conditions.

All the agreements that have been qualified as relating to ordinary transactions and entered into under normal terms and conditions are reviewed by the legal department of the Company on a regular basis, in particular when there are indications that the above-mentioned qualification criteria and/ or categories of unregulated agreements may need to be revised.

6.6 Delegations of authority granted by the shareholders of the Company to the Managing Partner relating to the share capital

The following table summarises the delegations granted to the Managing Partner in force as at 31 December 2021 and their use during the financial year ended 31 December 2021.

Purpose	Resolution number	Individual limit	Period of validity	Use during the 2021 financial year
Combined General Meeting of 14 May 2020				
To reduce the share capital by cancelling treasury shares.	18	Limited to 10% of the share capital per 24-month period	26 months	None
To increase the share capital by incorporation of reserves, income or issue, merger or contribution premiums.	19	Limited to a nominal amount of €50 million	26 months	None
To issue ordinary shares and/or securities giving immediate or deferred access to the share capital in order to remunerate contributions in kind granted to the Company consisting of equity securities or securities giving access to the share capital.	20	Limited to 10% of the share capital(1)(2) and €200 million (debt instrument)(3)(4)	26 months	None
To issue ordinary shares and/or securities giving immediate or deferred access to the Company's share capital with preferential subscription rights maintained.	21	Limited to a nominal amount of €70 million (share capital securities)(1) and €300 million (debt instrument)(3)	26 months	None
To issue ordinary shares and/or securities giving immediate or deferred access to the Company's share capital with waiver of preferential subscription rights through a public offer, with the exception of the offer referred to in Article L.411-2-1° of the French Monetary and Financial Code *(Code monétaire et financier).*	22	Limited to a nominal amount of €15 million (share capital securities)(1) and €200 million (debt instrument)(3)	26 months	None
To issue ordinary shares and/or securities giving immediate or deferred access to the Company's share capital with waiver of preferential subscription rights and free fixing of issue price in the context of an offer referred to in Article L.411-2-1° of the French Monetary and Financial Code *(Code monétaire et financier).*	23	Limited to 10% of the share capital per year(1)(2) (share capital securities) and €200 million (debt instrument)(3)(4)	26 months	None
To increase the number of securities to be issued when increasing the share capital with waiver or not of preferential subscription rights.	24	To be deducted from the individual limit as stipulated in the resolution in respect thereof when the initial issuance is decided(1)(3)	26 months	None
Combined General Meeting of 20 May 2021				
To grant options to subscribe for or purchase the Company's shares to employees and executive officers of the Company and companies related to it.	23	Limited to 6% of share capital as at the date of the General Meeting(1) (with a specific limit of 0.74% for the Company's executive officers)	38 months	Share capital increase representing 45,000 shares resulting from the exercise of stock options (21 May 2021 and 15 October 2021)(5)
To grant bonus shares to employees and corporate officers of the Company and companies related to it.	24	Limited to 2% of the share capital on the date of the decision to grant	38 months	None
To issue ordinary shares or securities granting immediate or deferred access to the Company's share capital reserved for members of a corporate savings plan without preferential subscription rights of the shareholders.	25	Limited to €1 million(1)	26 months	None

(1) To be deducted from the aggregate limit on capital increases set by the 26th resolution voted by the General Meeting on 20 May 2021.
(2) To be deducted from the aggregate limit on capital increases set by the 22nd resolution voted by the General Meeting held on 14 May 2020.
(3) To be deducted from the aggregate limit on issue of debt securities set by the 26th resolution voted by the General Meeting held on 20 May 2021.
(4) To be deducted from the aggregate limit on issue of debt securities set by the 22nd resolution voted by the General Meeting on 14 May 2020.
(5) For more information, please refer to Section 3.2.1 of this report.

More information on these delegations granted to the Company's Managing Partner is available in the notices of the General Meetings held on 14 May 2020 and on 20 May 2021 which contains all the information made available to shareholders, published on Rothschild & Co website: www.rothschildandco.com.

6.7 Elements that can have an impact in the event of a takeover bid

The Company is a French partnership limited by shares *(société en commandite par actions).* The specificities of such legal form, either provided by legal or statutory provisions, may have an impact in the event of a takeover bid. In particular, the Company's partners are divided into two categories: the general partners and the limited partners (the shareholders). Although a third party could take control of the share capital and the related voting rights through a takeover bid, it could not take control of the general partners. Consequently, a third party would be unable to modify the Company's articles of association, to appoint or to revoke the Company's managing partners, or to change the form of the Company, since such a decision can only be made with the agreement of the general partners. Besides, in accordance with the Company's articles of association, general partners may not transfer their interests without the agreement of the general partners. For more information, including on the rules applicable to the appointment of the managing partners, please refer to Section 3.1 of this report, and to the Company's articles of association, available on the Company's website (www.rothschildandco.com).

The Company's shareholding structure may also have an impact in the event of a takeover bid:

- all the shareholders of Rothschild & Co Concordia SAS, the largest direct shareholder of the Company, are members of the Rothschild family and parties to a shareholder's agreement, which main provisions are detailed on Section 3.2.3, paragraph "Control of the Company" of this report; and
- moreover, Rothschild & Co Concordia SAS, the Rothschild family, the Bernard Maurel family and certain senior executives or former senior executives of the Group acting directly or through holding companies that they control, participate in the Enlarged Family Concert. They are party to a shareholders' agreement the main provisions are presented on Section 3.2.3, paragraph "Enlarged Family Concert" of this report. As at 31 December 2021, the Enlarged Family Concert held 54.08% of the Company's share capital, 68.23% of its exercisable voting rights and 65.09% of its theorical voting rights.

In addition to legal threshold crossings, the Company's articles of association provide disclosure obligations for shareholders who come into possession of a number of shares or voting rights equal to or greater than 1% of the Company's share capital or voting rights, or any multiple of this threshold. For more information, please refer to Section 3.2.3, paragraph "Ownership threshold disclosure" of this report.

Some of the loan agreements entered into by the Group with third parties include early repayment clauses in the event of a change of control, which are usual in this type of loan agreements. They could be triggered by a takeover bid of the Company's shares.

Management's powers, particularly in relation to the issue or purchase of shares are detailed on Sections 3.2.3 and 6.6 of this report.

7

Consolidated financial statements

Consolidated balance sheet as at 31 December 2021

Assets

In thousands of euros	Notes	31/12/2021	31/12/2020
Cash and amounts due from central banks		6,005,107	4,697,354
Financial assets at fair value through profit or loss	1	1,942,068	1,394,098
Hedging derivatives	2	2,584	605
Securities at amortised cost	3	1,336,732	1,346,779
Loans and advances to banks	4	2,144,123	2,250,832
Loans and advances to customers	5	4,462,023	3,491,241
Current tax assets		10,281	26,300
Deferred tax assets	18	64,025	71,184
Other assets	6	802,784	596,615
Investments accounted for by the equity method	7	17,611	17,470
Tangible fixed assets	10	268,674	275,068
Right of use assets	8	187,570	196,785
Intangible fixed assets	11	209,055	183,905
Goodwill	12	197,421	135,108
TOTAL ASSETS		**17,650,058**	**14,683,344**

Liabilities and shareholders' equity

In thousands of euros	Notes	31/12/2021	31/12/2020
Financial liabilities at fair value through profit or loss	1	98,949	143,223
Hedging derivatives	2	3,228	6,018
Due to banks and other financial institutions	13	512,478	513,539
Customer deposits	14	11,655,531	9,873,095
Debt securities in issue		12,500	9,450
Current tax liabilities		66,142	43,912
Deferred tax liabilities	18	52,076	38,773
Lease liabilities	8	211,619	228,456
Other liabilities, accruals and deferred income	15	1,393,345	997,162
Provisions	16	42,988	121,881
TOTAL LIABILITIES		**14,048,856**	**11,975,509**
Shareholders' equity		**3,601,202**	**2,707,835**
Shareholders' equity – Group share		**3,132,825**	**2,302,897**
Share capital		155,465	155,315
Share premium		1,145,744	1,144,581
Consolidated reserves		1,096,149	928,237
Unrealised or deferred capital gains and losses		(30,337)	(85,747)
Net income – Group share		765,804	160,511
Non-controlling interests	**20**	**468,377**	**404,938**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**17,650,058**	**14,683,344**

Consolidated income statement for the twelve months ending 31 December 2021

In thousands of euros		Notes	31/12/2021	31/12/2020
+	Interest income	25	88,900	101,469
-	Interest expense	25	(43,868)	(48,220)
+	Fee income	26	2,653,288	1,766,166
-	Fee expense	26	(103,300)	(84,745)
+/-	Net gains/(losses) on financial instruments at fair value through profit or loss	27	330,507	65,358
+/-	Net gains/(losses) on derecognition of assets held at amortised cost		(1,470)	(1,059)
+	Other operating income		1,625	1,066
-	Other operating expenses		(726)	(1,104)
Net banking income			**2,924,956**	**1,798,931**
-	Staff costs	28	(1,452,504)	(1,096,100)
-	Administrative expenses	28	(267,348)	(254,842)
-	Depreciation, amortisation and impairment of tangible and intangible fixed assets	29	(72,594)	(67,285)
Gross operating income			**1,132,510**	**380,704**
+/-	Cost of risk	30	(1,484)	(7,317)
Operating income			**1,131,026**	**373,387**
+/-	Net income from companies accounted for by the equity method	7	482	530
+/-	Net income/(expense) from other assets	31	(616)	(4,967)
Profit before tax			**1,130,892**	**368,950**
-	Income tax expense	32	(169,817)	(59,727)
CONSOLIDATED NET INCOME			**961,075**	**309,223**
Non-controlling interests		**20**	**195,271**	**148,712**
NET INCOME – GROUP SHARE			**765,804**	**160,511**
Earnings per share – basic (euros)		36	€10.59	€2.20
Earnings per share – basic (euros) – continuing operations		36	€10.59	€2.20
Earnings per share – diluted (euros)		36	€10.45	€2.19
Earnings per share – diluted (euros) – continuing operations		36	€10.45	€2.19

Statement of comprehensive income for the twelve months ending 31 December 2021

In thousands of euros	31/12/2021	31/12/2020
Consolidated net income	**961,075**	**309,223**
Gains and losses recyclable in profit or loss		
Translation differences on subsidiaries	68,584	(58,884)
Translation (gain)/loss transferred to income on sale of a subsidiary	-	593
Gains and (losses) relating to net investment hedge	111	935
Net gains/(losses) from changes in fair value of cash flow hedges	3,344	(470)
(Gains) and losses relating to cash flow hedges transferred to P&L	(1,848)	412
Gains and (losses) recognised directly in equity for companies accounted for by the equity method	1,256	(1,377)
Other adjustments	(45)	100
Taxes	(300)	(253)
Total gains and losses recyclable in profit or loss	**71,102**	**(58,944)**
Gains and losses not recyclable in profit or loss		
Remeasurement gains/(losses) on defined benefit pension funds	180,480	(82,775)
Taxes	(34,025)	19,799
Total gains and losses not recyclable in profit or loss	**146,455**	**(62,976)**
Gains and losses recognised directly in equity	**217,557**	**(121,920)**
TOTAL COMPREHENSIVE INCOME	**1,178,632**	**187,303**
attributable to equity shareholders	*961,262*	*56,884*
attributable to non-controlling interests	*217,370*	*130,419*

Consolidated statement of changes in equity for the twelve months ending 31 December 2021

In thousands of euros	Capital and associated reserves(1)	Consolidated reserves(3)	Unrealised or deferred capital gains and losses (net of tax): Related to translation differences	Unrealised or deferred capital gains and losses (net of tax): Cash flow hedge reserve	Share-holders' equity, Group share	Share-holders' equity, NCoI	Total share-holders' equity
SHAREHOLDERS' EQUITY AT 1 JANUARY 2020	**1,299,196**	**983,030**	**(43,879)**	**541**	**2,238,888**	**445,584**	**2,684,472**
Impact of elimination of treasury shares	-	7,070	-	-	7,070	-	7,070
Distributions(2)	-	(2,596)	-	-	(2,596)	(156,294)	(158,890)
Issue of shares	700	-	-	-	700	-	700
Capital increase related to share-based payments	-	2,093	-	-	2,093	-	2,093
Interest on perpetual subordinated debt	-	-	-	-	-	(14,172)	(14,172)
Effect of a change in shareholding without a change of control	-	1,821	(1,659)	-	162	(598)	(436)
Other movements	-	(316)	-	-	(316)	-	(316)
Subtotal of changes linked to transactions with shareholders	**700**	**8,072**	**(1,659)**	**-**	**7,113**	**(171,064)**	**(163,951)**
2020 net income for the year	-	160,511	-	-	160,511	148,712	309,223
Net gains/(losses) from changes in fair value	-	-	-	(381)	(381)	-	(381)
Net (gains)/losses transferred to income	-	-	-	341	341	-	341
Remeasurement gains/(losses) on defined benefit funds	-	(62,976)	-	-	(62,976)	-	(62,976)
Net gains/(losses) on hedge of net investment in foreign operations	-	-	664	-	664	-	664
Translation differences and other movements	-	111	(41,374)	-	(41,263)	(18,294)	(59,557)
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2020	**1,299,896**	**1,088,748**	**(86,248)**	**501**	**2,302,897**	**404,938**	**2,707,835**
Impact of elimination of treasury shares	-	(8,195)	-	-	(8,195)	-	(8,195)
Distributions(2)	-	(128,815)	-	-	(128,815)	(141,776)	(270,591)
Issue of shares	1,313	-	-	-	1,313	-	1,313
Capital increase related to share-based payments	-	4,194	-	-	4,194	-	4,194
Interest on perpetual subordinated debt	-	-	-	-	-	(12,963)	(12,963)
Effect of a change in shareholding without a change of control	-	(1,121)	1,295	-	174	885	1,059
Other movements	-	-	-	-	-	(77)	(77)
Subtotal of changes linked to transactions with shareholders	**1,313**	**(133,937)**	**1,295**	**-**	**(131,329)**	**(153,931)**	**(285,260)**
2021 net income for the year	-	765,804	-	-	765,804	195,271	961,075
Net gains/(losses) from changes in fair value	-	-	-	2,709	2,709	-	2,709
Net (gains)/losses transferred to income	-	-	-	(1,497)	(1,497)	-	(1,497)
Remeasurement gains/(losses) on defined benefit funds	-	146,455	-	-	146,455	-	146,455
Net gains/(losses) on hedge of net investment in foreign operations	-	-	95	-	95	-	95
Translation differences and other movements	-	(5,117)	52,808	-	47,691	22,099	69,790
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2021	**1,301,209**	**1,861,953**	**(32,050)**	**1,713**	**3,132,825**	**468,377**	**3,601,202**

(1) Capital and associated reserves at the period end consist of share capital of €155.5 million and share premium of €1,145.7 million. Share premium, under IFRS measurement, includes costs incurred in the issuance of share capital.
(2) Distributions include €125.8 million (December 2020: nil) of dividends to R&Co shareholders and €3.0 million (December 2020: €2.6 million) of profit share *(préciput)* automatically allocated to the general partners (R&Co Gestion and Rothschild & Co Commandité SAS).
(3) Consolidated reserves consist of retained earnings of €1,222.6 million less treasury shares of €126.4 million plus the Group share of net income of €765.8 million.

Cash flow statement for the twelve months ending 31 December 2021

In thousands of euros	31/12/2021	31/12/2020
Consolidated profit before tax (I)	**1,130,892**	**368,950**
Depreciation and amortisation expense on tangible and intangible fixed assets	38,374	32,665
Depreciation and impairment of ROU assets and interest on lease liabilities	39,011	40,071
Net charge for impairments and provisions	3,659	3,629
Remove (profit)/loss from associates and from disposal of subsidiary	774	67
Remove (profit)/loss from investing activities	(295,307)	(37,942)
Non-cash items included in pre-tax profit (II)	**(213,489)**	**38,490**
Net (advance)/repayment of loans to customers	**(804,216)**	**(254,763)**
Cash (placed)/received through interbank transactions	174,764	(15,649)
Increase/(decrease) in customer deposits	1,385,754	513,975
Net inflow/(outflow) related to derivatives and trading items	(34,979)	17,716
Net (purchases)/disposals of assets held for liquidity purposes	(272,814)	249,600
Other movements in assets and liabilities related to treasury activities	(38,687)	3,562
Total treasury-related activities	**1,214,038**	**769,204**
(Increase)/decrease in working capital	251,554	(2,585)
Payment of lease liabilities	(40,873)	(41,290)
Tax paid	(145,286)	(52,317)
Other operating activities	**65,395**	**(96,192)**
Net (decrease)/increase in cash related to operating assets and liabilities (III)	**475,217**	**418,249**
Net cash inflow/(outflow) related to operating and treasury activities (A) = (I) + (II) + (III)	**1,392,620**	**825,689**
Purchase of investments	(181,303)	(126,025)
Purchase of subsidiaries and associates, net of cash and cash equivalents acquired	(12,270)	-
Purchase of property, plant and equipment and intangible fixed assets	(25,435)	(38,812)
Total cash invested	**(219,008)**	**(164,837)**
Cash received from investments (disposals and dividends)	247,223	97,871
Cash received from subsidiaries and associates (disposals and dividends)	-	7,228
Cash from disposal of property, plant and equipment and intangible fixed assets	3,149	16,397
Total cash received from investment activity	**250,372**	**121,496**
Net cash inflow/(outflow) related to investing activities (B)	**31,364**	**(43,341)**
Distributions paid to shareholders and general partners of parent company	(128,815)	(2,596)
Distributions paid to non-controlling interests (Note 20)	(141,776)	(156,294)
Interest paid on perpetual subordinated debt	(12,963)	(14,172)
(Acquisition)/disposal of own shares and additional interests in subsidiaries	(6,281)	8,557
Net cash inflow/(outflow) related to financing activities (C)	**(289,835)**	**(164,505)**
Impact of exchange rate changes on cash and cash equivalents (D)	**255,508**	**(133,860)**
NET INFLOW/(OUTFLOW) OF CASH (A) + (B) + (C) + (D)	**1,389,657**	**483,983**
Net opening cash and cash equivalents (Note 22)	5,867,008	5,383,025
Net closing cash and cash equivalents (Note 22)	7,256,665	5,867,008
NET INFLOW/(OUTFLOW) OF CASH	**1,389,657**	**483,983**

Notes to the consolidated financial statements

7.1 Highlights

7.1.1 Covid-19

The Covid-19 pandemic, and the action taken by governments around the world to tackle its effects, created a significant amount of uncertainty during the current and prior year, and the consequences and duration of the impacts are still not fully clear. The exercise of judgment for accounting estimates has been particularly difficult during this time, and the range of uncertainty therefore increased.

A summary of how the impact of the pandemic has been considered in making these judgments is as follows:

7.1.1.1 Fair values

Wherever possible, the Group has continued to use observable market prices to value its investments. The effects of these valuation updates have been fully reflected in the accounts. During the current and prior period, the method of valuation and the controls surrounding the valuations have not changed, although specific attention has been given to the earnings, reported and projected, of the portfolio companies in such an uncertain market scenario.

Merchant Banking (MB) considers the industry sectors most affected by the Covid-19 crisis to have been leisure, travel, aviation, non-food retail of the "bricks and mortar" kind, automotive and energy. Its exposure to these sectors is very limited, being approximately 6.3% of its total portfolio (December 2020: 6.2%). The MB portfolio has proven to be resilient to the impact of the Covid-19 pandemic, with the majority of the businesses in which it has invested increasing their valuations thanks to the mission-critical nature of their services, their entrenched market positions and the recurring nature of their revenue streams. MB continues to manage its assets very carefully to ensure that they are adequately prepared to face future impacts of the pandemic, but, at the same time, are able to take advantage of the available growth opportunities.

Comprehensive disclosures about the assumptions used and the sensitivities of the valuations are made in section 4.5 Fair value disclosures of these financial statements.

7.1.1.2 Credit risk on loans to customers and accounts receivable

The methodology and assumptions used by the Group for the measurement of its expected credit losses are described in section 4.2.2.1 Grouping of instruments for losses measured on a collective basis of these financial statements.

The LGD has been determined in large part through a review of the collateral held against loans made. Where the collateral has been difficult to value following the Covid-19 market dislocations, adjustments have been made to its assumed value that reflect recent market movements.

Accounts receivable from the GA business are reviewed on a quarterly basis and focus in particular on individual debtors that could have been adversely affected by the effects of the pandemic. The provisioning process is explained further in section 4.2.3 Credit risk management of other financial assets of these financial statements.

7.1.1.3 Moratoriums

Following the onset of the Covid-19 crisis in 2020, some borrowers in the corporate loan book took advantage of opportunities to postpone scheduled loan payments, known as moratoriums. The terms of the moratoriums granted by the Group to its clients varied from country to country. During 2020, moratoriums granted by the whole Group were mainly for the corporate portfolio. As at December 2021, the majority of these moratoriums have expired and no new moratoriums were granted during the year. €7 million (December 2020: €34 million) of moratoriums had not expired and were outstanding at year end. Under the terms of the moratoriums, interest continues to accrue and, in the absence of contradictory evidence, such a postponement is not automatically considered as a significant increase of credit risk (SICR), or a transfer into Stage 3. Postponement of payments are not considered as substantial modifications of the contractual cash flows of the loans, an event that would require derecognition of these loans.

7.1.1.4 Goodwill and intangible assets

Goodwill and intangible assets with an indefinite useful life are subject to an impairment test whenever there is any indication that their value may have diminished, and at least once a year. While the disruption related to Covid-19 does not in itself constitute an indication of impairment, the potential impact on the Group's results and projections has been reflected in tests performed as at 31 December 2021 and 31 December 2020 through consideration of stressed scenarios; these indicated no evidence of impairment.

7.1.1.5 Deferred tax assets

Deferred tax assets are recognised only if the relevant entity is likely to recover these assets. The Group only recognises deferred tax assets for losses carried forward after considering a projection of taxable income or expense of the relevant tax entities. As at 31 December 2021 and 31 December 2020, the Group recognised deferred tax assets for losses carried forward only where recovery was probable after taking account of Covid-19 related uncertainties.

7.1.2 Changes of scope

On 15 July 2021, the Group acquired 100% of Pâris Bertrand Holdings, which owns Banque Pâris Bertrand. Details are provided in Note 9. Apart from this, there have been no significant changes in the consolidation scope in the twelve months ended 31 December 2021.

7.1.3 Adoption of new accounting policies

There have been no changes in accounting standards during the year that have a material impact on the Group's accounts.

7.1.4 Financial impacts and risks associated with climate change

In the light of increased interest on the financial impacts and risks associated with climate change and the measures and commitments taken by companies to try to limit its effects, the Group has assessed the effects of climate change on its financial statements. The risks relate both to climate changes likely to impact the Group's performance, and actions implemented by the Group with regards to its commitments.

The Group has considered these points while assessing the carrying value of its assets, and its potential provisions and contingent liabilities. The Group considers that these matters have no material impact on our financial statements as at December 2021.

7.2 Preparation of the financial statements

7.2.1 Information regarding the Company

The consolidated financial statements of the Group (*i.e.* Rothschild & Co SCA and its consolidated subsidiaries) for the twelve months ended 31 December 2021 are presented in accordance with IFRS in force at the reporting date, as adopted in the European Union by way of EC Regulation No. 1606/2002. The format used for the financial statements is a banking format. It is consistent with Recommendation No. 2017-02 of 2 June 2017 of the French Accounting Standards Authority *(Autorité des normes comptables).* The statements cover the period from 1 January 2021 to 31 December 2021.

The consolidated accounts have been approved by Rothschild & Co Gestion SAS, the Managing Partner of Rothschild & Co, and, for verification and control purposes, were considered by the Supervisory Board on 28 February 2022.

On 31 December 2021, the Group's holding company was Rothschild & Co, a French partnership limited by shares *(société en commandite par actions),* headquartered at 23 *bis,* avenue de Messine, 75008 Paris, France (Paris Trade and Companies Registry Number 302 519 228). The Company is listed on Euronext in Paris (Compartment A).

On 31 December 2021, the parent company of Rothschild & Co SCA was Rothschild & Co Concordia SAS, whose registered office is at 23 *bis,* avenue de Messine, 75008 Paris, France.

The Group has a worldwide presence and operates three main businesses: Global Advisory, Wealth and Asset Management, and Merchant Banking.

7.2.2 General principles

The notes to the accounts have been prepared having taken into account the understanding, relevance, reliability, comparability and materiality of the information provided. The Group has adequate resources to continue in operational existence for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

7.2.3 Changes to accounting standards and reporting requirements

The following amendments to IFRS have been adopted for the first time in the EU for accounting periods starting from 1 January 2021:

7.2.3.1 Interest rate benchmark reform

IBOR reform has resulted in certain interest rate benchmarks being phased out this year and over the coming years. Given much of the Group is focused on Private Client Lending and vanilla treasury assets, with relatively limited exposure to long-term IBOR rates, the reform has not significantly impacted the Group. Developments from the various working groups on alternative risk-free rates and Group entities have been followed closely by the Group Asset and Liability Committee (Group ALCO), the delegated governing body for overseeing the transition for the Group, with the businesses acting accordingly.

The key benchmarks for the Group which are impacted by the reform are:

- EONIA, which ceased on 3 January 2022;
- EUR, GBP and CHF LIBOR, which have been discontinued at the end of 2021;
- USD LIBOR, which is due to be discontinued after 30 June 2023.

The working group on euro risk-free rates does not contemplate discontinuing EURIBOR, as the methodology was reformed in 2019 and continues to be compliant with the EU Benchmarks Regulation.

The businesses have been anticipating the end dates for legacy benchmarks by amending existing contracts on an economically equivalent basis, and offering new contracts using alternative rates where applicable. Although there has been uncertainty surrounding the move to alternative risk-free rates, we believe the financial, operational, and accounting risks remain small for the Group. Where possible, clients are transitioned to an externally published risk-free rate and this is communicated in a transparent manner to ensure fair treatment throughout the transition process.

The table below shows the Group's financial instruments as at 31 December 2021 that are based on the old benchmark rate of USD Libor, and that must move to a new rate before maturity. The table excludes any financial instruments maturing before the discontinuation date of 30 June 2023, as these are not expected to be impacted by the reform.

In millions of euros	**USD LIBOR**
Non-derivative financial assets	79.3
Loans and debt securities commitments	10.5

In the absence of any relief from the IFRS requirements, a company would have assessed whether changing the basis for determining contractual cash flows would have resulted in the derecognition of the financial instrument. Even if the change results in no derecognition, a gain or loss would have been immediately recognised in profit or loss. In August 2020, to address such changes in contractual cash flows, the IASB published the Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). These amendments are required from 1 January 2021.

These amendments allow entities, under certain circumstances, to not derecognise or adjust the carrying amount of financial instruments to reflect the changes required by the reform, but rather to update the effective interest rate to reflect the change in the alternative reference rate. This is now permitted, as long as:

(1) the change to the contract is necessary as a direct consequence of the reform; and

(2) the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

Given the relative size of the instruments in the Group that are affected by benchmark reform, the IFRS amendment is not expected to have a significant impact on the Group.

7.2.3.2 Other changes to accounting standards

The IASB has issued other minor amendments to IFRS effective since 1 January 2021. These revised requirements do not have any significant impact on the Group.

7.2.3.3 ESEF reporting

The Group publishes its Annual Financial Report 2021 for the first time using the European single electronic format (ESEF) as defined by the European Delegated Regulation 2019/815 amended by the Delegated Regulation 2020/1989.

7.2.4 Forthcoming changes to accounting standards

7.2.4.1 Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 Income Taxes which narrow the scope of the exemption from recognising deferred tax when recognising assets or liabilities for the first time. In the case of transactions that give rise to equal and offsetting temporary differences (for example, leases), it is now clear that the exemption does not apply. As a result, the Group expects to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease.

The effective date is 1 January 2023 and the Group continues to consider the financial impacts of these amendments.

7.2.4.2 IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts which is applicable for periods starting on 1 January 2023 is not expected to have any effect on the Group.

7.2.5 Subsequent events

There have not been any events after the balance sheet date that require disclosure in these accounts.

7.3 Accounting policies

7.3.1 Consolidation method

7.3.1.1 Financial year end of the consolidated companies

For this reporting period, the financial statements of the Group are drawn up to 31 December 2021 and consolidate the financial statements of the Company and its subsidiary undertakings. To this end, at each closing date, the Group draws conclusions from past experience and all relevant factors relating to its business.

Rothschild & Co and the majority of its subsidiaries are consolidated on the basis of a financial reporting date of 31 December 2021. Afew entities report on the basis of a different financial reporting date. However, if a material subsequent event occurs between the closing date of these subsidiaries and 31 December, this event is accounted for in the consolidated financial statements of the Group as at 31 December.

7.3.1.2 Subsidiaries

Subsidiaries are all entities that are controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date on which the Group acquires control and cease to be consolidated from the date that control ceases.

7.3.1.3 Associates and joint arrangements

Associates are companies over whose financial and operational decisions the Group exercises significant influence but not control (this is generally demonstrated when the percentage of voting rights is equal to or greater than 20% but less than or equal to 50%).

Joint arrangements are where two or more parties, through a contractual arrangement, have joint control over the assets and liabilities of an arrangement. Depending on what those rights and obligations are, the joint arrangement will either be a joint operation (where the parties subject to the arrangement have rights to the assets and obligations for the liabilities of the arrangement) or a joint venture (where the parties subject to the arrangement have rights to the net assets of the arrangement).

The Group's investments in associated undertakings are initially recorded at cost. Subsequently, they are increased or decreased by the Group's share of the post-acquisition profit or loss, or by other movements reflected directly in the equity of the associated undertaking, such as dividends paid or translation movements. Positive goodwill arising on the acquisition of an associated undertaking is included in the cost of the investment (net of any accumulated impairment loss).

7.3.1.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method specified by IFRS 3 Business Combinations. Thus, upon initial consolidation of a newly acquired company, the identifiable assets acquired, liabilities assumed and any contingent liabilities of the acquired entity are measured at fair value in accordance with the provisions of IFRS. The costs directly attributable to business combinations are recognised in the income statement for the period.

Contingent cash consideration can be included in the acquisition cost at its fair value on the acquisition date, even if its payment is not certain. In this case, it is recognised as a liability in the balance sheet, and any subsequent adjustments to its value are booked in the income statement in accordance with IFRS 9. However, sometimes arrangements are made in which contingent payments for acquiring a company are made to a vendor who is an employee, and these can be forfeited if the employee leaves voluntarily. In this case, these contingent payments are not considered as part of the acquisition cost. Instead, these payments are accounted for as a post-purchase staff expense.

On the date an entity is first consolidated, any stake in this entity already held by the Group is revalued at fair value through profit or loss, because taking control is accounted for as a sale and repurchase of the shares previously held.

Goodwill in an associate or subsidiary represents the excess, at the date of acquisition, of an acquisition's cost over the fair value of the Group's share of net identifiable assets acquired. Identifiable intangible assets are those that can be sold separately or that arise from legal rights, regardless of whether those rights are separate. If the fair value exceeds the cost, the difference ("negative goodwill") is immediately recognised in the income statement. All necessary valuations of assets and liabilities must be carried out within twelve months of the date of acquisition, as must any corrections to the value based on new information.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised, but is tested annually for impairment, or more frequently when circumstances indicate that its carrying amount may be too high. Goodwill is allocated to cash-generating units for the purposes of impairment testing. If the value of each of the cash-generating units is insufficient to support its carrying value, then the goodwill is impaired. Impairment losses on goodwill are recognised in the income statement and are not reversed.

Results from subsidiaries acquired during the financial year are included from their acquisition dates and income from subsidiaries sold is included up to their disposal dates.

Gains and losses on the disposal of an entity are calculated after including the carrying amount of goodwill relating to the entity sold.

7.3.1.5 Non-controlling interests

For all business combinations, the Group assesses non-controlling interests as either:

- based on its share of the fair value of the identifiable assets and liabilities at the date of the acquisition, without recognising the goodwill for non-controlling interests (partial goodwill method); or
- at fair value at the date of acquisition. Consequently, the recognition of the goodwill is allocated to Group share and to non-controlling interests (full goodwill method).

In the event of an increase in the Group's stake in entities over which it already exercises control, the difference between the price paid for the additional stake and the fair value of the share of net assets acquired on this date is booked in the Group's reserves as a reallocation from non-controlling interests to other equity. In the same way, any reduction in the Group's stake in an entity that it continues to control is accounted for as an equity transaction between shareholders. On the date when the Group loses control of a consolidated subsidiary, any investment retained in the former subsidiary is revalued at fair value through the income statement.

7.3.1.6 Contracts to purchase non-controlled shares in subsidiaries

Where non-controlling shareholders have a contract to sell their equity interests in a subsidiary to the Group, the Group applies the anticipated-acquisition method of accounting for the interests that it did not already own. This means that the contract is accounted for as if the non-controlling shareholders had sold their shares to the Group, even though legally they are still NCoI. This happens regardless of how the exercise price is determined (*e.g.* fixed or variable) and how likely it is that the contract will be exercised. Where the deferred consideration is linked to a put option, not a forward purchase, the Group recognises changes in the carrying amount of the liability in equity, including the accretion of interest.

7.3.2 Accounting principles and valuation methods

7.3.2.1 Accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies. The key areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the accounts, include:

7.3.2.1.1 Valuation of financial assets and liabilities

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value used to measure a financial instrument is, where available, the listed price when the financial instrument is listed on an active market. In the absence of an active market, fair value is determined using measurement techniques.

A description of the valuation techniques used; analysis of assets and liabilities carried at fair value by valuation hierarchy; and inputs and assumptions alongside a sensitivity analysis for valuations not primarily based on observable market data is provided in section 4.5 of these financial statements.

7.3.2.1.2 Impairment of financial assets at amortised cost

The Group uses judgments when recognising the Expected Credit Losses (ECL) for financial assets at amortised cost. This applies in particular to the assessment of significant increases in credit risk (SICR), and to the models and assumptions used to measure ECL. Management determines the size of the impairment allowance required using a range of factors such as the realisable value of any collateral; the likely recovery on liquidation or bankruptcy; the viability of the customer's business model; and their capacity to trade successfully out of financial difficulties and generate sufficient cash flow to service debt obligations.

The accuracy of the allowances made depends on how accurately the Group estimates future cash flows for credit-impaired financial assets (Stage 3), in particular the fair value of any collateral, and the model assumptions and parameters used in determining allowances for financial assets classified in Stages 1 and 2. While this necessarily involves judgment, the Group believes that its allowances are reasonable and supportable.

A description of the methodology used for assessing collective impairments of the main instruments classified at amortised cost is provided in section 4.2.2.1 of these financial statements.

7.3.2.1.3 Pensions

Defined benefit obligations are calculated at least annually by independent actuaries using the projected unit credit method and the principal assumptions used are set out in Note 21. The assumptions that have the greatest impact on the measurement of the pension fund liability, along with their sensitivities, are also set out in Note 21.

7.3.2.1.4 Deferred tax

Deferred tax assets, including those in relation to tax losses carried forward, are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised. Further details are provided in Note 18.

7.3.2.1.5 Goodwill and intangible assets with indefinite lives

Goodwill and intangible assets with indefinite lives are assessed at least annually to determine whether they are impaired. The assessment includes management assumptions on future income flows and judgments on appropriate discount rates. Management performs sensitivity analysis of these assumptions as part of this assessment. Further details of management's assessment are contained in Note 11 and Note 12.

7.3.2.1.6 Provisions

From time to time the Group is involved in legal proceedings or receives claims arising from the conduct of its business. Based upon available information and, where appropriate, legal advice, provisions are made where it is probable that an outflow of resources will be required and the amount can be reliably estimated.

7.3.2.1.7 Consolidation of structured entities

The Group manages some structured entities in the form of funds in which the Group's own money is also invested. In these situations, a judgment must be made whether there is a need to consolidate these funds or not. The judgment is explained further in Note 19.

7.3.2.2 Foreign currency transactions

The consolidated financial statements are presented in euros, which is the Company's functional currency and the Group's reporting currency. Items included in the financial statements of each of the Group's subsidiaries and associates are measured using their functional currency. The functional currency is the currency of the primary economic environment in which the entity operates.

Income statements and cash flows of foreign entities are translated into the Group's reporting currency at closing exchange rates for each month, where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Their balance sheets are translated at the exchange rate at the end of the period. Exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. On disposal or substantive disposal of a foreign entity, these translation differences are recognised in the income statement as part of the gain or loss on sale.

Translation differences on equities classified as FVTPL are reported as part of the fair value gain or loss in the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

The table below shows at each quarter end the main exchange rates against the euro that were used to prepare the consolidated accounts.

	2021			2020		
	GBP	CHF	USD	GBP	CHF	USD
1 January	**0.8992**	**1.0804**	**1.2281**	**0.8522**	**1.0860**	**1.1214**
31 March	0.8516	1.1058	1.1735	0.8840	1.0603	1.1003
30 June	0.8583	1.0962	1.1858	0.9088	1.0654	1.1251
30 September	0.8586	1.0813	1.1589	0.9083	1.0772	1.1745
31 December	**0.8390**	**1.0364**	**1.1350**	**0.8992**	**1.0804**	**1.2281**

7.3.2.3 Financial assets and liabilities – classification and measurement

7.3.2.3.1 Initial recognition

On initial recognition, a financial asset is classified as measured at amortised cost, at Fair Value through Other Comprehensive Income (FVOCI) or at Fair Value Through Profit or Loss (FVTPL).

Financial instruments are recognised when the Group becomes a party to the contractual provisions. Under IFRS, regular way purchases and sales can be recognised on the trade or the settlement date. A regular way purchase is a purchase of a financial asset under a contract whose terms require delivery of the asset within an established time frame (for example, T+2). The Group applies trade date accounting for the purchase and sale of securities. Trade date accounting means that the purchase or sale is recognised on the day when the Group commits to purchase or sell the securities. For FX spot contracts, the Group applies settlement date accounting. Settlement date accounting means that the contract is only recognised at the point of delivery.

7.3.2.3.2 Financial assets at amortised cost

A financial asset is measured at amortised cost only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in section 3.2.4 Financial assets – impairment in these financial statements. Interest income from these financial assets is included in the account "Interest income" using the effective interest method.

7.3.2.3.3 Financial assets at Fair Value through Other Comprehensive Income (FVOCI)

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net banking income. Interest income from these financial assets is included in the account "Interest income" using the effective interest method.

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in OCI. This election is made on an investment-by-investment basis. Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities.

7.3.2.3.4 Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are measured at FVTPL on a designated basis if they meet the criteria for the classification of amortised cost or FVOCI, but they are managed, and their performance is evaluated, on a fair value basis.

Financial assets that do not meet the criteria for the classification of amortised cost or FVOCI are measured at FVTPL on a mandatory basis.

These financial assets are recognised at fair value, with transaction costs recorded immediately in the income statement, and they are subsequently measured at fair value. Gains and losses arising from changes in fair value, or on derecognition, as well as interests and dividends from financial assets at FVTPL are recognised in the income statement as net gains or losses on financial assets at FVTPL.

7.3.2.3.5 Business model assessment

When considering classification, the Group's assessment of the business model in which an asset is held is made at the portfolio level, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, the Group considers whether management's strategy focuses on earning interest revenue; maintaining a particular interest profile; matching the duration of the financial assets to the duration of the liabilities that are funding those assets; or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated, e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods; the reason for such sales; and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed on a fair value basis are measured at FVTPL.

7.3.2.3.6 Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time as well asfor other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amounts and timing of cash flows;
- prepayment and extension terms;
- leverage features;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (*e.g.* periodical reset of interest rates).

A prepayment compensation is considered as reasonable, and therefore SPPI compliant, when the amount is calculated as a percentage of the outstanding amount of the loan and is capped by regulations. For example, in France, compensation for the prepayment of mortgage loans by individuals is legally capped at an amount equal to six months of interest or 3% of the principal outstanding, and this is treated as SPPI.

7.3.2.3.7 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except when the Group changes its business model for managing financial assets.

7.3.2.3.8 Financial liabilities

Financial liabilities are carried at amortised cost using the effective interest rate method, except for derivatives that are classified as fair value through profit or loss or as cash flow hedges.

7.3.2.4 Financial assets – impairment

7.3.2.4.1 Scope of application

The Group assesses loss allowances for Expected Credit Loss (ECL) on the following financial instruments that are not measured at FVTPL:

- loans, advances and debt securities;
- accounts receivable;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

7.3.2.4.2 Credit risk and provisioning stages

IFRS 9 outlines a three-stage model for impairments based on changes in credit quality following initial recognition, as summarised below:

- a financial instrument that is not credit impaired on initial recognition is classified in Stage 1;
- if a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit impaired. See below for a description of how the Group determines when an SICR has occurred;
- if the financial instrument is credit impaired, the financial instrument is then moved to Stage 3;
- financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of the lifetime ECL that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on ECL on a lifetime basis. See below for a description of inputs, assumptions and estimation techniques used in measuring the ECL;
- purchased or originated credit-impaired (POCI) financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

For accounts receivable, the Group uses a simplified approach, under which impairments are calculated as the lifetime ECL from initial recognition, regardless of any changes in the counterparty's credit risk.

The key judgments and assumptions in assessing impairments of financial assets are disclosed below.

7.3.2.4.3 Significant Increase in Credit Risk (SICR)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, which are based on the Group's credit risk management process. The Group has decided that an SICR is indicated if the relevant credit committee decides that the credit rating of a financial asset is Category 2 or 3.

Financial instruments are often considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments. For fee income receivable by the GA business, the Group has rebutted this presumption and it considers that a significant increase is experienced only after 90 days past due. This rebuttal is based on historical experience of payments and is in line with the internal provisioning process (more detail is in section 4.2.2.1 of these financial statements).

The Group has not used the low credit risk exemption for any financial instruments in the period.

7.3.2.4.4 Definition of credit impairment and default

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt instruments at FVOCI are credit impaired (Stage 3). When an asset is considered as credit impaired, it is also considered to be in default. A financial asset is credit impaired when an event that has a detrimental impact on the estimated cash flows of the financial asset has occurred.

Objective evidence that a financial asset or group of assets is credit impaired includes the following observable data:

- significant financial difficulty of the issuer;
- a breach of contract, such as a default or delinquency in repayment of interest or principal;
- granting to the borrower, for economic or legal reasons relating to its financial difficulty, a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit impaired unless there is evidence that the value of original contractual cash flows will be received and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

A financial asset that is classified as credit impaired (Stage 3) has a credit rating of Category 4 or 5 (more detail on credit rating is given in section 4.2.1 of these financial statements).

7.3.2.4.5 Measurement of expected credit loss

ECL is a probability-weighted estimate of credit losses. It is measured as the discounted product of the following factors:

ECL = Probability of Default (PD) x Exposure at Default (EAD) x Loss Given Default (LGD)

The PD represents the likelihood of a counterparty defaulting on its financial obligation (based on the definition of default in our accounting principles), either over the next twelve months (12m PD), or over the remaining lifetime (lifetime PD) of the obligation.

The EAD is based on the amount the Group expects to be owed at the time of default, over the next twelve months (12m EAD) or over the remaining lifetime (lifetime EAD). The Group derives the EAD from the current exposure to the counterparty. For an undrawn loan commitment, the EAD is the amount if the commitment were drawn down. For a financial guarantee contract, the EAD is the expected payment to reimburse the holder.

LGD is the percentage of the exposure likely to be lost if there is a default. The Group estimates LGD parameters informed by historical recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral and recovery cost of any collateral that is provided to secure the financial asset. For loans secured by property, LTV ratios are a key parameter in determining LGD.

These parameters are generally derived from internally developed models and other historical data.

7.3.2.4.6 Presentation of allowance for ECL in the balance sheet

Loss allowances for ECL are presented in the balance sheet as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the balance sheet because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

7.3.2.4.7 Write-off

The Group writes off financial assets (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

7.3.2.5 Derivative instruments and hedge accounting

7.3.2.5.1 Derivatives

Derivatives are entered into for trading or risk management purposes. Derivatives used for risk management are recognised as hedging instruments when they qualify as such under IAS 39. When it adopted IFRS 9, the Group made the choice to maintain the IAS 39 provisions related to hedge accounting.

Derivatives are initially recognised at fair value and are subsequently measured at fair value with changes in fair value recognised in the income statement. If there is a designated hedging relationship between a hedging instrument and a hedged item, the recognition of the profit or loss on the hedging instrument and the hedged instrument must comply with the conditions of IAS 39, depending on the hedging relationship.

7.3.2.5.2 Hedge accounting

The Group may apply hedge accounting when transactions meet the criteria set out in IAS 39. At the inception of the hedge, the Group assesses whether the hedging derivatives meet the effectiveness criteria of IAS 39 in offsetting changes in the fair value or cash flows of the hedged items. The Group then documents the relationship between the hedging instrument and the hedged item. It also records its risk management objectives, its strategy for undertaking the hedge transaction and the methods used to assess the effectiveness of the hedging relationship.

After inception, effectiveness is tested on an ongoing basis. Hedge accounting is discontinued when it is determined that a derivative has ceased to be highly effective, or when the derivative or the hedged item is derecognised, or when the forecast transaction is no longer expected to occur.

7.3.2.5.3 Fair value hedge accounting

Changes in value of fair value hedge derivatives are recorded in the income statement, together with fair value changes to the underlying hedged item in respect of the risk being hedged.

If the hedge no longer meets the criteria for hedge accounting, the difference between the carrying value of the hedged item on termination of the hedging relationship and the value at which it would have been carried had the hedge never existed is amortised to the income statement over the residual period to maturity based on a recalculated effective interest rate.

7.3.2.5.4 Net investment hedge in foreign operations

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are transferred to the income statement when the foreign operation is disposed of.

7.3.2.6 Derecognition

The Group derecognises a financial asset when:

- the contractual rights to cash flows arising from the financial assets have expired; or
- it transfers the financial asset, including substantially all of the risks and rewards of the ownership of the asset; or
- it transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of the asset, but no longer retains control of the asset.

If a sale is followed by an immediate buyback and the Group considers that it has substantially retained the risks and rewards of ownership, it would not derecognise the asset.

7.3.2.7 Securitisation transactions

The Group may enter into funding arrangements with lenders in order to finance specific financial assets.

In general, the assets from these transactions are held on the Group's balance sheet on origination. However, to the extent that substantially all the risks and returns associated with the assets have been transferred to a third party, the assets and liabilities are derecognised in whole or in part.

Interests in securitised financial assets may be taken in the form of senior or subordinated tranches of debt securities, or other residual interests. The Group makes an assessment of whether the tranches held meet the SPPI criteria. A critical point to consider is whether the given tranche has a credit rating that is higher than the underlying portfolio of assets. Those that do (generally the senior tranches) can be classified as amortised cost. Those that do not (generally the junior tranches) must be classified as FVTPL.

7.3.2.8 Intangible assets

Intangible assets include software, intellectual property rights and assets acquired through business combinations such as brands, contracts to earn management fees, and client relationships. These are carried at historical cost less amortisation, if any, and less any accumulated impairment losses.

For assets with a definite life, amortisation is charged over the useful economic life of the asset, which is determined case by case based on the asset or contract. Contracts to earn management fees are amortised in line with income earned from the contracts; otherwise a straight-line amortisation method is used. The intangible assets that have a definite useful life are reviewed at each reporting date to determine whether there is objective evidence of impairment. If such evidence exists, an impairment test is performed.

Some of the Group's acquired brands have been considered to have an indefinite life and are not amortised; instead they are subject to an annual impairment test.

7.3.2.9 Tangible assets

Tangible assets comprise plant, property and equipment and are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the given asset. The deemed cost refers to the situation in which, on transition to IFRS, the Group elected at that time to consider the fair value of a tangible asset to be its deemed cost.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to write down the cost of assets to their residual values over their estimated useful lives, as follows:

Computer equipment	2-10 years
Cars	3-5 years
Fixtures and fittings	3-10 years
Leasehold improvements	4-24 years
Buildings	10-60 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These gains and losses are recognised in the income statement, in the account "Net income/(expense) from other assets".

7.3.2.10 Impairment of tangible assets

At each balance sheet date, or more frequently where events or changes in circumstances dictate, tangible assets are assessed for indications of impairment. If such indications are present, these assets are subject to an impairment review. If impaired, the carrying values of assets are written down by the amount of any impairment and the loss is recognised in the income statement in the period in which it occurs. A previously recognised impairment loss relating to a fixed asset may be reversed when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset could then increase up to the amount that it would have been had the original impairment not been recognised.

7.3.2.11 Provisions and contingent liabilities

Provisions are recognised only when the Group has a present obligation (legal or constructive) as a result of past events. In addition, it must be probable that a transfer of economic benefits will be required to settle the obligation, and it must also be possible to make a reliable estimate of the amount of the obligation.

Contingent liabilities can be possible obligations arising from past events whose existence will be confirmed by one or more uncertain future events not wholly within the Group's control. Alternatively, they could be present obligations that are not recognised either because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be reliably estimated. Contingent liabilities are disclosed unless the possibility of a transfer of economic benefits is remote.

7.3.2.12 Pensions

The Group operates a number of pension and other post-retirement benefit schemes, both funded and unfunded, and of the defined benefit and defined contribution types.

For defined contribution schemes, the contribution payable in respect of the accounting period is recognised in the income statement.

Remeasurement gains and losses for defined benefit schemes are recognised outside the income statement and are presented in the statement of comprehensive income.

The amount recognised in the balance sheet in respect of defined benefit schemes is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of the plan's assets. Independent actuaries calculate the defined benefit obligation at least annually, using the projected unit credit method. The obligations' present values are determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currencies in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

7.3.2.13 Revenue from contracts with customers

The Group earns fee and commission income from a range of services it provides to clients. Fee income generated by the Group can be categorised into the two broad categories below, depending upon the timing of the relevant service.

7.3.2.13.1 Point in time services

These fees are earned from providing services for which revenue is earned only when the service has been completed, i.e. once a performance obligation has been satisfied. Examples include a payment for advisory services that will only be made after the successful completion of a mandate, or an asset management performance fee that relies on meeting a specified return over a specified period. Revenue is recognised when it is highly probable that there will not be a significant reversal of the revenue in future. To minimise subjectivity and enhance comparability from year to year, the revenue is only recognised by the Group when a performance obligation has been contractually met.

7.3.2.13.2 Services provided over time

These are fees earned from services that are provided over a period of time. Examples in the WAM business include asset management fees related to investment funds as well as income from wealth management, financial planning and custody services that are continuously provided over an extended period of time. For GA, these services include advisory services paid upfront or on a retainer basis. Revenue is recognised over the period in which the services are provided, once one of the following occurs:

(1) the customer consumes the benefits provided by the Group and another entity would not need to substantially re-perform the work that the Group has completed to date; or

(2) the Group has an enforceable right to payment for performance completed to date.

The amount of fee and commission income is based on consideration specified in a legally enforceable contract. The revenue recognised for each mandated service represents a market price, and consideration received is allocated to the separately identifiable performance obligations in the contract.

Fees and commissions that are an integral part of a loan, and loan commitment fees for loans that are likely to be drawn down, are deferred (together with related direct costs) and recognised over the life of the loan as an adjustment to the effective interest rate.

Costs can sometimes be charged to the client in the course of a mandate. Where recoverable, these are recognised as a receivable when incurred and do not impact profit or loss when recovered.

7.3.2.14 Interest income and expense

Interest receivable and payable includes interest arising from the lending and deposit-taking business, interest on related hedging transactions and interest on debt securities, as well as discounting of lease and other liabilities. Interest on all financial instruments, excluding those classified as held for trading or designated at fair value through profit or loss, is recognised in the income statement using the effective interest rate method.

Where negative interest arises from financial assets, the negative interest income is disclosed within interest expense. Where negative interest arises from financial liabilities, the negative interest expense is disclosed within interest income.

The effective interest rate is the rate that exactly discounts the estimated future cash flows of a financial instrument to its net carrying amount. It is used to calculate the amortised cost of a financial asset or a financial liability and to allocate the interest over the relevant period (usually the expected life of the instrument). When calculating the effective interest rate, the Group considers all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes any premiums or discounts, as well as all fees and transaction costs that are an integral part of the loan.

7.3.2.15 Carried interest

The Group is entitled to receive carried interest in relation to certain of the private equity and private debt funds that it manages. Carried interest receivable is accrued if the performance conditions associated with earning it would be achieved, on the assumption that the remaining assets in the fund were realised at their fair value as at the balance sheet date. Fair value is determined using the valuation methodology applied by the Group in its role as manager to its funds and is measured as at the balance sheet date. An accrual is made equal to the Group’s share of profits in excess of the performance conditions, taking into account any cash already paid to the fund’s investors and the fair value of assets remaining in the fund.

Certain employees may also hold classes of share capital that give them a right to receive carried interest from investments managed by the Group. Where such carry shares held by staff are in an investment vehicle that is not consolidated, the interests of the staff are reflected in a reduced investment return of the Group’s own interests. Where the carry shares held by staff are in a vehicle that is consolidated, the interests of the staff are treated as non-controlling interests of the Group. The valuation of the interests held by staff is calculated as at the balance sheet date using the same method as the valuation of the Group’s interests, as described above.

7.3.2.16 Long-term incentive schemes

7.3.2.16.1 Long-term profit share schemes

The Group operates long-term profit share schemes for the benefit of employees. The costs of such schemes are recognised in the income statement over the period in which the services are rendered that give rise to the obligation. Where the payment of profit share is deferred until the end of a specified vesting period, and the payment is contingent of the employee working until the vesting period ends, then the deferred amount is recognised in the income statement over the period up to the date of vesting.

7.3.2.16.2 Share-based payments

The Group has issued share options, which are treated as equity-settled share-based payments. These are valued at the date they are granted to employees and that value is recognised in staff costs over the vesting period, with a corresponding adjustment to shareholders' equity. The fair value is calculated on the basis of the overall plan value at the date of grant. In the absence of any market for the Group's stock options, models are used to value the share-based payments. The only assumptions revised after the initial measurement, and hence resulting in a revaluation of the expense, are those relating to the probability that employees will leave the Group.

The Group also pays certain employees using non-cash instruments in the form of R&Co shares (which are also treated as equity-settled share-based payments), or cash awards linked to the value of R&Co shares (which are treated as cash-settled share-based payments). Equity-settled payments are valued at the date they are granted to employees and that value is recognised in staff costs over the vesting period. The cash-settled payments are also valued at the date they are granted, but the liability is then revalued in the income statement up to the point of settlement.

7.3.2.17 Taxation

Tax payable on profits and deferred tax are recognised in the income statement, except to the extent that they relate to gains and losses that are recognised in equity, in which case the relevant tax is also recognised in equity.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates and laws that are expected to apply when a deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets, including the tax effects of income tax losses available for carry forward, are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax liabilities are provided on temporary differences arising from investments in subsidiaries and associates where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will reverse in the foreseeable future.

7.3.2.18 Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders at the Annual General Meeting or, in the case of interim dividends, when they are paid by the Company after decisions of the Managing Partner.

7.3.2.19 Classification of debt and shareholders' equity

Under IFRS, the critical feature in differentiating a debt instrument from an equity instrument is the existence of a contractual obligation of the Group to deliver cash (or another financial asset) to another entity. Where there is no such contractual obligation, the Group will classify the financial instrument as equity; otherwise it will be classified as a liability and carried at amortised cost. The terms of the perpetual debt instruments issued by the Group permit interest payments to be waived unless discretionary dividends have been paid in the previous six months. These instruments are, therefore, considered to be equity. Equity securities issued by the Company are recorded within the account "Capital and associated reserves". If they are issued by Group subsidiaries and held by parties outside the Group, these securities are recognised as non-controlling interests.

7.3.2.20 Fiduciary activities

The Group acts as custodian and in other fiduciary capacities that result in the holding or placing of assets on behalf of customers. These assets are excluded from the Group's financial statements, as they are not assets of the Group.

7.3.2.21 Leases

7.3.2.21.1 Accounting for leases as a lessee

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract contains a lease, the Group assesses whether:

- the contract involves the use of an identified asset without a substantive substitution right given to the lessor;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

The Group recognises a right of use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at the initial amount of the lease liability recognised, plus an estimate of costs to dismantle and restore the underlying asset, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method. The estimated useful lives of ROU assets usually match the expected term of the lease. The ROU asset may be adjusted if the lease liability is remeasured, and can be reduced by impairment losses, if applicable.

The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the incremental borrowing rate in the region where the lease is held. Extension and termination options exist for a number of leases, particularly for rentals of offices. In determining the length of the lease term, extension and termination options are included in the assessment only where the Group is reasonably certain that these options will be exercised; this assessment looks beyond contractual terms and considers the broader economic context of the arrangements. In practice, it is rare that the Group will consider an option to be reasonably certain to exercise if it is due to be exercised over ten years in the future.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- any costs that the Group is reasonably certain to exercise relating to renewal or termination options on the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset.

7.3.2.21.2 Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, or leases of low-value assets, including most IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

7.3.2.21.3 Accounting for leases as a lessor

Lessors in the Group continue to classify leases as finance or operating leases. A finance lease is a lease that transfers substantially all of the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

In some jurisdictions, the Group is a lessor of finance leases. When the Group holds assets subject to a finance lease, the present value of the lease payments is recognised as a receivable and the originally held asset is derecognised. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised in interest income over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

7.4 Financial risk management

7.4.1 Governance

The risks relating to financial instruments, and the way in which these are managed by the Group, are described below. A description of the Group's governance environment is provided in Chapter 6 "Report on corporate governance" of the Annual Report 2021.

7.4.2 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group.

7.4.2.1 Credit rating

The Group reviews credit exposures on financial assets on a quarterly basis and for this purpose they are classified as follows:

Category	Definition	Mapping to IFRS 9 three-stage model for impairment
Category 1	Exposures that are considered to be fully performing.	Stage 1
Category 2	Exposures where the payment of interest or principal is not currently in doubt, but that require closer observation than usual, due perhaps to some deterioration in the position of the client. Examples include: poor trading results; difficult conditions in the client's market sector; competitive or regulatory threats; or the potential impact from currency or other factors. Unimpaired GA receivables that are more than 90 days overdue are included in this category.	Stage 2
Category 3	Exposures where there has been further deterioration in the position of the client compared to Category 2. Although the exposure is not considered to be impaired, the relationship requires close monitoring by the front office team.	Stage 2
Category 4	Exposures that are considered to be impaired and that carry a provision against part of the loan. At least some recovery is expected to be made.	Stage 3
Category 5	Exposures that are considered to be impaired and that carry a full provision. No significant recovery of value is expected.	Stage 3

All Group companies map their own credit monitoring to these categories for the purposes of Group reporting.

The tables below disclose the maximum exposure to credit risk as at 31 December 2021 and as at 31 December 2020 for financial assets with exposure to credit risk, without taking account of collateral held or other credit risk mitigation.

Allowances against commitments and guarantees are included in the account "Provisions for counterparty risk" (Note 16).

In millions of euros	Category 1	Category 2	Category 3	Category 4	Category 5	Impairment allowance	31/12/2021
Cash and amounts due from central banks	6,005.1	-	-	-	-	-	6,005.1
Financial assets at FVTPL(1)	190.8	-	-	-	-	-	190.8
Loans and advances to banks	2,144.1	-	-	-	-	-	2,144.1
Loans and advances to customers	4,374.6	13.0	44.8	67.5	12.5	(50.4)	4,462.0
Debt at amortised cost	1,337.3	-	-	-	-	(0.6)	1,336.7
Other financial assets	486.5	8.3	-	10.5	16.1	(23.9)	497.5
Subtotal assets	**14,538.4**	**21.3**	**44.8**	**78.0**	**28.6**	**(74.9)**	**14,636.2**
Commitments and guarantees	981.6	-	-	-	-	n/a	981.6
TOTAL	**15,520.0**	**21.3**	**44.8**	**78.0**	**28.6**	**(74.9)**	**15,617.8**

(1) Including hedging derivatives and excluding equities, for which credit risk does not apply.

In millions of euros	Category 1	Category 2	Category 3	Category 4	Category 5	Impairment allowance	31/12/2020
Cash and amounts due from central banks	4,697.4	-	-	-	-	-	4,697.4
Financial assets at FVTPL(1)	213.1	-	-	-	-	-	213.1
Loans and advances to banks	2,250.8	-	-	-	-	-	2,250.8
Loans and advances to customers	3,445.4	8.7	3.9	77.9	12.8	(57.5)	3,491.2
Debt at amortised cost	1,347.3	-	-	-	-	(0.5)	1,346.8
Other financial assets	375.9	17.6	-	5.8	17.9	(24.4)	392.8
Subtotal assets	**12,329.9**	**26.3**	**3.9**	**83.7**	**30.7**	**(82.4)**	**12,392.1**
Commitments and guarantees	895.7	-	-	-	-	n/a	895.7
TOTAL	**13,225.6**	**26.3**	**3.9**	**83.7**	**30.7**	**(82.4)**	**13,287.8**

(1) Including hedging derivatives and excluding equities, for which credit risk does not apply.

7.4.2.2 Credit risk exposure

7.4.2.2.1 Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions calculated on a collective basis, a grouping of exposures is performed on the basis of risk characteristics that are shared by exposures.

Lending by the Group is primarily focused on supporting the WAM business by way of lending to private clients, against portfolios of securities (Lombard lending) or by way of mortgages against residential properties.

PCL Lombard and mortgage loans

The Group has a history of very low defaults on its Lombard and mortgage loans made by PCL, and the PD and the LGD have been determined by the history of observed defaults alongside realistic downside scenarios based on management assessment.

For the Lombard loans, the LGD is estimated based on the amount of collateral held, and whether it is diversified or not, as well as the nature of the client and the potential difficulties of recovering the value of the collateral. In the base case for assessment of credit risk, the weighted average PD is 0.3% and the weighted average LGD is 7% (December 2020: 0.3% and 6%).

For the mortgage loans, the LGD is estimated considering the value of the properties that are mortgaged, and varies based on the LTV; the amount of costs likely to be incurred in recovering and realising any collateral; the nature of the client; and the potential difficulties of recovering the value of the collateral. In the base case, the weighted average PD is 1.6% and weighted average LGD is 5% (December 2020: 1.7% and 5%).

The assumptions underlying the ECL calculation are monitored and reviewed on a quarterly basis and there have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Other loans to customers

The Group also makes other loans to customers, mainly in the French corporate market; to fund corporate real estate lending; and to support Merchant Banking activities of the Group-this equates to €346 million of the total in the balance sheet as at December 2021 (December 2020: €328 million). Other lending is also provided from time to time to support Asset Management activities of the Group. The ECL in these businesses is considered on a sector-by-sector basis, and, wherever significant, on a loan-by-loan basis. The basis of assessment of the PD and LGD for each sector has been informed by historical losses, combined with a forward-looking judgment of the ways the current situation may increase the level of future losses.

Because of the relatively small size of this portfolio, especially any part that is not assessed for credit risk on an individual basis, the Group does not use a model to estimate correlations between the macroeconomic variables and the probability of default. For loans where there is no obvious sign of distress, or for loans that are too small for individual review, additional top-down management overlays have been made in cost of risk to reflect increases in the credit risk that are not possible to detect at an individual level. Any changes made to estimation techniques or significant assumptions during the reporting period have not had a significant impact.

The UK commercial legacy book, classified in Stage 3, continues to run off and is now down to less than €20 million net of provisions (less than €25 million as at December 2020).

Debt at amortised cost

For debt securities in the treasury portfolio, S&P credit ratings are used to determine the ECL. These published ratings are monitored and updated daily. The 12 month and lifetime PDs associated with each rating are determined based on realised default rates, also published by S&P. To estimate the LGD, the Group has used the Basel III LGD, which is 45% for senior debt.

The assumptions underlying the ECL calculation are monitored and reviewed on a quarterly basis, and there have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

7.4.2.2.2 Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance might be recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets. The credit risk exposure of other financial assets is shown in section 4.2.3 of these financial statements.

In millions of euros	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	31/12/2021	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	31/12/2020
Gross carrying amount								
Loans and advances to banks	2,144.1	-	-	2,144.1	2,250.8	-	-	2,250.8
PCL loans to customers	4,003.9	52.2	0.1	4,056.2	3,141.3	2.9	0.1	3,144.3
Other loans to customers	370.7	5.6	79.9	456.2	304.1	9.7	90.6	404.4
Securities at amortised cost	1,337.3	-	-	1,337.3	1,347.3	-	-	1,347.3
TOTAL	**7,856.0**	**57.8**	**80.0**	**7,993.8**	**7,043.5**	**12.6**	**90.7**	**7,146.8**
Loss allowance								
Loans and advances to banks	-	-	-	-	-	-	-	-
PCL loans to customers	(2.7)	(0.1)	(0.1)	(2.9)	(2.3)	(0.0)	(0.1)	(2.4)
Other loans to customers	(1.4)	(0.5)	(45.6)	(47.5)	(1.6)	(1.5)	(52.0)	(55.1)
Securities at amortised cost	(0.6)	-	-	(0.6)	(0.5)	-	-	(0.5)
TOTAL	**(4.7)**	**(0.6)**	**(45.7)**	**(51.0)**	**(4.4)**	**(1.5)**	**(52.1)**	**(58.0)**
Net carrying amount								
Loans and advances to banks	2,144.1	-	-	2,144.1	2,250.8	-	-	2,250.8
PCL loans to customers	4,001.2	52.1	-	4,053.3	3,139.0	2.9	-	3,141.9
Other loans to customers	369.3	5.1	34.3	408.7	302.5	8.2	38.6	349.3
Securities at amortised cost	1,336.7	-	-	1,336.7	1,346.8	-	-	1,346.8
TOTAL	**7,851.3**	**57.2**	**34.3**	**7,942.8**	**7,039.1**	**11.1**	**38.6**	**7,088.8**

For loans to customers, the cost of risk in the year was a credit of €3.5 million (see Note 30) and the movement in the loss allowance of Stage 1, 2 and 3 loans is further explained in the table below. Additionally, the movement in all loss allowances is shown in the account "Impairments" Note 17.

Information on how the ECL is measured and how the three stages are determined is provided in the section "Measurement of expected credit loss", section 3.2.4 of these financial statements.

Movement in loss allowance of total loans to customers

In millions of euros	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at beginning of period	**(3.9)**	**(1.5)**	**(52.1)**	**(57.5)**
Movements with P&L impact				
(Charge)	(0.3)	(0.1)	(3.9)	(4.3)
Release	0.2	0.6	6.6	7.4
Total net P&L (charge)/release during the period	**(0.1)**	**0.5**	**2.7**	**3.1**
Movements with no P&L impact				
Transfer	-	0.5	(0.5)	-
Acquisition of a subsidiary	(0.1)	-	-	(0.1)
Written off	-	-	5.2	5.2
Exchange	-	(0.1)	(1.0)	(1.1)
LOSS ALLOWANCE AT END OF PERIOD	**(4.1)**	**(0.6)**	**(45.7)**	**(50.4)**

During the year, a loss allowance of €0.5 million was transferred from Stage 2 to Stage 3, reflecting the classification of the underlying loans. Other changes in the gross amounts of loans to customers had a relatively insignificant effect on the Stage 1 and the Stage 2 allowances in the period.

The table below shows the ageing of loans to customers that are past due as at 31 December 2021 and as at 31 December 2020.

Loans to customers that are past due

In millions of euros	31/12/2021	31/12/2020
Less than 30 days past due	12.0	46.1
Between 30 and 90 days past due	45.7	4.7
Over 90 days past due	7.1	0.8
TOTAL	**64.8**	**51.6**

7.4.2.2.3 Collateral

The Group holds collateral against loans to customers, as substantially all third-party commercial lending is secured. The majority of collateral is in the form of charges over property assets, or over marketable securities (Lombard lending). There is a realistic possibility, if necessary, of both taking possession of, and realising, the collateral.

Stage 1 and 2 loans are usually covered by collateral, and the level of collateral at exit is expected to be sufficient to cover the balance sheet exposure. Where a loan is deemed to be impaired (Stage 3), the level of the impairment charge is primarily driven by any expected shortfall in the collateral value, though it is also influenced by the ability of the borrower to service the debt.

Collateral is valued independently at the time the loan is made and periodically thereafter. Management is able to roll forward a valuation between these events via a combination of specific knowledge of the collateral and the application of general indices.

The table below gives an estimate of the fair value of collateral held by the Group as security against its loans to customers that are credit impaired. For each loan, the value of collateral disclosed is capped to the nominal amount less provision of the loan that it is held against.

	31/12/2021	31/12/2020
In millions of euros	Stage 3 loans	Stage 3 loans
Tangible assets collateral	31.8	36.5
Financial assets collateral	0.7	0.3
TOTAL	**32.5**	**36.8**
Gross value of credit-impaired loans	80.0	90.7
Impairment	(45.7)	(52.1)
Net value of loans	**34.3**	**38.6**
% of Stage 3 loans covered by collateral	95%	95%

7.4.2.3 Credit risk management of other financial assets

Other financial assets mainly contain trade receivables from the GA and WAM businesses. For these assets, the Group applies a simplified approach to the calculation of impairments. This means that the loss allowance is always measured at an amount equal to the asset's lifetime ECL. Therefore, the concept of a significant increase in credit risk is not applicable to these assets. Fee income is widespread in terms of location and of sector, so concentration risk is not significant.

The Group considers a receivable to be in default when the borrower is unlikely to pay the Group in full. For each GA office, a quarterly review is conducted by local management and the GA Global Finance Director of any outstanding receivables where there is any concern over recovery, as well as any receivable over 90 days. This review determines if the receivable should be impaired and ensures that impairments are made, or not made, consistently around the Group.

Management has reviewed historical payment behaviour and believes on this basis that receivables less than 90 days overdue have, prima facie, an immaterial risk of not being recoverable in full. These receivables are therefore classified as Category 1 in our internal credit risk table, unless there are specific reasons to consider them doubtful. Management considers that all individual unimpaired receivables over 90 days past due merit assessment for potential credit losses, in addition to more recent debts that are known to have credit issues. These receivables are considered to be on a watchlist. Where these are not impaired, management provides a percentage of all these assets to reflect losses that might be expected to eventually arise. The provision percentage takes account of both historical experience and management's assessment of future potential losses.

The table below shows the ageing of other financial assets and the associated provisions as at 31 December 2021 and as at 31 December 2020.

		31/12/2021			31/12/2020		
In millions of euros	Credit risk category classification	% total gross exposure	Gross carrying amount	Lifetime ECL	% total gross exposure	Gross carrying amount	Lifetime ECL
Not impaired							
Current to 90 days past due	Category 1	93%	486.5	-	90%	375.9	-
90-180 days past due	Category 2	1%	4.2	(0.1)	2%	8.8	(0.1)
180 days-1 year past due	Category 2	1%	2.8	(0.1)	1%	4.1	(0.2)
More than 1 year past due	Category 2	0%	1.3	(0.2)	1%	4.7	(0.5)
Impaired							
Partially impaired	Category 4	2%	10.5	(7.4)	1%	5.8	(5.7)
Fully impaired	Category 5	3%	16.1	(16.1)	4%	17.9	(17.9)
TOTAL		**100%**	**521.4**	**(23.9)**	**100%**	**417.2**	**(24.4)**

The movements in the loss allowance are disclosed in the account "Impairments" Note 17.

7.4.2.4 Further credit risk analysis

The tables below show an analysis of credit risk by location and by sector as at 31 December 2021 and as at 31 December 2020.

7.4.2.4.1 Credit risk by location

Location for loans and advances is measured by reference to the location of the borrower. Debt securities are recorded based on the location of the issuer of the security.

In millions of euros	France	Switzerland	UK and Channel Islands	Rest of Europe	Americas	Australia and Asia	Other	31/12/2021
Cash and amounts due from central banks	3,030.3	2,941.4	-	33.4	-	-	-	6,005.1
Financial assets at FVTPL(1)	37.4	8.5	91.1	30.1	20.8	2.7	0.2	190.8
Loans and advances to banks	993.2	35.9	463.8	230.7	319.3	84.7	16.5	2,144.1
Loans and advances to customers	2,008.7	346.3	1,128.7	589.7	198.7	124.7	65.2	4,462.0
Debt at amortised cost	292.9	36.1	245.0	331.6	350.7	80.4	-	1,336.7
Other financial assets	140.1	38.5	91.1	117.0	67.6	27.2	16.0	497.5
Subtotal assets	**6,502.6**	**3,406.7**	**2,019.7**	**1,332.5**	**957.1**	**319.7**	**97.9**	**14,636.2**
Commitments and guarantees	650.5	35.3	41.3	242.5	7.4	2.2	2.4	981.6
TOTAL	**7,153.1**	**3,442.0**	**2,061.0**	**1,575.0**	**964.5**	**321.9**	**100.3**	**15,617.8**

(1) Including hedging derivatives and excluding equities, for which credit risk does not apply.

In millions of euros	France	Switzerland	UK and Channel Islands	Rest of Europe	Americas	Australia and Asia	Other	31/12/2020
Cash and amounts due from central banks	1,815.4	2,850.1	-	31.9	-	-	-	4,697.4
Financial assets at FVTPL(1)	42.6	35.1	37.7	85.8	9.9	1.6	0.4	213.1
Loans and advances to banks	1,160.6	25.7	609.2	183.7	207.5	53.2	10.9	2,250.8
Loans and advances to customers	1,704.8	247.7	863.7	420.5	128.8	71.6	54.1	3,491.2
Debt at amortised cost	314.5	19.0	250.5	432.3	270.3	60.2	-	1,346.8
Other financial assets	135.0	13.3	39.4	110.9	72.2	11.2	10.8	392.8
Subtotal assets	**5,172.9**	**3,190.9**	**1,800.5**	**1,265.1**	**688.7**	**197.8**	**76.2**	**12,392.1**
Commitments and guarantees	542.6	30.6	99.2	202.2	16.7	2.0	2.4	895.7
TOTAL	**5,715.5**	**3,221.5**	**1,899.7**	**1,467.3**	**705.4**	**199.8**	**78.6**	**13,287.8**

(1) Including hedging derivatives and excluding equities, for which credit risk does not apply.

7.4.2.4.2 Credit risk by sector

In millions of euros	31/12/2021	%	31/12/2020	%
Cash and amounts due from central banks	6,005.1	38%	4,697.4	35%
Households	4,061.7	26%	3,060.2	23%
Credit institutions	3,280.0	21%	3,244.0	24%
Other financial corporations	657.5	4%	757.0	6%
Real estate	604.0	4%	533.1	4%
Short-term fee income receivable (diversified customers)	376.9	2%	342.1	3%
Liquid debt securities (other sectors)	185.1	1%	182.1	1%
Government(1)	91.4	1%	123.8	1%
Other	356.1	2%	348.1	3%
TOTAL	**15,617.8**	**100%**	**13,287.8**	**100%**

(1) The "Government" exposure predominantly consists of high-quality government securities.

The sectors above are based on NACE classification codes (Nomenclature of Economic Activities), and other categories used for FINREP regulatory reporting.

Short-term accounts receivable and liquid debt securities, issued by non-financial corporations and held for treasury management, are exposed to various diversified sectors. Any exposure to these sectors is not thought by management to pose a significant sectoral risk, and in the case of short-term assets is not expected to be indicative of sectoral concentration for these assets in future. Therefore, these exposures are not analysed further in this section.

7.4.3 Market risk

Market risk associated with treasury and equity positions are described below with a description of the levels of risk. Market risk management is covered in Chapter 4 "Internal control, risk management and accounting procedures" of the Annual Report 2021.

7.4.3.1 Equity investments

The Group has exposure to equity price risk through holdings of equity investments by its Merchant Banking business and through holding other equities, including those issued by mutual funds. The Group is also exposed to the risks affecting the companies in which it invests. Each MB investment is individually approved by management and is monitored on an individual basis.

If the price of these equities were to fall by 5% as at 31 December 2021, then there would be a post-tax charge to the income statement of €82.1 million (31 December 2020: €54.7 million).

The table below shows the Group's equity price risk in relation to these instruments, by location.

In millions of euros	31/12/2021	%	31/12/2020	%
France	544.8	31%	466.2	39%
United Kingdom and Channel Islands	428.4	24%	243.9	21%
Rest of Europe	340.7	19%	318.9	27%
Americas	307.2	18%	91.0	8%
Australia and Asia	92.3	5%	25.6	2%
Other	40.6	2%	36.0	3%
TOTAL	**1,754.0**	**100%**	**1,181.6**	**100%**

7.4.3.2 Currency risk

The Group has exposure to the effects of fluctuations in foreign currency exchange rates on its financial position and cash flows. The table below summarises exposure to foreign currency exchange rate risk. The net positions in the table are measured by reference to the net carrying amounts of monetary assets and liabilities other than those in a subsidiary's functional currency, and are shown after taking account of positions in derivatives.

	31/12/2021	31/12/2020
In millions of euros	Long/(short)	Long/(short)
USD	55.5	42.1
EUR	2.4	11.2
GBP	(33.0)	(1.8)
CHF	(4.3)	2.7
Other	3.1	(5.9)
TOTAL	**23.7**	**48.3**

Included in the short GBP position was a short-term liability of €36 million, which has been repaid in February 2022.

If the euro strengthened against the currencies in the table above by 5%, then the effect on the Group would be a gain to the income statement of €0.0 million (31 December 2020: loss of €0.4 million).

7.4.3.3 Interest rate risk

Interest rate risk is the risk to earnings or capital arising from movements in interest rates. Management of interest rate risk is covered in Chapter 4 "Internal control, risk management and accounting procedures" of the Annual Report 2021.

Because of the nature of its business, only the banking entities in the Group are exposed to significant interest rate risk. The Group calculates Interest Rate Risk in the Banking Book (IRRBB) in line with the EBA requirements. The following table sets out the results of the EVE (Economic Value of Equity) stress tests for each prescribed stress scenario, as a percentage of Tier 1 capital. This illustrates the low level of interest rate risk that the Group's banking entities and, on a consolidated basis, the R&Co Group is exposed to, even under these severe stress tests.

The top section shows the results based on the assumption that sight deposits re-price overnight. It demonstrates the limited exposure to interest rate risk, which results from the Group's focus on private banking, as well as the very limited fixed-rate long-term lending exposures taken on in this activity.

There is, however, some interest rate risk for certain sight deposits that behave as 0% fixed non-maturity deposits. As a result of this, the Group behaviourally adjusts sight deposits in RMM, given the requirements of the French regulator along with the expectation that some of these deposits will behave in the same way as a fixed-rate liability. On the other hand, and in the light of RMM's deposits being of a largely private banking nature, these deposits are not considered to be very long term. Therefore, the Group behaviourally adjusts the stable amount linearly over five years with the non-stable amount re-fixing over three months. The results of this approach for RMM, and its impact on the Group, are set out in the lower half of the table. No behavioural adjustments are applied for IRRBB in the Group's other banks, because these are not required by the local regulators and, given the market flexibility to charge negative rates combined with the higher average deposit size, this is not appropriate at the current time.

IRRBB EVE results of the prescribed six shock scenarios as at 31 December 2021 are as follows. The table is not audited.

	Parallel up	Parallel down	Short rate up	Short rate down	Steepener	Flattener
Assumption: All sight deposits reprice overnight						
Rothschild Martin Maurel	(5.7%)	2.8%	(4.5%)	2.3%	0.6%	(2.8%)
Rothschild & Co Bank AG	(4.1%)	4.2%	(3.5%)	3.5%	1.6%	(2.3%)
Rothschild & Co Bank International Limited	(1.0%)	0.1%	(1.2%)	0.1%	0.2%	(0.9%)
Group	**(1.5%)**	**1.0%**	**(1.3%)**	**0.8%**	**0.3%**	**(0.8%)**
Assumption: Maturities of the stable portion of RMM sight deposit are behaviourally adjusted						
Rothschild Martin Maurel	25.8%	(9.7%)	19.5%	(9.6%)	(6.4%)	10.2%
Rothschild & Co Bank AG	(4.1%)	4.2%	(3.5%)	3.5%	1.6%	(2.3%)
Rothschild & Co Bank International Limited	(1.0%)	0.1%	(1.2%)	0.1%	0.2%	(0.9%)
Group	**4.0%**	**(1.2%)**	**3.0%**	**(1.3%)**	**(0.9%)**	**1.5%**

7.4.4 Liquidity risk

7.4.4.1 Liquidity

Liquidity risk arises from the mismatch between the legal maturity of assets and liabilities. Management of liquidity risk is covered in Chapter 4 "Internal control, risk management and accounting procedures" of the Annual Report 2021.

The Group continues to take a conservative approach to the management of liquidity risk and R&Co retains a very strong liquidity position at 31 December 2021 of €10.2 billion, which is 58% of gross assets and 88% of deposits.

Liquidity assets held by the Group consist mainly of amounts at central banks and banks (€8.1 billion) and investment grade debt securities (€1.3 billion). These debt securities are closely monitored and the holdings and limits for the weaker credits have been reduced where considered necessary. Regarding sectors, the majority of the exposure is to financials and supranationals and the corporate exposure is €185 million and is reasonably well diversified across sectors and counterparties.

Movements in customer deposits are all as expected in the normal course of business and the core client deposit book has grown over the period to December 2021.

Each of the Group's banks maintains low loan-to-deposit ratios and a significant amount of high-quality liquidity, for example central bank deposits, to ensure they maintain a minimum level of 20% of all client deposits in cash or assets readily realisable into cash within 48 hours. Set out below are the regulatory liquidity coverage ratios (LCR) of the Group's banks, all of which are well in excess of the regulatory minimum of 100%.

The figures are taken from regulatory returns, but are not audited.

Liquidity coverage ratios (LCRs)	31/12/2021	31/12/2020
Rothschild & Co Bank AG	127%	146%
Rothschild Martin Maurel	166%	146%
Rothschild & Co Bank International Limited	192%	335%

The Group also retains a strong liquidity position in the central holding companies and other operating businesses.

7.4.4.2 Contractual maturity

The following table shows the Group's financial assets and liabilities, analysed by remaining contractual maturity at the balance sheet date.

In millions of euros	Demand – 3 months	3 months – 1 year	1 year – 5 years	>5 years	No contractual maturity	31/12/2021
Cash and balances at central banks	6,005.1	-	-	-	-	6,005.1
Financial assets at FVTPL(1)	896.0	76.7	586.7	234.8	150.5	1,944.7
Securities at amortised cost	267.7	357.5	650.6	60.9	-	1,336.7
Loans and advances to banks	2,097.3	46.6	0.2	-	-	2,144.1
Loans and advances to customers	1,603.5	1,103.8	1,429.7	325.0	-	4,462.0
Other financial assets	492.5	4.5	0.2	0.3	-	497.5
TOTAL	**11,362.1**	**1,589.1**	**2,667.4**	**621.0**	**150.5**	**16,390.1**
Financial liabilities at FVTPL	46.0	52.8	0.1	-	-	98.9
Hedging derivatives	0.1	0.1	1.9	1.1	-	3.2
Due to banks and other financial institutions	22.1	2.7	342.9	144.8	-	512.5
Due to customers	11,597.6	19.2	38.7	-	-	11,655.5
Debt securities in issue	12.5	-	-	-	-	12.5
Lease liabilities	14.0	29.0	131.2	37.4	-	211.6
Other financial liabilities	166.8	1.0	9.1	-	-	176.9
TOTAL	**11,859.1**	**104.8**	**523.9**	**183.3**	**-**	**12,671.1**
Loan and guarantee commitments given	981.6	-	-	-	-	981.6

(1) Including hedging derivatives.

Loan and guarantee commitments given are disclosed in the period in which they could first be drawn down. The undiscounted cash flows of liabilities and commitments are not materially different from the amounts disclosed in the contractual maturity table above.

7.4.5 Fair value disclosures

7.4.5.1 Fair value hierarchy

For financial reporting purposes, IFRS 13 requires fair value measurements that are applied to financial instruments to be allocated to one of three Levels, reflecting the extent to which the valuation is based on observable data.

Level 1: instruments quoted on an active market

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets. This mainly consists of listed securities and derivatives traded on organised markets (futures, options, etc.) whose liquidity can be demonstrated, as well as shares of funds where the value is determined and reported daily.

Level 2: instruments measured based on valuation models that use observable inputs other than quoted prices

Level 2 comprises instruments not directly quoted on an active market, measured using a standard valuation technique incorporating parameters that are either directly observable (prices) or indirectly observable (price derivatives) through to maturity.

Level 3: instruments measured using models that are not commonly used and/or that draw on non-observable inputs

Level 3 comprises instruments that are measured, at least in part, on the basis of non-observable market data that is liable to materially impact the valuation.

7.4.5.2 Valuation techniques used

7.4.5.2.1 Assets mostly held at fair value through profit or loss

Equity securities

In the absence of a price available on an active market, an equity security is considered to be Level 3 if a significant adjustment is made to parameters that are observable. Where no significant adjustment is made to those observable parameters, the security is classed as Level 2.

The normal measurement techniques of equity securities held by the Group either directly, or within its managed funds, are:

- **Transaction multiples**

The preferred measurement technique is based on transaction multiples. This technique uses recent transactions in the sector under consideration. Multiples are established based on the enterprise value (EV) of comparable transactions and accounting measures such as EBITDA (earnings before interest, tax, depreciation and amortisation), EBIT or profit, which are applied to the asset to be measured.

Transaction multiples often reflect a premium that is a consequence of negotiations carried out during the transaction. MB therefore applies a marketability discount to transaction multiples used to value positions retained in the portfolio. Such marketability discounts are higher where MB holds a minority position in the portfolio company and cannot independently trigger a disposal. For the purpose of the IFRS 13 fair value hierarchy, the marketability discount is considered as an unobservable input, and, where significant, would indicate a Level 3 valuation.

- **Other earnings multiples**

This consists of applying a multiple to the earnings of the company to be valued. It is based on multiples from a sample of listed companies that are in the peer group of the company to be valued. The earnings multiples used might be EV/EBITDA, EV/EBIT and the price/earnings ratio (PER).

Companies in the selected peer group must operate in a similar sector to that of the target company. They should be of a relatively comparable size and have similar growth prospects. Specific factors may also be taken into account in the selection, including country, regulatory aspects specific to each market, and the presence or otherwise of related business activities.

The value of the peer group companies is obtained by adding together the market capitalisation, net financial debt, and non-controlling interests, based on the most recently available financial data.

Stock exchange multiples are calculated excluding any control premium. The valuation is made from the point of view of a non-controlling shareholder. However, if the investment to be valued is not listed, the lack of liquidity relative to listed companies in the peer group may be reflected through an illiquidity discount. For the purpose of the valuation hierarchy, such an illiquidity discount is considered as an unobservable discount, and, where significant, would mean the valuation is considered as a Level 3 valuation.

Investments in private equity funds that hold instruments at amortised cost

Investments that give a share of underlying assets held by a fund are classified as Level 2 where the value of underlying assets are considered to be Level 2. An example would be a fund holding loans at amortised cost.

Shares in external funds

Shares of private equity funds or investments managed by third parties, for which the manager and third-party assessor have published a net asset value, may use a valuation technique incorporating parameters that are not directly observable, or may use observable inputs with a significant adjustment that is not observed. Where it is not clear that the valuations have been performed using only observable inputs, the external funds are assumed to be Level 3.

Credit management products

Junior and subordinated tranches of securitised vehicles held directly by the Group are valued using prices obtained from active brokers and/or dealers. Transactions do not, however, necessarily occur at the indicated prices, due to the nature of the securities held and transaction volumes that are usually low. Therefore, these are considered to be Level 2.

The Group has invested in a credit investment company that invests in subordinated CLO tranches. These tranches are valued by a third-party valuation provider using discounted cash flow (DCF) techniques, giving a “mark to model” valuation that uses software to estimate future cash flows, based on a number of assumptions. Some of these assumptions, of which the default and recoverability rates are considered the most significant, are unobservable inputs, so this instrument is considered to be Level 3.

Other credit management investments consist mainly of investment funds and managed accounts. The majority of these are valued based on market prices, and are considered to be Level 2.

Derivatives

The fair value of derivatives is predominantly derived from prices or quotations of other Level 1 and Level 2 instruments, through standard market extrapolation or interpolation or through corroboration by real transactions. Fair value can also be derived from other standard techniques and models. The most frequently used measurement model is the DCF technique. The values derived from these models are materially affected by the measurement assumptions used, such as the amounts and settlement dates of future cash flows, the discount rates and solvency. When those parameters are determined on the basis of directly observable inputs, the derivatives are classified in Level 2.

7.4.5.2.2 Assets mostly held at amortised cost

Loans to/due to banks and customers

Loans and deposits are usually shown as Level 2. In the event of a difference in interest rates or any other factor indicating that an asset's fair value is materially different from the net carrying amount, the fair value is adjusted accordingly. To determine an asset's fair value, the Group estimates the counterparty's default risk and calculates the present value of future cash flows, taking into account the debtor's financial standing.

Repurchase agreements and amounts due to banks and customers are valued using a DCF technique, the discount rate of which is adjusted for the appropriate credit margin.

Impaired loans where the carrying value is determined by a DCF, using best estimates of recoverable cash flows, are classified as Level 3.

Debt securities and debt securities in issue

Debt securities are predominantly government bonds, corporate debt securities, senior tranches of collateralised loan obligations, and certificates of deposit. They can be classified in Level 1 if listed. When external prices for the same security can be regularly observed from a reasonable number of market makers that are active in this security, but these prices do not represent directly tradable prices (when supplied, for example, by consensus pricing services or active brokers and/or dealers), these are classified as Level 2. Where prices are not directly observable in the market, a DCF valuation is used. The discount rate is adjusted for the applicable credit margin determined by similar instruments listed on an active market for comparable counterparties.

7.4.5.3 Fair value of financial instruments

Carried at amortised cost

			31/12/2021		
In millions of euros	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Cash and amounts due from central banks	6,005.1	6,005.1	-	6,005.1	-
Securities at amortised cost	1,336.7	1,334.4	1,275.3	59.1	-
Loans and advances to banks	2,144.1	2,144.1	-	2,144.1	-
Loans and advances to customers	4,462.0	4,468.5	-	4,462.7	5.8
TOTAL	**13,947.9**	**13,952.1**	**1,275.3**	**12,671.0**	**5.8**
Financial liabilities					
Due to banks and other financial institutions	512.5	527.7	-	527.7	-
Due to customers	11,655.5	11,655.5	-	11,655.5	-
Debt securities in issue	12.5	12.5	-	12.5	-
TOTAL	**12,180.5**	**12,195.7**	**-**	**12,195.7**	**-**

			31/12/2020		
In millions of euros	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets					
Cash and amounts due from central banks	4,697.4	4,697.4	-	4,697.4	-
Securities at amortised cost	1,346.8	1,347.1	1,277.7	69.4	-
Loans and advances to banks	2,250.8	2,250.8	-	2,250.8	-
Loans and advances to customers	3,491.2	3,493.5	-	3,484.9	8.6
TOTAL	**11,786.2**	**11,788.8**	**1,277.7**	**10,502.5**	**8.6**
Financial liabilities					
Due to banks and other financial institutions	513.5	539.4	-	539.4	-
Due to customers	9,873.1	9,873.1	-	9,873.1	-
Debt securities in issue	9.5	9.5	-	9.5	-
TOTAL	**10,396.1**	**10,422.0**	**-**	**10,422.0**	**-**

Carried at fair value

	31/12/2021			
In millions of euros	Total	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	777.0	755.2	21.8	-
Financial assets at FVTPL held for investment	939.0	17.6	157.5	763.9
Other financial assets at FVTPL	131.8	131.8	-	-
Derivative financial instruments	96.9	-	94.8	2.1
TOTAL	**1,944.7**	**904.6**	**274.1**	**766.0**
Financial liabilities				
Derivative financial instruments	102.2	-	102.2	-
TOTAL	**102.2**	**-**	**102.2**	**-**

	31/12/2020			
In millions of euros	Total	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	474.1	452.8	21.3	-
Financial assets at FVTPL held for investment	702.7	12.2	216.6	473.9
Other financial assets at FVTPL	108.1	108.1	-	-
Derivative financial instruments	109.8	-	109.8	-
TOTAL	**1,394.7**	**573.1**	**347.7**	**473.9**
Financial liabilities				
Derivative financial instruments	149.2	-	147.3	1.9
TOTAL	**149.2**	**-**	**147.3**	**1.9**

7.4.5.4 Fair value Level 3 disclosures

7.4.5.4.1 Movement in Level 3 assets

The following table presents the movement in assets valued using Level 3 valuation methods in the period. All changes in value are recorded in the income statement in the account “Net gains/(losses) on financial instruments at fair value through profit or loss”. The majority of valuation changes are unrealised.

In millions of euros	Funds and other equities	Bonds and other fixed income securities	Derivative assets	Total
As at 1 January 2021	**472.5**	**1.4**	**-**	**473.9**
Transfer into Level 3	-	5.7	-	5.7
Transfer (out of) Level 3	(36.2)	-	-	(36.2)
Total gains or losses for the period included in income statement	280.3	-	2.1	282.4
Additions	158.9	-	-	158.9
Disposals	(118.8)	(0.3)	-	(119.1)
Other movements	0.3	0.1	-	0.4
AS AT 31 DECEMBER 2021	**757.0**	**6.9**	**2.1**	**766.0**

In the valuation hierarchy described above, the Group classifies its unquoted investments as Level 2 when the significant inputs to the valuation are observable. When there are significant unobservable inputs to the valuation, these valuations are classified as Level 3. Disclosure about the inputs to the valuation of Level 3 assets, including the elements that are unobservable, is made below.

The following table summarises the inputs and assumptions used for equities categorised as Level 3 assets. Where the equity investment by the Group is in a managed fund or in a portfolio managed by a third party, the valuation method refers to the valuation of the underlying investments of that fund, of which the Group has a proportionate interest.

	Value *(in millions of euros)*			**Weighted average multiple pre-discount**	
Investment	31/12/2021	**31/12/2020**	**Valuation method**	31/12/2021	**31/12/2020**
Investment in unquoted equity, managed by the Group	580.5	339.0	Earnings multiple	19.2x	14.3x
Investment in MB fund, investing in external funds	99.7	72.7	NAV based on an external valuation	n/a	n/a
Investment in fund, managed by external providers	26.0	24.9	NAV based on an external valuation	n/a	n/a
Holding in credit investment company	47.3	34.8	Mark to model	n/a	n/a
Other	3.5	1.1	n/a	n/a	n/a
TOTAL	**757.0**	**472.5**			

	Value *(in millions of euros)*			**Weighted average multiple pre-discount**	
Investment	31/12/2021	**31/12/2020**	**Main unobservable input**	31/12/2021	**31/12/2020**
Investment in unquoted equity, managed by the Group	580.5	339.0	Marketability and liquidity discount	9.9%	8.6%
Investment in MB fund, investing in external funds	99.7	72.7	External valuation parameters	n/a	n/a
Investment in fund, managed by external providers	26.0	24.9	External valuation parameters	n/a	n/a
Holding in credit investment company	47.3	34.8	Recoverability and default rate	2.0-2.5%	2.0-2.5%
Other	3.5	1.1	n/a	n/a	n/a
TOTAL	**757.0**	**472.5**			

Out of the €757 million of FVTPL equity securities classified in Level 3 as at 31 December 2021, €581 million are investments made by the Group in managed funds, where the underlying instruments are valued using an earnings multiple or by an external valuation. The main unobservable input is the liquidity/marketability discount taken off valuations that have been calculated using earnings multiples. These reflect the difference in value between (i) a comparable liquid share whose value can be observed; or (ii) a comparable asset valued as part of an executed transaction; and an asset retained in a portfolio. In general, if the discount for an asset were 15% rather than 10%, the valuation used by R&Co would be 15% lower than that calculated using the earnings multiple, rather than 10% lower. To further quantify the fair value sensitivity of these investments, the Group has determined the impact in the event of a fall of 5% in the carrying value of the underlying instruments. In such an event, there would be a pre-tax charge to the income statement of €31.2 million, or 5.4% of this type of asset (December 2020: 5.7%).

Additionally, €126 million are investments in funds, for which the underlying assets are subject to a third-party valuation. Because full details of all the valuations are not available, the assumption is made that some elements may be unobservable, and so these are classified as Level 3; none of the underlying assets are individually material to the Group's accounts. To quantify the fair value sensitivity of these underlying assets, the Group has determined the impact in the event of a fall of 5% in the carrying value. In such an event, there would be a pre-tax charge to the income statement of €7.1 million or 5.7% of this type of asset (December 2020: 5.1%).

The main unobservable input to value the holding in the credit investment company is considered to be the default rate. If the average default rate were to increase by 25%, the value of the holding would fall by €2.5 million or 5.3% (December 2020: 2.5%).

7.4.5.5 Selected controls in the valuation process

7.4.5.5.1 Merchant Banking

The calculation of fair value is subject to control procedures aimed at verifying that fair values are determined or validated by an independent function. Fair values determined by reference to external quoted prices or market parameters are validated by the relevant fund's valuation committee.

These committees review, at least twice a year, the valuation of the investments made by Merchant Banking.

The parameters of valuation that are reviewed in committee include the following:

- the consistency of the various sources;
- the consistency of the valuation assumptions and of the related adjustments (if any);
- the events that took place during the period that could affect the value; and
- the frequency with which the data is updated.

Merchant Banking funds are valued by their management companies in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines or other commonly acknowledged industry standards. As such, where applicable, these valuation committees act as the valuator under the Alternative Investment Fund Managers Directive (AIFMD) requirements.

In addition, the valuations of assets held by MB funds are reviewed and supported by statutory audits of those funds.

7.4.5.5.2 Valuation of derivatives

The Group's over-the-counter (OTC) derivatives (*i.e.* non-exchange traded) are valued using external valuation models. These models calculate the present value of expected future cash flows. The Group's derivative products are of a "vanilla" nature, such as interest rate swaps and cross-currency swaps; for these, the modelling techniques used are standard across the industry. Inputs to the valuation models are determined from observable market data, including data available from exchanges, dealers, brokers or providers of consensus pricing.

Exchange traded derivatives are valued by the exchange on which they are traded, which asks for margin calls depending on the value.

7.5 Notes to the balance sheet

Note 1 Financial instruments at fair value through profit or loss

1.1 Financial assets

In thousands of euros	31/12/2021	31/12/2020
Debt securities held for liquidity	25,275	33,944
Debt securities held for investment	68,604	69,320
Equity instruments held for investment	870,287	633,329
Equity instruments issued by mutual funds, held for liquidity	777,038	474,053
Other equity instruments	106,558	74,211
Financial assets mandatorily at fair value through profit or loss	**1,847,762**	**1,284,857**
Trading derivative assets (see Note 2)	94,306	109,241
TOTAL	**1,942,068**	**1,394,098**

Assets held for investment at FVTPL are held primarily by the Merchant Banking business. Equity instruments issued by mutual funds are predominantly money market and low-risk debt funds. Other equity instruments include assets used to hedge certain fund-denominated amounts due to employees.

1.2 Financial liabilities

In thousands of euros	31/12/2021	31/12/2020
Trading derivative liabilities (see Note 2)	98,949	143,223
TOTAL	**98,949**	**143,223**

Note 2 Derivatives

Derivative instruments are carried at fair value, shown in the balance sheet as separate totals of positive fair values (assets) and negative fair values (liabilities). Positive fair values represent the cost to the Group of replacing all transactions with a fair value in the Group's favour if the counterparties default. Negative fair values represent the cost to the Group's counterparties of replacing all their transactions with the Group with a fair value in the counterparties' favour if the Group were to default. Changes in fair values of derivative instruments are recognised in trading income unless they qualify as cash flow or net investment hedges for accounting purposes.

Derivatives may be transacted for trading or hedging purposes. The accounting treatment of hedge transactions depends on the nature of the hedging relationship and whether the hedge qualifies as such for accounting purposes. Most of the Group's transactions that do not qualify as hedges for accounting purposes are nonetheless for the purpose of reducing market risk, by hedging exposures in the trading or non-trading books.

2.1 Trading derivatives

	31/12/2021			31/12/2020		
In thousands of euros	***Notional principal***	Of which: asset	Of which: liability	***Notional principal***	**Of which: asset**	**Of which: liability**
Firm interest rate contracts	*145,718*	519	3,560	*182,762*	55	9,175
Conditional interest rate contracts	*10,997*	-	124	*12,813*	-	241
Firm foreign exchange contracts	*16,580,506*	90,012	93,592	*12,372,498*	107,629	130,398
Conditional foreign exchange contracts	*477,487*	1,675	1,673	*437,457*	1,557	1,551
Other swaps	*7,100*	2,100	-	*7,100*	-	1,858
TOTAL	***17,221,808***	**94,306**	**98,949**	***13,012,630***	**109,241**	**143,223**

2.2 Hedging derivatives

	31/12/2021			31/12/2020		
In thousands of euros	***Notional principal***	**Of which: asset**	**Of which: liability**	***Notional principal***	**Of which: asset**	**Of which: liability**
Firm interest rate contracts	*95,673*	106	3,228	*99,010*	-	5,973
Firm foreign exchange contracts	*27,494*	2,478	-	*94,605*	605	45
TOTAL	***123,167***	**2,584**	**3,228**	***193,615***	**605**	**6,018**

2.3 Fair value hedges

The Group holds a portfolio of medium and long-term fixed-rate customer loans and is, therefore, exposed to changes in fair value due to movements in market interest rates. The Group manages this risk exposure by entering into interest rate swaps whereby it pays fixed rates and receives floating rates. The Group applies hedge accounting to these derivatives, which it treats as fair value hedges.

Only the interest risk element is hedged; other risks, such as credit risk, are managed but not hedged by the Group. The interest rate risk component that is hedged is the change in fair value of the medium/long-term fixed-rate customer loans arising solely from changes in the benchmark rate of interest. Such changes are usually the largest component of the overall change in fair value.

For the purposes of hedge accounting, efficiency tests are performed, prospectively at the date of designation and retrospectively at each balance sheet date, to ensure that there is no risk of over-coverage. The ineffectiveness of these hedges is considered immaterial and has therefore not been recognised in the income statement.

Most of these macro hedging swaps are intended to be held until maturity without periodic revision (i.e. they are non-dynamic).

The following table sets out the maturity profile and average fixed rate payable on the hedging instruments that are used in the Group's non-dynamic hedging strategies as at 31 December 2021.

Fair value hedges – interest rate swap	**Total**	**<1 year**	**1 year – 5 years**	**>5 years**
Notional *(in thousands of euros)*	95,673	20,669	56,004	19,000
Average fixed interest rate paid	1.73%	3.98%	2.00%	0.89%

The following table contains details of the loans and advances to customers that are covered by the Group's hedging strategies.

In thousands of euros	**31/12/2021**	**31/12/2020**
Notional principal of hedging derivatives	95,673	99,010
Carrying amount of hedged fixed-rate loans	416,399	392,344
Accumulated amount of fair value increases on the hedged loans	3,228	5,973
Increase/(decrease) in fair value of hedged loans during the year for effectiveness assessment	(2,746)	(460)

2.4 Net investment hedges

A foreign currency exposure arises from a net investment in subsidiaries that have a different functional currency from that of the Group. The risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiaries and the Group's functional currency, which causes the amount of the net investment to vary. This risk may have a significant impact on the Group's financial statements. The Group's policy is to hedge these exposures only when not doing so would be expected to have a significant impact on the regulatory capital ratios of the Group and its banking subsidiaries.

As at December 2021, the Group does not have any net investment hedges. In the past, the Group has hedged the risk of weakening exchange rates against the euro that would result in a reduction in the carrying amount of the Group's net investment in its Swiss franc and sterling subsidiaries.

The following table contains details of the Group's net investment hedges.

In thousands of euros	31/12/2021	31/12/2020
Notional principal of hedging derivatives	-	37,022
Gain/(loss) in value of the hedged net investment during the period for effectiveness assessment	(111)	(935)
Cumulative foreign currency translation reserve gain/(loss) – continuing hedges	-	935
Cumulative foreign currency translation reserve (loss) – discontinued hedges	(7,831)	(8,877)

The cumulative foreign currency reserve on discontinued hedges (negative €7.8 million) will only be transferred to the P&L if the Group disposes of the underlying foreign operations, for which no plans exist.

2.5 Cash flow hedges

A foreign currency exposure arises in operating divisions that have a cost base in a currency that is different to its functional currency. The risk arises from the fluctuation in future spot rates, which would cause volatility in the Group's income statement. This risk may have a significant impact on the financial statements of the Group or the affected business.

The Group has introduced a hedging programme in certain divisions to reduce the volatility caused by exchange rate movements, by entering into forward foreign exchange contracts. The derivatives (a cash flow hedge) are designated as a hedge of a probable forecasted transaction, being the foreign currency sterling costs of the operating division.

The hedged risk in the Group's cash flow hedges is the risk of a strengthening of sterling exchange rates against the euro that would result in a reduction in profit. Because the Group policy is to hedge only a portion of the cost base, any ineffectiveness is expected to be immaterial.

The following table sets out the maturity profile and average exchange rate on the forward foreign exchange contracts that are used in the Group's cash flow hedging strategies as at 31 December 2021.

Cash flow hedges – currency forward	Total	**<1 year**	**1 year – 5 years**	**>5 years**
Notional *(in thousands of euros)*	27,494	8,969	18,525	-
Average EUR-GBP exchange rate	0.91	0.91	0.91	-

The following table contains details of the Group's cash flow hedges.

In thousands of euros	31/12/2021	31/12/2020
Notional principal of hedging derivatives	27,494	57,583
Gain/(Loss) in value of the hedged sterling cost base during the period for effectiveness assessment	(1,848)	412
Gain/(Loss) in cash flow hedge reserve transferred to P&L	1,848	(412)

Note 3 Securities at amortised cost

In thousands of euros	31/12/2021	31/12/2020
Debt securities held for liquidity	1,278,273	1,277,579
Debt securities held for investment	59,014	69,734
Debt securities at amortised cost – gross amount	**1,337,287**	**1,347,313**
Stage 1 – 2 allowances	(555)	(534)
TOTAL	**1,336,732**	**1,346,779**

Note 4 Loans and advances to banks

In thousands of euros	31/12/2021	31/12/2020
Interbank demand deposits and overnight loans	892,238	810,238
Interbank term deposits and loans	398,217	405,773
Reverse repos and loans secured by bills	849,251	1,033,340
Accrued interest	4,417	1,481
Loans and advances to banks – gross amount	**2,144,123**	**2,250,832**
Allowance for credit losses	-	-
TOTAL	**2,144,123**	**2,250,832**

Note 5 Loans and advances to customers

In thousands of euros	31/12/2021	31/12/2020
Overdrafts	34,747	119,990
PCL loans to customers	4,056,169	3,144,314
Other loans to customers	405,405	266,738
Accrued interest	16,038	17,636
Loans and advances to customers – gross amount	**4,512,359**	**3,548,678**
Stage 1 – 2 allowances	(4,678)	(5,363)
Stage 3 allowances	(45,658)	(52,074)
Allowance for credit losses	**(50,336)**	**(57,437)**
TOTAL	**4,462,023**	**3,491,241**

Credit risk on loans to customers is further explained in section 4.2.2 of these financial statements.

Note 6 Other assets

In thousands of euros	31/12/2021	31/12/2020
Accounts receivable[(1)]	209,235	193,121
Guarantee deposits paid[(1)]	82,893	22,542
Settlement accounts for transactions of securities[(1)]	37,598	28,142
Defined benefit pension scheme assets (Note 21)	121,912	18,516
Other sundry assets	145,304	154,586
Other assets	**596,942**	**416,907**
Prepaid expenses	38,096	30,724
Accrued income[(1)]	167,746	148,984
Prepayments and accrued income	**205,842**	**179,708**
TOTAL	**802,784**	**596,615**

(1) These balances represent other financial assets as reported in section 4 of these financial statements.

Note 7 Investments accounted for by the equity method

The amounts in the balance sheet and income statement for associates are shown below.

In thousands of euros	31/12/2021 Equity accounted value	31/12/2021 Share of profit after tax	31/12/2020 Equity accounted value	31/12/2020 Share of profit after tax
Redburn (Europe) Limited	15,028	(1,226)	16,300	(569)
Auster Fund Advisory Ltd	2,515	1,728	670	700
St Julian's Properties Limited	68	(20)	500	399
TOTAL	**17,611**	**482**	**17,470**	**530**

Information about the underlying accounts of the associates is as follows.

	31/12/2021		
In thousands of euros	Redburn (Europe) Limited	Auster Fund Advisory Ltd	St Julian's Properties Limited
Activity	**GA**	**MB**	**Other**
Loans and receivables with bank, net	22,874	3,453	27
Settlement accounts for transactions of securities (asset)	71,300	-	-
Intangible fixed assets	24,682	-	-
Other assets	23,811	5,547	132
Total assets	**142,667**	**9,000**	**159**
Settlement accounts for transactions of securities (liability)	71,300	-	-
Other creditors	16,585	619	24
Total liabilities	**87,885**	**619**	**24**
Net banking revenue	56,861	10,541	-
Profit before tax	(6,170)	5,781	(41)
Net income	**(4,829)**	**5,759**	**(41)**
Other comprehensive income	(148)	205	(12)
Total comprehensive income	**(4,977)**	**5,964**	**(53)**
Dividends paid	**-**	**-**	**883**

All associates are accounted for using the equity method. Information about Group voting rights and ownership interest is disclosed in Note 37.

7.1 Agreement to acquire the remaining 75% of Redburn

On 17 December 2021, Rothschild & Co reached an agreement to acquire a controlling interest in Redburn (Europe) Limited, one of the largest independent equity brokers in Europe. The acquisition will be achieved in two stages, subject to regulatory approval, which is expected during the first half of 2022. The Group will initially increase its current 25.3% stake to between 51% and 75% depending on the outcome of a tender offer. Ultimately, in 2026, Rothschild & Co will acquire the outstanding shares that it will not then own, with the final consideration paid for this stake being dependent on the performance of the Redburn business up to 2025.

The acquisition of Redburn will support the Group's strategy to develop a global multi-product equity solutions platform, spanning independent advice on listed equity offerings, raising capital in the private markets, investor advisory services (including activist defence, ESG advice and investor engagement), through to listed company research and trade execution.

Note 8 Leases

The Group rents several offices around the world from which it conducts its business. The terms of these leases typically span from 5-15 years.

Many of these leases contain clauses whereby the lessee has the opportunity to extend the lease beyond the non-cancellable term of the lease or has the option to terminate the lease early in advance of the contractual end date. Where entities have judged that they are reasonably certain to utilise these options, they have included these early termination/extension options in their assessment of the lease term.

A significant proportion of the Group's property leases are for French commercial leases. Typically, French commercial leases are signed for at least nine years, with unilateral termination possible by the tenant after three or six years. For this reason, this form of lease is commonly also known as 3/6/9 in France. As the tenants of these properties are reasonably certain that they do not expect to utilise these unilateral termination options, they have estimated that the lease term will be for nine years.

The Group, where appropriate, subleases a proportion of these properties to entities outside the Group.

The Group also leases a number of motor vehicles and certain other equipment, which are collectively not significant to the Group's accounts.

8.1 Right of use assets

In thousands of euros	01/01/2021	Additions	Acquisition of a subsidiary	Disposals/ write-offs	Depreciation and impairment	Exchange rate and other movements	31/12/2021
Gross right of use assets							
Leasehold property	257,068	25,028	311	(10,194)	-	6,483	278,696
Other assets	5,886	1,777	-	(1,625)	-	8	6,046
Total right of use assets – gross amount	**262,954**	**26,805**	**311**	**(11,819)**	**-**	**6,491**	**284,742**
Depreciation and allowances							
Leasehold property	(62,901)	-	-	3,474	(32,587)	(1,867)	(93,881)
Other assets	(3,268)	-	-	1,616	(1,633)	(6)	(3,291)
Total depreciation and allowances	**(66,169)**	**-**	**-**	**5,090**	**(34,220)**	**(1,873)**	**(97,172)**
TOTAL	**196,785**	**26,805**	**311**	**(6,729)**	**(34,220)**	**4,618**	**187,570**

8.2 Lease liabilities

In thousands of euros	01/01/2021	Additions	Acquisition of a subsidiary	Disposals/ write-offs	Amounts paid	Unwinding of discount	Exchange rate and other movements	31/12/2021
Leasehold property	225,822	18,485	311	(7,158)	(39,264)	4,764	5,904	208,864
Other assets	2,634	1,708	-	(6)	(1,610)	26	3	2,755
TOTAL	**228,456**	**20,193**	**311**	**(7,164)**	**(40,874)**	**4,790**	**5,907**	**211,619**

Using permitted exemptions, the Group does not capitalise low-value leases and short-term leases. The amounts recorded in the P&L in respect of these leases were as follows:

In thousands of euros	31/12/2021	31/12/2020
Low value leases	(3)	-
Short term leases	(1,760)	(1,245)
TOTAL	**(1,763)**	**(1,245)**

8.3 Operating lease commitments payable

	31/12/2021		31/12/2020	
In thousands of euros	Land and buildings	Other	Land and buildings	Other
Up to one year	635	127	431	5
Between one and five years	-	-	-	-
Over five years	-	-	-	-
TOTAL	**635**	**127**	**431**	**5**

Amounts disclosed as commitments payable as at 31 December 2021 represent a commitment to pay for leases that are short term, low value, or otherwise not subject to capitalisation due to materiality.

Note 9 Acquisition of subsidiaries

On 15 July 2021, the Group acquired 100% of Pâris Bertrand Holdings, which owns Banque Pâris Bertrand. Banque Pâris Bertrand is a renowned private bank with headquarters in Switzerland and offices in Geneva and Luxembourg. Banque Pâris Bertrand's client base consists of wealthy families, family offices and institutional investors, primarily from Switzerland, as well as other markets in Europe. Banque Pâris Bertrand is an excellent strategic fit for the Wealth Management business of Rothschild & Co, thanks to a similar strategy and culture and a comparable client profile. Banque Pâris Bertrand also brings complementary investment capabilities and a presence in Luxembourg, therefore generating synergies by combining the respective client bases of Banque Pâris Bertrand and Rothschild & Co.

R&Co has acquired 100% of the shares in Pâris Bertrand Holdings. The consideration includes contingent consideration measured at €20.7 million at the acquisition date, which is the maximum amount of contingent payments that are potentially payable. The contingent consideration is payable in three annual instalments between September 2021 and September 2023, and the amount of the payments depends on the development of assets under management over this time.

The identifiable assets and liabilities of the Pâris Bertrand Holdings group have been measured at fair value as at the effective date of the acquisition, and are shown below. The carrying amount of the acquired receivables are a reasonable approximation of their fair value. The costs of acquisition have been expensed and are not material in a Group context.

The consolidated normalised revenue of Pâris Bertrand Holdings in the period from 1 January 2021 to its acquisition by the Group was €12.7 million and its normalised profit in the same period was €0.9 million.

On 1 November 2021, Banque Pâris Bertrand SA, one of the companies acquired, legally merged with Rothschild & Co Bank AG. This transaction had no impact on the consolidated Group accounts.

The assets and liabilities acquired, which are disclosed below, have been updated since they were first disclosed on a provisional basis in the consolidated interim accounts for the six month period ended 30 June 2021.This follows refinement of the facts and circumstances that existed at the acquisition date, and have led to a corresponding decrease in the fair value of net assets acquired as well as an equivalent reduction in the consideration paid. The goodwill has not changed since it was disclosed in the June 2021 accounts.

Assets

In millions of euros	15/07/2021
Cash and amounts due from central banks	43.7
Financial assets at fair value through profit or loss	2.6
Securities at amortised cost	7.7
Loans and advances to banks	6.3
Loans and advances to customers	78.2
Current tax assets	0.2
Deferred tax assets	1.4
Other assets	8.6
Tangible fixed assets	1.3
Right of use assets	0.3
Intangible fixed assets	20.5
TOTAL ASSETS	**170.8**

Liabilities and shareholders' equity

In millions of euros	15/07/2021
Financial liabilities at fair value through profit or loss	1.1
Customer deposits	128.2
Current tax liabilities	0.2
Deferred tax liabilities	4.1
Lease liabilities	0.3
Other liabilities, accruals and deferred income	8.5
Provisions	6.8
TOTAL LIABILITIES	**149.2**
Non-controlling interests	-
FAIR VALUE OF NET ASSETS ACQUIRED	**21.6**

The goodwill arising from this transaction amounts to €57.9 million. The goodwill is the excess of the amount paid over the recognisable net assets, and is largely attributable to value expected to arise from future economies of scale and the synergies described above. None of this goodwill is deductible for income tax purposes.

Note 10 Tangible fixed assets

In thousands of euros	01/01/2021	Additions	Acquisition of a subsidiary	Disposals/ write-offs	Depreciation/ impairment charge	Exchange rate and other movements	31/12/2021
Gross tangible fixed assets							
Operating land and buildings	353,732	5,130	572	(10,189)	-	18,866	368,111
Other tangible fixed assets	153,418	8,447	3,269	(37,052)	-	5,106	133,188
Total tangible fixed assets – gross amount	**507,150**	**13,577**	**3,841**	**(47,241)**	**-**	**23,972**	**501,299**
Depreciation and allowances							
Operating land and buildings	(127,721)	-	(102)	10,278	(13,880)	(6,554)	(137,979)
Other tangible fixed assets	(104,361)	-	(2,428)	33,011	(16,317)	(4,551)	(94,646)
Total depreciation and allowances	**(232,082)**	**-**	**(2,530)**	**43,289**	**(30,197)**	**(11,105)**	**(232,625)**
TOTAL	**275,068**	**13,577**	**1,311**	**(3,952)**	**(30,197)**	**12,867**	**268,674**

Note 11 Intangible fixed assets

In thousands of euros	01/01/2021	Additions	Acquisition of a subsidiary	Disposals/ write-offs	Amortisation /impairment	Exchange rate and other movements	31/12/2021
Gross intangible fixed assets							
Brand names	157,485	-	1,388	-	-	60	158,933
Other intangible assets	54,515	11,858	19,371	(292)	-	1,304	86,756
Total intangible assets – gross amount	**212,000**	**11,858**	**20,759**	**(292)**	**-**	**1,364**	**245,689**
Amortisation and allowances							
Brand names	-	-	-	-	(72)	-	(72)
Other intangible assets	(28,095)	-	(218)	24	(8,105)	(168)	(36,562)
Total amortisation and allowances	**(28,095)**	**-**	**(218)**	**24**	**(8,177)**	**(168)**	**(36,634)**
TOTAL	**183,905**	**11,858**	**20,541**	**(268)**	**(8,177)**	**1,196**	**209,055**

By far the most significant of the brand names is the asset related to the use of the “Rothschild & Co” name. This is considered to have an indefinite useful life and is, therefore, not amortised, but is instead subject to an impairment test performed at least annually.

11.1 Testing for impairment

As at 31 December 2021, the Group performed an impairment test for the "Rothschild & Co" name and additionally considered whether impairment losses are required due to the potential longer-term impact of Covid-19. It valued the name using the "royalty relief" method, whereby the value of the name is based on the theoretical amount that would be paid if the name were licensed from a third party, and not owned. Income for testing purposes has been determined on the basis of a three-year plan drawn up through the Group's budget process and then extended in perpetuity to a terminal value, using a long-term growth rate.

The economic disruption resulting from the Covid-19 pandemic had little impact on the 2021 Group's results other than reducing certain operating costs such as travel. For the purposes of this test, we did not anticipate any material impact from Covid-19 on our results for 2022 and thereafter. Based on this test, the amount by which the income would have to fall to cause an impairment would be 76% (December 2020: 65%).

The other key assumptions used for the test and the value that would result in an impairment are:

	Value used		Value that will result in an impairment	
Key assumptions	31/12/2021	**31/12/2020**	31/12/2021	**31/12/2020**
Royalty rate	2.0%	2.0%	0.5%	0.7%
Discount rate	8.0%	8.0%	26%	19%
Revenue growth rate in perpetuity	2.0%	2.0%	(100%)	(16%)

Note 12 Goodwill

In thousands of euros	**Global Advisory**	**Wealth and Asset Management**	**Merchant Banking**	Total
As at 1 January 2021	**122,050**	**9,205**	**3,853**	**135,108**
Additions	-	58,095	-	58,095
Currency translation	1,390	2,513	315	4,218
AS AT 31 DECEMBER 2021	**123,440**	**69,813**	**4,168**	**197,421**

12.1 Additions

On 15 July 2021, the Group acquired 100% of Pâris Bertrand Holdings. The accounting consequences of this are explained in Note 9.

12.2 Testing for impairment

The Group has performed its annual impairment tests as at 31 December 2021 and additionally considered whether impairment losses are required due to the potential longer-term impact of Covid-19. The tests are applied for each of the cash-generating units (CGU) to which goodwill has been allocated. The recoverable amount of the CGUs was calculated using the most appropriate method. The results of these tests concluded that no impairment was needed on any of the Group's goodwill.

For the main CGU covering the wider GA business, the fair value has been calculated using price/earnings (PER) multiples that have been applied to the normalised profits earned after tax. The value was determined using parameters derived from market conditions and based on data from comparable companies.

The following assumptions were used

- normalised profit after tax is determined over the last three years; and
- trading multiples used were medium-term PER multiples of M&A-focused peers.

The valuation technique would be classified in Level 2 of the fair value hierarchy.

The GA business achieved record results in 2021, and results of sensitivity tests on this CGU show that either the PER or the normalised profit would have to decrease by 65% (December 2020: 60%) for an impairment to be considered.

Parameters used to value other CGUs have been derived from market conditions and based on data from comparable companies. For these other CGUs, the weighted average amount by which the estimated value of that CGU exceeds its carrying value is 345% (December 2020: 260%), with a minimum value of 65% (December 2020: 18%).

Note 13 Due to banks and other financial institutions

In thousands of euros	31/12/2021	31/12/2020
Interbank demand and overnight deposits	14,932	148,924
Repurchase agreements	325,000	200,000
Interbank term deposits and borrowings	167,865	159,881
Accrued interest	4,681	4,734
TOTAL	**512,478**	**513,539**

Repurchase agreements consist of debt (TLTRO) issued by the ECB. The Group considers that the interest rate, including the possible bonus, is a market rate, as the ECB applies the same conditions to all banks. Debt with a market rate of interest is accounted for under IFRS 9.

It has given rise to the recognition of negative interest expense at an enhanced rate of -100 bp over the period, a rate that the Group considers that it will achieve, as it is highly probable that the lending objectives defined by the ECB will be met.

Note 14 Customer deposits

In thousands of euros	31/12/2021	31/12/2020
Demand deposits	11,025,423	9,233,970
Term deposits	517,399	498,783
Borrowings secured by bills	112,297	139,524
Accrued interest	412	818
TOTAL	**11,655,531**	**9,873,095**

Note 15 Other liabilities, accruals and deferred income

In thousands of euros	31/12/2021	31/12/2020
Due to employees	980,086	660,839
Other accrued expenses and deferred income	127,726	113,202
Accrued expenses	**1,107,812**	**774,041**
Settlement accounts for transactions of securities(1)	133,789	114,717
Accounts payable (1)	43,136	22,925
Sundry creditors	108,608	85,479
Other liabilities	**285,533**	**223,121**
TOTAL	**1,393,345**	**997,162**

(1) These balances represent other financial liabilities as reported in section 4 of these financial statements.

Note 16 Provisions

In thousands of euros	01/01/2021	Charge/ (release)	(Paid)	Exchange movement	Other movements	31/12/2021
Provisions for counterparty risk	681	-	-	-	-	681
Provisions for claims and litigation	21,153	1,944	(2,595)	286	9	20,797
Provisions for property	2,287	(187)	(733)	74	349	1,790
Provisions for staff costs	4,658	1,313	110	25	633	6,739
Other provisions	3,692	-	(2,018)	-	-	1,674
Subtotal	**32,471**	**3,070**	**(5,236)**	**385**	**991**	**31,681**
Retirement benefit liabilities (Note 21)	89,410	-	-	-	(78,103)	11,307
TOTAL	**121,881**	**3,070**	**(5,236)**	**385**	**(77,112)**	**42,988**

From time to time, the Group is involved in legal proceedings or receives claims arising from the conduct of its business. Based upon available information and, where appropriate, legal advice, provisions are made where it is probable that an outflow of resources will be required and the amount can be reliably estimated.

Also within provisions for claims and litigation are amounts set aside to cover estimated costs of other legal proceedings and claims arising from the conduct of business.

Management believes that the level of provisions made in these financial statements continues to be sufficient for any potential or actual proceedings or claims that are likely to have an impact on the Group's financial statements, based on information available at the reporting date.

Note 17 Impairments

In thousands of euros	01/01/2021	Income statement (charge)	Income statement reversal	Written off	Exchange rate and other movements	31/12/2021
Loans and advances to customers	(57,437)	(4,347)	7,446	5,230	(1,228)	(50,336)
Other assets	(24,578)	(8,028)	3,056	6,588	(963)	(23,925)
Securities at amortised cost	(534)	(21)	-	-	-	(555)
TOTAL	**(82,549)**	**(12,396)**	**10,502**	**11,818**	**(2,191)**	**(74,816)**

Note 18 Deferred tax

The movement in the deferred tax account is as follows:

In thousands of euros	31/12/2021	31/12/2020
Net asset/(liability) as at beginning of period	**32,411**	**17,996**
of which deferred tax assets	*71,184*	*59,469*
of which deferred tax liabilities	*(38,773)*	*(41,473)*
Recognised in income statement		
Income statement (expense)/income	10,252	(3,172)
Recognised in equity		
Defined benefit pension arrangements	(34,025)	19,380
Financial assets at fair value through other comprehensive income	-	381
Share options	2,856	143
Net investment hedge	(16)	(271)
Cash flow hedge	(284)	18
Exchange differences	3,234	(2,498)
Acquisition of a subsidiary	(2,706)	-
Other	227	434
NET ASSET/(LIABILITY) AS AT END OF PERIOD	**11,949**	**32,411**
of which deferred tax assets	*64,025*	*71,184*
of which deferred tax liabilities	*(52,076)*	*(38,773)*

Deferred tax net assets are attributable to the following items:

In thousands of euros	31/12/2021	31/12/2020
Deferred profit share arrangements	70,360	40,462
Provisions	4,124	5,739
Share options	4,120	1,116
Accelerated depreciation	1,865	1,009
Losses carried forward	449	1,932
Financial assets at fair value	(1,841)	(1,039)
Defined benefit pension (assets)/liabilities	(20,361)	15,756
Other temporary differences	5,309	6,209
TOTAL	**64,025**	**71,184**

In accordance with the Group's accounting policy, some deductible temporary differences have not given rise to the recognition of deferred tax assets, mainly in Asia and Canada. Unrecognised deferred tax assets amounted to €37.6 million at 31 December 2021 (December 2020: €42.5 million). The Group has not recognised significant amounts of deferred tax assets for tax losses carried forward.

Deferred tax net liabilities are attributable to the following items:

In thousands of euros	31/12/2021	31/12/2020
Intangible assets recognised following acquisition of subsidiaries	17,468	13,459
Fair value adjustments to properties	8,715	9,435
Undistributed reserves	8,500	-
Financial assets at fair value	8,296	9,038
Defined benefit pension assets	4,454	1,396
Accelerated capital allowances	2,587	2,912
Other temporary differences	2,056	2,533
TOTAL	**52,076**	**38,773**

Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to set-off the current tax assets and liabilities and the balance relates to income tax levied by the same tax authority on the same taxable entity or tax group. There must also be the intention and the will to settle on a net basis or to realise the current tax assets and liabilities simultaneously.

The deferred tax (expense)/income in the income statement comprises the following temporary differences:

In thousands of euros	31/12/2021	31/12/2020
Deferred profit share arrangements	20,933	(3,419)
Tax losses carried forward	3,136	2,667
Depreciation differences	1,028	(1,432)
Fair value adjustments to properties	904	747
Financial assets carried at fair value	(91)	321
Allowances for loan losses	(1,791)	1,308
Defined benefit pension liabilities	(6,953)	(6,721)
Undistributed reserves	(8,500)	-
Other temporary differences	1,586	3,357
TOTAL	**10,252**	**(3,172)**

Note 19 Structured entities

A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. It will often have restricted activities and a narrow or well-defined objective and can include some investment funds.

In most cases, it is clear under IFRS 10 that the Group need not consolidate its investments in structured entities. However, some structured entities are managed by the Group in the form of funds in which the Group's own money is also invested. In these situations, a judgment must be made as to whether there is a need to consolidate these funds or not. To do this, a combined assessment of two key indicators is made:

- remuneration and other economic interests in aggregate; and
- kick-out rights.

To assess economic interests, it is considered, at a particular level of returns, how much of any further increase in the performance of a fund accrues to the manager ("the variability of the economic interest"). The level of returns at which R&Co measure this is the level at which performance fees begin to accrue.

A high level of variability would support the conclusion that a manager might be a principal (and would probably consolidate the managed fund). Meanwhile, a low level of variability would indicate that a manager might be an agent for the other investors (and would probably not consolidate).

Additionally, negligible rights for the investors to remove the manager or transfer their funds might indicate that a manager is a principal (and would probably consolidate) while strong rights might suggest that a manager is an agent (and would probably not consolidate).

The Group's judgment is guided by both IFRS 10 and its understanding of market practice.

19.1 Interest in unconsolidated structured entities

The following table shows the Group's interest in unconsolidated structured entities that it manages, and in that it has made an equity investment.

	31/12/2021			31/12/2020		
In thousands of euros	Equity funds	Debt funds	Total	Equity funds	Debt funds	Total
Total assets within the underlying vehicles	**4,934,835**	**2,737,522**	**7,672,357**	**3,006,172**	**3,082,747**	**6,088,919**
Assets under management including third party commitments	**7,693,952**	**3,921,795**	**11,615,747**	**6,344,765**	**3,830,633**	**10,175,398**
Interest held in the Group's balance sheet:						
Debt and equity securities at FVTPL	713,916	125,365	839,281	484,283	151,151	635,434
Debt securities at amortised cost	-	58,934	58,934	-	69,660	69,660
Loans and advances to customers	118,824	-	118,824	30,302	-	30,302
Total assets in the Group's balance sheet	**832,740**	**184,299**	**1,017,039**	**514,585**	**220,811**	**735,396**
Off-balance sheet commitments made by the Group	525,362	55,933	581,295	540,265	59,211	599,476
Group's maximum exposure	**1,358,102**	**240,232**	**1,598,334**	**1,054,850**	**280,022**	**1,334,872**

Note 20 Non-controlling interests

Non-controlling interests (NCoI) represent the equity share of fully consolidated subsidiaries that is not attributable to the Group. These interests comprise the equity instruments that have been issued by these subsidiaries and that are not held by the Group. The Group's income, net assets and distributions that are attributable to NCoI arise from the following sources:

	31/12/2021			31/12/2020		
In thousands of euros	Income	Amounts in the balance sheet	Distributions	Income	Amounts in the balance sheet	Distributions
Share of profit attributable to non-controlling interests						
Preferred shares	181,208	157,847	141,466	134,725	118,105	154,226
Other	1,407	4,770	310	(498)	2,144	2,068
Expense, net of tax						
Perpetual subordinated debt	12,656	305,760	12,963	14,485	284,689	14,172
TOTAL	**195,271**	**468,377**	**154,739**	**148,712**	**404,938**	**170,466**

20.1 Preferred shares

Preferred shares within NCoI mainly consist of amounts calculated in accordance with statutory clauses applicable to French limited partnerships of the Group including Rothschild Martin Maurel SCS, the French holding company of our WAM and GA businesses located in France, and its relevant subsidiaries. The distributed profit share *(préciput)* is based on the partnerships' individual local earnings.

20.2 Perpetual subordinated debt

Subsidiaries inside the Group have issued to third parties perpetual subordinated debt instruments that have discretionary clauses relating to the payment of the interest. Under IFRS, these instruments are considered to be equity instruments and are shown as part of NCoI because they were issued by subsidiaries and not held by the Group. The interest payable, net of tax relief, on these instruments is shown as a charge to NCoI. The instruments are shown below.

In thousands of euros	31/12/2021	31/12/2020
Perpetual fixed rate subordinated notes 9 per cent (£125 million)	176,267	164,466
Perpetual floating rate subordinated notes (€150 million)	61,649	57,522
Perpetual floating rate subordinated notes (US$200 million)	67,844	62,701
TOTAL	**305,760**	**284,689**

Note 21 Retirement benefit obligations

The Group supports various pension schemes for the employees of operating subsidiaries. Where material, these are described below.

The NMR Pension Fund ("UK Fund") is operated by NMR for the benefit of employees of certain Group companies in the United Kingdom. This fund includes a defined benefit section, which closed to new entrants in 2003.

The NMR Overseas Pension Fund ("Overseas Fund") is operated for the benefit of employees of certain Group companies outside the United Kingdom. The defined benefit section also closed to new entrants in 2003. The employees in the Overseas Fund stopped earning additional defined benefit pensions in 2017. Benefits built up by former in-service members will increase between the date of closure and each member's retirement date in line with the standard deferred revaluation in the fund's rules.

R&CoBZ also operates funded pension schemes ("Swiss Funds"). These schemes have been set up on the basis of the Swiss method of defined contributions but have certain characteristics of a defined benefit pension plan. Current employees and pensioners (former employees or their surviving partners) receive benefits upon retiring as well as in the event of death or invalidity. These benefits are financed through employer and employee contributions. Since the Pâris Bertrand group was acquired in July, its funded pension scheme has been fully merged into the Swiss Funds of R&CoBZ.

Additionally, certain companies in the Group have smaller unfunded obligations in respect of pensions and other post-employment benefits.

The latest formal actuarial valuations of the UK Fund and the Overseas Fund were carried out as at 31 March 2019. The value of the defined benefit obligation has been updated to 31 December 2021 by qualified independent actuaries. Valuations of the Swiss Funds are performed for each closing, also by qualified actuaries.

The defined benefit obligations expose the Group to a number of risks, including longevity, inflation, interest rate and investment performance. These risks are mitigated where possible by applying an investment strategy for the funded schemes that aims to minimise the long-term costs. This is achieved by investing in a diversified selection of asset classes, which aims to reduce the volatility of returns and also achieves a level of matching with the underlying liabilities. The matching assets that the funded schemes invest in include corporate bonds, government gilts and a specific liability-driven investment mandate, which provides a partial hedge of the funds' interest rate and inflation exposure. Overall, the objective is to select assets that will generate income and capital growth to fund the cost of current – and, where applicable, future – benefits payable by the funds. The choice of assets also reflects factors such as the funding position and whether the Fund is closed to future accrual.

21.1 Amounts recognised in the balance sheet

In thousands of euros	UK and Overseas Funds	Swiss Funds	Other	31/12/2021
Present value of funded obligations	1,253,842	261,545	-	1,515,387
Fair value of plan assets	(1,353,145)	(284,154)	-	(1,637,299)
Subtotal	**(99,303)**	**(22,609)**	**-**	**(121,912)**
Present value of unfunded obligations	-	-	11,307	11,307
TOTAL	**(99,303)**	**(22,609)**	**11,307**	**(110,605)**
of which schemes with net liabilities	*-*	*-*	*11,307*	*11,307*
of which schemes with net (assets)	*(99,303)*	*(22,609)*	*-*	*(121,912)*

In thousands of euros	UK and Overseas Funds	Swiss Funds	Other	31/12/2020
Present value of funded obligations	1,242,357	222,440	-	1,464,797
Fair value of plan assets	(1,184,360)	(223,008)	-	(1,407,368)
Subtotal	**57,997**	**(568)**	**-**	**57,429**
Present value of unfunded obligations	-	-	13,465	13,465
TOTAL	**57,997**	**(568)**	**13,465**	**70,894**
of which schemes with net liabilities	*69,424*	*6,521*	*13,465*	*89,410*
of which schemes with net (assets)	*(11,427)*	*(7,089)*	-	*(18,516)*

21.2 Movement in net defined benefit obligation

In thousands of euros	Plan (assets)	Defined benefit obligations	Net defined benefit liability/ (asset)
As at 1 January 2021	**(1,407,368)**	**1,478,262**	**70,894**
Acquisition of a subsidiary	(23,253)	30,038	6,785
Current service cost (net of contributions paid by other plan participants)	-	15,014	15,014
Contributions by the employees	(3,508)	3,508	-
Past service costs	-	(697)	(697)
Interest (income)/cost	(17,663)	18,486	823
Remeasurements due to:			
• actual return less interest on plan assets	(119,768)	-	(119,768)
• changes in financial assumptions	-	(73,210)	(73,210)
• changes in demographic assumptions	-	(4,457)	(4,457)
• experience (gains)/losses	-	16,955	16,955
Benefits paid	45,773	(45,773)	-
(Contributions) by the Group	(27,292)	-	(27,292)
Administration expenses	2,093	-	2,093
Exchange and other differences	(86,313)	88,568	2,255
AS AT 31 DECEMBER 2021	**(1,637,299)**	**1,526,694**	**(110,605)**

Following the March 2019 triennial actuarial valuation of the UK Fund, the trustees of the defined benefit pension fund have agreed a contribution plan with the Group to reduce the resulting deficit in accordance with pensions regulation. The aim has been to eliminate the funding deficit by 2023 with €17.9 million of additional contributions per year, with contributions payable from 31 March 2021 being subject to a review on the basis of the funding position of the UK Fund. Given the improved funding position, deficit repair contributions ceased to be paid from 1 July 2021, with the position currently being reviewed quarterly. In addition, participating employers in the fund have agreed to pay 55.2% of in-service member's pensionable salaries each year in respect of future accrual of benefits. The contributions payable to the fund are subject to review at the next actuarial valuation, due 31 March 2022.

The Overseas Fund is in surplus on the agreed funding assumptions. Following its March 2019 triennial valuation, it was agreed that no contributions need to be made other than to cover certain expenses of the Overseas Fund.

It is estimated that total contributions of €20 million will be paid to the Group's defined benefit pension schemes in the twelve months ending 31 December 2022.

The Group has assessed that no further liability arises for the UK, Overseas and Swiss Funds under IFRIC 14 – IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. This conclusion was reached because the trustees of the UK and Overseas Funds do not have a unilateral power to wind up the fund and the funds' rules allow the sponsoring company an unconditional right to a refund assuming the gradual settlement of plan liabilities over time until all members have left the fund. Meanwhile, the plan assets of the Swiss Funds contain a repurchase value of CHF3.5 million, resulting from a reinsurance contract with Zurich Insurance Company Ltd, Zurich (Zurich Insurance). Zurich Insurance does not have a unilateral power to wind up the reinsurance contract.

The net pension asset in the Swiss Funds is expected to become available to the Group because the statutory employer contributions do not fully cover the employer service cost according to IAS 19. According to IFRIC 14, the maximum economic benefit is the capitalised value of the difference between the employer service cost and the expected employer's contributions to the fund for the following financial year.

The weighted average projected maturity of fund liabilities is 18.5 years for the UK Fund and 16.1 years for the main Swiss Fund.

21.3 Amounts recognised in the income statement relating to defined benefit post-employment plans

In thousands of euros	31/12/2021	31/12/2020
Current service cost (net of contributions paid by other plan participants)	15,014	13,423
Net interest (income)/cost	823	(162)
Past service (income)/cost	(697)	755
Administration costs	2,093	1,936
TOTAL (INCLUDED IN STAFF COSTS)	**17,233**	**15,952**

21.4 Amounts recognised in statement of comprehensive income

In thousands of euros	31/12/2021	31/12/2020
Remeasurement (losses)/gains recognised in the period	180,480	(82,775)
Cumulative remeasurement losses recognised in the statement of comprehensive income	(113,270)	(293,750)

21.5 Actuarial assumptions and sensitivities

The principal actuarial assumptions used in the main funds as at the balance sheet date were as follows.

	UK and Overseas Funds		Swiss Funds	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Discount rate	2.0%	1.4%	0.20%	0.10%
Retail price inflation	3.3%	2.8%	n/a	n/a
Consumer price inflation	2.4%	2.0%	0.75%	0.50%
Expected rate of salary increases	2.0%	2.0%	1.0%	1.0%
Expected rate of increase of pensions in payment:				
Uncapped increases	n/a	n/a	0.0%	0.0%
Capped at 5.0%	3.1%	2.8%	n/a	n/a
Capped at 2.5%	2.1%	2.0%	n/a	n/a
Life expectancy in years of a:				
Male pensioner aged 60	29.1	29.0	27.6	27.6
Female pensioner aged 60	30.6	30.4	29.4	29.8
Male pensioner aged 60 in 20 years' time	30.4	30.4	30.0	29.3
Female pensioner aged 60 in 20 years' time	31.9	31.8	31.5	31.5

The CPI assumption for the UK and Overseas Fund is derived by deducting a wedge from the RPI inflation assumption, to reflect structural differences between the indices. The wedge is 1.1% pa for the period up to 2030 and 0.1% pa for the period after, to reflect that RPI is expected to be more aligned to CPI from 2030. The rate shown above is a weighted average.

The value placed on the defined benefit net liabilities and assets is sensitive to the actuarial assumptions used. Those assumptions that have the most significant impact on the measurement of the liability, along with an illustration of the sensitivity to each assumption, are as follows:

	31/12/2021	
In thousands of euros	UK and Overseas Funds	Swiss Funds
0.5% increase in discount rate	(109,000)	(21,000)
0.5% increase in inflation	80,000	1,000
One year increase in life expectancy	45,000	n/a

The sensitivities shown above reflect only an estimate of the change in the assessed defined benefit obligation for the funds. In practice, any movement leading to a change in the discount rate or price inflation is likely to be partially offset by a change in asset values, and the corresponding overall impact on the net liability is therefore likely to be lower than the amounts above.

21.6 Composition of plan assets

	UK Fund		Overseas Fund		Swiss Funds	
	31/12/2021	**31/12/2020**	31/12/2021	**31/12/2020**	31/12/2021	**31/12/2020**
Equities – quoted	16%	22%	6%	2%	31%	31%
Bonds – quoted	15%	20%	27%	42%	31%	40%
Hedges of liabilities, including gilts	30%	31%	41%	43%	1%	1%
Hedge funds and private equity	10%	8%	0%	0%	8%	9%
Cash and net current assets	6%	2%	22%	4%	13%	4%
Other debt – quoted	18%	13%	4%	6%	0%	0%
Property	5%	4%	0%	3%	14%	14%
Others	0%	0%	0%	0%	2%	1%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

As at 31 December 2021 there was a significant holding in cash for all the funds shown above. This has arisen from rebalancing funds over the year end rather than a desire to hold more cash. In early January these amounts were subsequently invested in quoted bonds (in respect of the Overseas Fund and the Swiss Funds) and gilts (in respect of the UK Fund).

Note 22 Net cash and cash equivalents

For the purposes of drawing up the cash flow statement, the account "cash and cash equivalents" is made up of the following items:

In thousands of euros	31/12/2021	**31/12/2020**
Cash and accounts with central banks	6,005,107	4,697,354
Interbank assets – demand deposits and overnight loans	892,238	810,238
Other cash equivalents	374,252	508,340
Interbank liabilities – demand deposits and overnight loans	(14,932)	(148,924)
TOTAL	**7,256,665**	**5,867,008**

Cash includes demand deposits placed with banks and cash on hand. Other cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of value change. These comprise overnight interbank reverse repos and public bills that are held for trading.

Note 23 Commitments given and received

23.1 Commitments given

In thousands of euros	31/12/2021	31/12/2020
Given to customers	835,401	687,810
Loan and debt security commitments	**835,401**	**687,810**
Given to banks	15,539	12,325
Given to customers	130,622	195,550
Guarantee commitments	**146,161**	**207,875**
Investment commitments	405,713	393,706
Irrevocable nominee commitments	336,212	197,732
Other commitments given	3,275	3,007
Other commitments given	**745,200**	**594,445**

Investment commitments relate to equity investments in Merchant Banking funds and direct investments. Irrevocable nominee commitments represent commitments to funds where the Group acts as a nominee on behalf of its clients. The commitment to employees in respect of deferred remuneration is set out in Note 28.

23.2 Commitments received

In thousands of euros	31/12/2021	31/12/2020
Received from banks	195,148	241,109
Loan commitments	**195,148**	**241,109**
Received from banks	36,195	35,479
Received from customers	650	2,480
Guarantee commitments	**36,845**	**37,959**

23.3 Financial instruments pledged as collateral

In thousands of euros	31/12/2021	31/12/2020
Pledged as collateral for liabilities with central banks	325,000	200,000
Available for refinancing	60,148	126,109
Financial instruments lodged with central banks	**385,148**	**326,109**
Securities sold under repurchase agreements	112,297	139,524
Other financial assets pledged as collateral for liabilities with credit institutions	28,615	19,058
Financial instruments given as collateral	**140,912**	**158,582**

Within these instruments, €28.6 million can be sold or reused by the beneficiaries (December 2020: €19.1 million).

23.4 Securities received under reverse repurchase agreements

In thousands of euros	31/12/2021	31/12/2020
Fair value of securities received under reverse repurchase agreements	852,938	1,040,935
of which: instruments that the Group is authorised to sell or reuse as collateral	*361,726*	*470,435*

As at December 2021, the Group has reused €75 million of securities received under reverse repurchase agreements and sold nil (December 2020: nil and nil).

Note 24 Offsetting financial assets and financial liabilities

The following table shows the impact (1) on the consolidated balance sheet of offsetting assets and liabilities with the same counterparties. Amounts are offset when the Group has a legally enforceable right to set off the recognised amounts, and it intends either to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

The table also indicates (2) amounts subject to a master netting agreement, which may be offset in the event of the default of one of the counterparties, but whose characteristics make them ineligible for offsetting under IFRS. Fair values of financial instruments and collateral here are capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect. This part of the table ("Net amount") is provided to indicate where master netting agreements mitigate the Group's exposure to financial instruments in the event of default by the counterparty. The Group also uses other risk mitigation strategies, such as holding collateral against its loans, but these are not disclosed in this table.

				(2) Impact of Master Netting Agreements		
In millions of euros	Gross amounts	(1) Amounts set off	Net amounts as per balance sheet	Cash collateral received/ pledged	Financial instrument received/ pledged as collateral	Net amount
Derivative assets	121	(24)	97	(48)	-	49
Reverse repos and loans secured by bills	849	-	849	(8)	(841)	-
Guarantee deposits paid	83	-	83	(73)	-	10
Remaining assets not subject to netting	16,621	-	16,621	-	-	16,621
Total assets	**17,674**	**(24)**	**17,650**	**(129)**	**(841)**	**16,680**
Derivative liabilities	126	(24)	102	(73)	-	29
Repurchase agreements with banks	325	-	325	-	(325)	-
Repurchase agreements with customers	112	-	112	-	(112)	-
Guarantee deposits received	56	-	56	(56)	-	-
Remaining liabilities not subject to netting	13,454	-	13,454	-	-	13,454
Total liabilities	**14,073**	**(24)**	**14,049**	**(129)**	**(437)**	**13,483**

7.6 Notes to the income statement

Note 25 Net interest income

25.1 Interest income

In thousands of euros	31/12/2021	31/12/2020
Interest income – loans to banks	5,624	4,943
Interest income – loans to customers	56,933	56,187
Interest income – debt securities at FVTPL	929	733
Interest income – debt securities at amortised cost	3,859	7,691
Interest income – derivatives	21,383	31,693
Interest income – other financial assets	172	222
TOTAL	**88,900**	**101,469**

Interest income includes €2.6 million of negative interest expense on the TLTRO transactions made with the ECB (December 2020: €1.3 million) as well as €1.8 million of negative interest expense from amounts due to customers (December 2020: €1.8 million).

25.2 Interest expense

In thousands of euros	31/12/2021	31/12/2020
Interest expense – due to banks and other financial institutions	(6,599)	(6,623)
Negative interest income from loans to banks	(28,675)	(25,900)
Interest expense – due to customers	(1,928)	(8,244)
Interest expense – derivatives	(1,785)	(2,000)
Interest expense – lease liabilities	(4,790)	(5,450)
Interest expense – other financial liabilities	(91)	(3)
TOTAL	**(43,868)**	**(48,220)**

Note 26 Net fee and commission income

26.1 Fee and commission income

In thousands of euros	31/12/2021	31/12/2020
Fees for M&A advisory work	1,462,756	773,782
Fees for Financing Advisory work and other services	480,759	387,442
Portfolio and other management fees – Wealth and Asset Management	561,827	467,165
Portfolio and other management fees – Merchant Banking	126,082	119,391
Banking and credit-related fees and commissions	7,972	7,950
Other fees	13,892	10,436
TOTAL	**2,653,288**	**1,766,166**

26.2 Fee and commission expense

In thousands of euros	31/12/2021	31/12/2020
Fees for M&A advisory work	(10,849)	(5,377)
Fees for Financing Advisory work and other services	(12,830)	(7,682)
Portfolio and other management fees – Wealth and Asset Management	(70,489)	(57,216)
Portfolio and other management fees – Merchant Banking	(6,131)	(11,849)
Banking and credit-related fees and commissions	(78)	(65)
Other fees	(2,923)	(2,556)
TOTAL	**(103,300)**	**(84,745)**

Note 27 Net gains/(losses) on financial instruments at fair value through profit or loss

In thousands of euros	31/12/2021	31/12/2020
Net income – financial instruments at fair value through profit or loss	194,046	34,946
Net income – carried interest	100,205	7,215
Net income – foreign exchange operations	32,060	25,537
Net income – other trading operations	4,196	(2,340)
TOTAL	**330,507**	**65,358**

Net gains and losses on financial instruments at fair value through profit or loss include the changes in fair value of financial instruments at fair value through profit or loss, and financial instruments held in the trading portfolio, including derivatives.

Financial instruments at fair value through profit or loss include both ordinary equity and carried interest shares held by the Group in its Merchant Banking funds. They also include debt securities issued by its Merchant Banking investment vehicles.

Note 28 Operating expenses

In thousands of euros	31/12/2021	31/12/2020
Compensation and other staff costs	(1,418,227)	(1,065,595)
Defined benefit pension expenses	(17,233)	(15,952)
Defined contribution pension expenses	(17,044)	(14,553)
Staff costs	**(1,452,504)**	**(1,096,100)**
Administrative expenses	(267,348)	(254,842)
TOTAL	**(1,719,852)**	**(1,350,942)**

28.1 Staff costs

As part of its variable pay strategy, the Group pays bonuses to employees. In some cases, the cash payment is deferred to future years.

In most circumstances, deferred cash awards are paid one, two and three years after the year of the award, and the expense is recognised over the two, three and four-year periods from the start of the year of the award to the date of payment. These awards are paid on the condition that the recipient is still an employee of the Group. For employees who are identified as Material Risk Takers (MRT) under the Capital Requirements Directive V (CRDV) will have a portion of their current year bonus deferred over four years, with the expense recognised accordingly. A portion of MRTs' bonuses are settled in the form of a non-cash instrument. There are two forms of non-cash instruments in the R&Co Group, used in response to the Capital Requirements Directives (CRD IV and CRD V). Firstly, an equity-settled deferred share award consisting of R&Co shares: these R&Co shares are released to the employees six months after the vesting date of the award. Secondly, a cash-settled share-linked cash award (non-deferred): this vests immediately but the value of the amount paid moves in line with the R&Co share price over a six-month holding period. Occasionally, in certain circumstances, the Group allows employees to accelerate the vesting of deferred cash awards, and in this case, any remaining uncharged expense is recognised immediately.

A commitment to employees exists in connection with deferred remuneration. Some of this has not yet accrued because it relates to a future service period. The amount of potential future payments that have not yet accrued is €164.0 million (€97.1 million as at 31 December 2020).

The objective of the deferred share-based payment awards is to link the reward of certain key staff with the performance of the Group. In addition to the requirement to remain employed by the Group, these awards may also be cancelled under specific circumstances.

28.2 R&Co Equity Scheme

R&Co also operates Equity Schemes for some of its senior staff. Equity Scheme participants are required to invest in R&Co shares and, for each share owned, they are granted four share options. The shares are subject to a three-year to four-year lock-up period and the share options granted are subject to a vesting period before exercise. Some staff use deferred cash awards to fund their investment in the R&Co shares. In this case, the element of the deferred awards they use that has not yet been expensed at the point of purchase is recognised over the lock-up period.

Movements in the number of share options outstanding are as follows:

	31/12/2021		31/12/2020	
	Number *(in thousands)*	Weighted average exercise price *(in euros)*	Number *(in thousands)*	Weighted average exercise price *(in euros)*
At the beginning of the period	**4,484**	**25.2**	**4,798**	**24.9**
Issued	550	40.6	-	-
Forfeited	(60)	31.2	(40)	24.7
Exercised	(863)	23.3	(274)	18.8
AS AT THE END OF THE PERIOD	**4,111**	**27.6**	**4,484**	**25.2**
Exercisable at the end of the period	2,474	23.1	2,786	21.8

Share options outstanding at the end of the period were as follows:

	31/12/2021		31/12/2020	
Exercise price *(in euros)*	Number of outstanding options *(in thousands)*	Weighted average contractual life *(years)*	**Number of outstanding options** *(in thousands)*	**Weighted average contractual life** *(years)*
€16.01 – €18.00	565	1.8	735	2.8
€18.01 – €20.00	845	1.8	1,129	2.8
€20.01 – €22.00	-	-	-	-
€22.01 – €24.00	30	3.8	55	4.8
€24.01 – €26.00	120	3.8	160	4.8
€26.01 – €28.00	570	4.5	740	4.9
€28.01 – €30.00	233	3.8	288	4.4
€30.01 – €32.00	397	3.9	500	5.2
€32.01 – €35.00	801	6.0	877	6.9
€35.01 – €38.00	-	-	-	-
€38.01 – €41.00	412	3.8	-	-
€41.01 – €44.00	138	3.8	-	-
TOTAL	**4,111**	**3.6**	**4,484**	**4.4**

The fair value of the share-based payment made in the year was €2.1 million (31 December 2020: €nil). Fair values are charged to the income statement over the period of employee service required under the vesting conditions. As the options are equity-settled, there is no liability booked in the balance sheet in respect of these options, and there is no periodic charge or credit in the income statement as the employees' options change in value.

On issuance, options are valued by an independent valuer using a Black-Scholes option valuation model. The key inputs into this model are the price of the underlying R&Co shares, the expected volatility of the share price (for which the historic volatility has been the primary consideration), and the estimated exercise date of the options (which is assumed to be the mid-point between the dates of vesting and expiry). The valuation is based on the assumption that all recipients will remain with the Group.

The charge arising in the period that relates to share-based payments is included in the account "Compensation and other staff costs", and amounts to €1.3 million (31 December 2020: €2.0 million).

Note 29 Depreciation, amortisation and impairment of tangible and intangible fixed assets

In thousands of euros	31/12/2021	31/12/2020
Depreciation of tangible assets	(29,145)	(26,631)
Depreciation of right of use assets	(35,412)	(34,453)
Amortisation of intangible assets	(8,136)	(6,033)
Depreciation and amortisation	**(72,693)**	**(67,117)**
Impairment (charge) – tangible assets	(1,052)	-
Impairment (charge)/release – right of use assets	1,192	(168)
Impairment (charge) – intangible assets	(41)	-
Impairments	**99**	**(168)**
TOTAL	**(72,594)**	**(67,285)**

Note 30 Cost of risk

In thousands of euros	Impairment	Impairment reversal	Recovered loans	31/12/2021	31/12/2020
Loans and advances to customers	(4,347)	7,446	374	3,473	(4,409)
Securities at amortised cost	(21)	-	-	(21)	220
Other assets	(8,028)	3,056	36	(4,936)	(3,494)
Commitments given to customers	-	-	-	-	366
TOTAL	**(12,396)**	**10,502**	**410**	**(1,484)**	**(7,317)**

Note 31 Net income/(expense) from other assets

In thousands of euros	31/12/2021	31/12/2020
Gains/(losses) related to disposal and impairment of tangible or intangible assets	(1,308)	278
Gains/(losses) on disposal and impairment of Group companies	(1,256)	(597)
Non-operating income/(expense)	1,948	(4,648)
TOTAL	**(616)**	**(4,967)**

The result in the account "Non-operating income" includes the unrealised change in value and dividend income from certain fair-valued legacy investments, which are excluded from the management result.

Note 32 Income tax expense

In thousands of euros	31/12/2021	31/12/2020
Current tax	(180,069)	(56,555)
Deferred tax	10,252	(3,172)
TOTAL	**(169,817)**	**(59,727)**

Further details of the current and deferred tax charge are as follows:

32.1 Current tax

In thousands of euros	31/12/2021	31/12/2020
Tax charge for the period	(172,929)	(65,210)
Adjustments related to prior periods	(1,828)	(1,251)
Irrecoverable dividend-related tax	(5,268)	(2,461)
Other	(44)	12,367
TOTAL	**(180,069)**	**(56,555)**

Following changes to tax law in the US, passed in response to the Covid-19 pandemic, it became possible during 2020 to carry back tax losses. The €12.4 million profit disclosed in 2020 in the account "Other" relates to tax losses in the US, which have been fully recovered during 2021 as a result of these changes.

32.2 Deferred tax

In thousands of euros	31/12/2021	31/12/2020
Temporary differences	9,400	(5,282)
Changes in tax rates	4,796	1,010
Irrecoverable dividend-related tax	(5,100)	-
Adjustments related to prior periods	1,156	1,100
TOTAL	**10,252**	**(3,172)**

32.3 Reconciliation of the tax charge between the French standard tax rate and the effective rate

In thousands of euros	31/12/2021		31/12/2020	
Profit before tax		**1,130,892**		**368,950**
Expected tax charge at standard French corporate income tax rate	**28.41%**	**321,286**	**32.02%**	**118,138**
Main reconciling items[1]				
Impact of foreign profits and losses taxed at different rates	(10.2%)	(115,345)	(7.0%)	(25,743)
Tax on partnership profits recognised outside the Group	(4.3%)	(48,366)	(11.5%)	(42,302)
Tax impact on deferred tax relating to change of the corporate income tax rate	(0.4%)	(4,796)	(0.3%)	(1,010)
Recognition of previously unrecognised deferred tax	(0.4%)	(4,514)	(1.3%)	(4,952)
Tax impacts relating to prior years	+0.1%	672	+0.0%	151
Impact of deferred tax unrecognised on losses	+0.2%	2,825	+0.9%	3,370
Permanent differences	+0.3%	3,419	+1.5%	5,364
Tax on dividends received through partnerships	+0.3%	3,813	+1.1%	3,879
Irrecoverable and other dividend-related taxes	+0.9%	10,368	+0.7%	2,461
Other tax impacts	+0.0%	455	+0.1%	371
Actual tax charge	**15.0%**	**169,817**	**16.2%**	**59,727**
EFFECTIVE TAX RATE		**15.0%**		**16.2%**

(1) The categories used in the comparative disclosure are always presented in a way that is consistent with the categories used to explain the tax in the current period.

Note 33 Related parties

The term "Executive Directors", in the context of this note and the Group governance arrangements surrounding the decision-making process at the R&Co level, refers to executive corporate officers *(mandataires sociaux)* of R&Co Gestion, the Managing Partner of R&Co. In accordance with the provisions of R&Co Gestion's articles of association, its chairman is the sole executive corporate officer in the twelve-month financial period to 31 December 2021. The following remuneration was received by the executive corporate officer in 2021, paid by R&Co Gestion but reimbursed by R&Co in accordance with the provisions of R&Co's articles of association relating to R&Co Gestion's operating expenses.

In thousands of euros	31/12/2021
Fixed remuneration of chairman	500
TOTAL	**500**

The chairman of R&Co Gestion did not benefit from payments in shares in respect of 2021 and no severance benefits were provided for termination of work contracts. No other long-term benefits were granted.

The transactions during the period and balances at the end of the period between Group companies which are fully consolidated are eliminated on consolidation, and so are not disclosed. Transactions and balances with companies accounted for by the equity method are not material.

Other related parties are: R&Co Gestion, the Managing Partner of R&Co; the members of the Supervisory Board; people with control of the Group; people with control of the parent company of R&Co as Rothschild & Co Concordia SAS directors; and any person directly or indirectly responsible for management or control of the activities of R&Co. They also include close family members or controlled companies of any person who controls, exercises joint control or significant influence on R&Co; and persons closely related to Executive Directors, members of the Supervisory Board or to board members of Rothschild & Co Concordia SAS, its parent company.

Amounts reported in the Group's accounts that are linked to related parties are disclosed below.

	31/12/2021		31/12/2020	
In thousands of euros	Executive Directors	Other related parties	Executive Directors	Other related parties
Assets				
Loans and advances to customers	845	13,830	-	9,097
TOTAL ASSETS	**845**	**13,830**	**-**	**9,097**
Liabilities				
Due to customers	80	34,677	3,042	52,928
TOTAL LIABILITIES	**80**	**34,677**	**3,042**	**52,928**

	31/12/2021		31/12/2020	
In thousands of euros	Executive Directors	Other related parties	Executive Directors	Other related parties
Income and expenses from transactions with related parties				
Net interest income/(expense)	-	-	-	(52)
Other income	-	68	-	144
TOTAL NET BANKING INCOME	**-**	**68**	**-**	**92**
Other expenses	-	(2,888)	-	(3,214)
TOTAL EXPENSES	**-**	**(2,888)**	**-**	**(3,214)**

Note 34 Fees to Statutory Auditors

	KPMG		Cailliau Dedouit et Associés	
In thousands of euros	31/12/2021	31/12/2020	31/12/2021	31/12/2020
AUDIT				
Statutory audit of consolidated and solo accounts, and related services				
R&Co (parent company)	164	162	164	162
Subsidiaries	2,543	2,258	246	237
Services other than the statutory audit of accounts, required for legal or regulatory reasons				
R&Co (parent company)	45	38	-	-
Subsidiaries	578	288	21	4
Subtotal	**3,330**	**2,746**	**431**	**403**
SERVICES OTHER THAN THE STATUTORY AUDIT OF ACCOUNTS, PROVIDED AT THE REQUEST OF ENTITIES				
Law, tax and social	3	5	-	-
Other	91	41	5	-
Subtotal	**94**	**46**	**5**	**-**
TOTAL	**3,424**	**2,792**	**436**	**403**

Services other than the statutory audit of accounts include €644,000 (31 December 2020: €330,000) for the review of the compliance of Group entities with regard to regulatory provisions.

Note 35 Segmental information

The table below presents a segmental analysis by business line, used internally for assessing business performance, which is then adjusted to conform to the Group's statutory accounting policies. The reconciliation to IFRS mainly reflects: the treatment of profit share *(préciput)* paid to French partners as non-controlling interests; accounting for normal and, in 2021, special deferred bonuses over the period between award and vesting, rather than in the year in which the associated revenues have been booked; the application of IAS 19 for defined benefit pension schemes; adding back non-operating gains and losses booked in the account "Net income/(expense) from other assets" or administrative expenses excluded from the management accounts; and reallocating impairments and certain operating income and expenses for presentational purposes.

35.1 Segmental information split by business

In thousands of euros	Global Advisory	Wealth and Asset Management	Merchant Banking	Other business and corporate centre	Total before IFRS reconciliation	IFRS reconciliation	31/12/2021
Net banking income	**1,915,010**	**593,038**	**398,315**	**14,053**	**2,920,416**	**4,540**	**2,924,956**
Operating expenses	(1,493,741)	(478,770)	(106,399)	(56,194)	(2,135,104)	342,658	(1,792,446)
Cost of risk	-	3,056	-	-	3,056	(4,540)	(1,484)
Operating income	**421,269**	**117,324**	**291,916**	**(42,141)**	**788,368**	**342,658**	**1,131,026**
Share of profits of associated entities	-	-	-	-	-	482	482
Non-operating income	-	-	-	-	-	(616)	(616)
Profit before tax	**421,269**	**117,324**	**291,916**	**(42,141)**	**788,368**	**342,524**	**1,130,892**

In thousands of euros	Global Advisory	Wealth and Asset Management	Merchant Banking	Other business and corporate centre	Total before IFRS reconciliation	IFRS reconciliation	31/12/2020
Net banking income	**1,145,958**	**499,041**	**147,976**	**10,887**	**1,803,862**	**(4,931)**	**1,798,931**
Operating expenses	(977,261)	(421,795)	(90,573)	(53,212)	(1,542,841)	124,614	(1,418,227)
Cost of risk	-	(3,155)	-	-	(3,155)	(4,162)	(7,317)
Operating income	**168,697**	**74,091**	**57,403**	**(42,325)**	**257,866**	**115,521**	**373,387**
Share of profits of associated entities	-	-	-	-	-	530	530
Non-operating income	-	-	-	-	-	(4,967)	(4,967)
Profit before tax	**168,697**	**74,091**	**57,403**	**(42,325)**	**257,866**	**111,084**	**368,950**

35.2 Net banking income split by geographical segment

In thousands of euros	31/12/2021	%	31/12/2020	%
United Kingdom and Channel Islands	868,246	30%	521,415	29%
France	715,924	24%	570,876	32%
Rest of Europe	631,581	22%	241,342	13%
Americas	456,845	16%	293,543	16%
Switzerland	119,202	4%	110,348	6%
Australia and Asia	94,968	3%	44,822	2%
Other	38,190	1%	16,585	1%
TOTAL	**2,924,956**	**100%**	**1,798,931**	**100%**

The breakdown by geographic segment is based on the geographic location of the entity that records the income.

Note 36 Earnings per share

	31/12/2021	31/12/2020
Net income – Group share *(millions of euros)*	765.8	160.5
Profit share *(préciput)* adjustment *(millions of euros)*	(3.0)	(2.6)
Net income – Group share after *préciput* adjustment *(millions of euros)*	**762.8**	**157.9**
Basic average number of shares in issue - *000s*	**72,000**	**71,906**
Earnings per share – basic *(euros)*	**€10.59**	**€2.20**
Effect of potentially dilutive ordinary shares - *000s*	990	348
Diluted average number of shares in issue - *000s*	**72,990**	**72,254**
Earnings per share – diluted *(euros)*	**€10.45**	**€2.19**

Basic earnings per share are calculated by dividing Net income – Group share (after removing accrued profit share *(préciput),* which is not part of the distributable profit available to shareholders) by the weighted average number of shares in issue during the period. The *préciput* adjustment is spread evenly over the reporting period.

Diluted earnings per share are calculated using the treasury share method, whereby net income is divided by the sum of the weighted average number of shares outstanding plus the bonus number of shares that would be issued through dilutive option or share awards. Share options and awards that are dilutive are those that are in the money, based on the average share price during the period. The majority of potential shares that are not dilutive are connected to the Rothschild & Co Equity Scheme.

As there were no gains or losses on discontinued activities, the earnings per share on continuing activities are the same as earnings per share.

Note 37 Consolidation scope

Article L.511-45 of the French Monetary and Financial Code *"Code monétaire et financier"*, requires financial holding companies to publish information on their locations and activities in certain countries and territories.

The following table shows the material subsidiaries and associates that are included in the Group consolidated financial statements, and the territory in which they are domiciled. The list below does not include dormant companies, on account of their immateriality.

The activities below are those used in Note 35, and the abbreviations used are defined in the glossary of this report.

		31/12/2021		31/12/2020		Consolidation method[1]	
Company name	**Activity**	% Group voting interest	% Group ownership interest	**% Group voting interest**	**% Group ownership interest**	31/12/2021	**31/12/2020**
Australia							
Rothschild & Co Australia Limited	GA	100.00	100.00	100.00	100.00	FC	FC
Belgium							
Rothschild & Co Belgium SA	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Wealth Management Belgium – Belgium branch	WAM	100.00	99.98	100.00	99.99	FC	FC
Transaction R&Co Belgique – Belgium branch	GA	-	-	100.00	99.74	-	FC
Brazil							
Rothschild & Co Brasil Ltda	GA	100.00	100.00	100.00	100.00	FC	FC
Canada							
Rothschild & Co Canada Inc.	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Holdings Canada Inc.	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Securities Canada Inc.	GA	100.00	100.00	100.00	100.00	FC	FC
Cayman Islands							
Auster Capital Ltd	MB	30.00	30.00	30.00	30.00	EM	EM
Auster Fund Advisory Ltd	MB	30.00	30.00	30.00	30.00	EM	EM
Auster Holdings Ltd	MB	30.00	30.00	30.00	30.00	EM	EM
VC Acquisition Limited Partnership	Other	-	-	100.00	100.00	-	FC
China							
Nathan Financial Advisory Services (Tianjin) Co. Ltd	GA	-	-	100.00	100.00	-	FC
Rothschild & Co Advisory (Beijing) Company Limited	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Advisory (Beijing) Company Limited – Shanghai Branch	GA	-	-	100.00	100.00	-	FC
Rothschild & Co Financial Advisory (Shanghai) Company Limited	GA	100.00	100.00	-	-	FC	-
Denmark							
N.M. Rothschild & Sons Limited, Denmark Filial	GA	100.00	100.00	100.00	100.00	FC	FC
France							
Aida SAS	Other	100.00	100.00	100.00	100.00	FC	FC
Aix-Rabelais SAS	Other	100.00	99.98	100.00	99.99	FC	FC
Albinoni SAS	Other	100.00	99.98	100.00	99.99	FC	FC
Bastia Rabelais SAS	Other	100.00	99.98	100.00	99.99	FC	FC
Cavour SAS	Other	100.00	100.00	100.00	100.00	FC	FC
Concordia Holding Sarl	Other	100.00	100.00	100.00	100.00	FC	FC
Courtage Etoile SNC	WAM	100.00	99.98	100.00	99.99	FC	FC
Financière Rabelais SAS	Other	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers GP SAS	MB	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers SAS	MB	100.00	100.00	100.00	100.00	FC	FC

Company name	Activity	31/12/2021 % Group voting interest	31/12/2021 % Group ownership interest	31/12/2020 % Group voting interest	31/12/2020 % Group ownership interest	Consolidation method[1] 31/12/2021	Consolidation method[1] 31/12/2020
GEDAF SAS	WAM	100.00	99.98	100.00	99.99	FC	FC
GIE Rothschild & Co	Other	100.00	99.98	100.00	99.99	FC	FC
K Développement SAS	MB	100.00	100.00	100.00	100.00	FC	FC
Lyxor RMM Treasury Fund	WAM	-	-	100.00	99.99	-	FC
Messine Participations SAS	Other	100.00	99.98	100.00	99.99	FC	FC
Messine SAS	Other	99.70	99.68	99.70	99.69	FC	FC
Montaigne Rabelais SAS	Other	100.00	99.98	100.00	99.99	FC	FC
Paris Orléans Holding Bancaire SAS	Other	100.00	100.00	100.00	100.00	FC	FC
PO Capinvest 1 SAS	MB	100.00	100.00	100.00	100.00	FC	FC
PO Fonds SAS	MB	100.00	100.00	100.00	100.00	FC	FC
PO Mezzanine SAS	MB	100.00	100.00	100.00	100.00	FC	FC
R&Co Investments France SAS	WAM	100.00	99.98	100.00	99.99	FC	FC
Rothschild & Cie SCS[2]	GA	99.98	99.96	99.98	99.97	FC	FC
Rothschild & Co Asset Management Europe SCS[2]	WAM	100.00	99.98	100.00	99.99	FC	FC
Rothschild & Co Europe SNC	GA	-	-	100.00	99.98	-	FC
Rothschild & Co Immobilier SCS[2]	GA	98.80	98.77	98.80	98.77	FC	FC
Rothschild & Co SCA	Other	100.00	100.00	100.00	100.00	Parent company	Parent company
Rothschild & Co TA SCS[2]	GA	100.00	99.96	100.00	99.97	FC	FC
Rothschild & Co Wealth & Asset Management SAS – (formerly Martin Maurel)	WAM	99.99	99.99	99.99	99.99	FC	FC
Rothschild Martin Maurel SCS[2]	WAM	99.99	99.98	99.99	99.99	FC	FC
SCI Du 20 Rue Grignan	WAM	100.00	99.98	100.00	99.99	FC	FC
SCI Du 6 Rue De La Bourse	WAM	100.00	99.98	100.00	99.99	FC	FC
SCI Prado Marveyre	WAM	100.00	99.98	100.00	99.99	FC	FC
SCS Holding SAS	Other	100.00	100.00	100.00	100.00	FC	FC
Transaction R&Co Immobilier SCS[2]	GA	100.00	99.75	100.00	99.74	FC	FC
Transaction R&Co SCS [2]	GA	99.79	99.75	99.79	99.74	FC	FC
TrésoPlus	WAM	100.00	99.98	100.00	99.99	FC	FC
TRR Partenaires SAS	GA	75.00	75.00	50.00	49.87	FC	FC
Verdi SAS	Other	100.00	100.00	100.00	100.00	FC	FC
Verseau SAS	MB	100.00	100.00	100.00	100.00	FC	FC
Wargny BBR SA	WAM	100.00	99.98	100.00	99.99	FC	FC
Germany							
Rothschild & Co Deutschland GmbH	GA	100.00	99.98	100.00	99.98	FC	FC
Rothschild & Co Vermögensverwaltung GmbH	WAM	100.00	100.00	100.00	100.00	FC	FC
Greece							
Rothschild & Co Greece Single Member S.A.	GA	100.00	100.00	100.00	100.00	FC	FC
Guernsey							
Jofran Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Maison (C.I.) Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Asset Management Holdings (CI) Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Bank International Limited	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Continuation Finance CI Limited	Other	100.00	100.00	100.00	100.00	FC	FC

		31/12/2021		31/12/2020		Consolidation method[1]	
Company name	**Activity**	% Group voting interest	% Group ownership interest	% Group voting interest	% Group ownership interest	31/12/2021	31/12/2020
Shield Holdings (Guernsey) Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Shield Securities Limited	Other	100.00	100.00	100.00	100.00	FC	FC
St. Julian's Properties Limited	Other	50.00	50.00	50.00	50.00	EM	EM
TM New Court Plan Trust	Other	100.00	100.00	100.00	100.00	FC	FC
Hong Kong							
Rothschild & Co Hong Kong Limited	GA	100.00	100.00	100.00	100.00	FC	FC
India							
Rothschild & Co India Private Limited	GA	100.00	100.00	100.00	100.00	FC	FC
Indonesia							
PT RothschildCo Advisory Indonesia	GA	100.00	100.00	100.00	100.00	FC	FC
Israel							
Rothschild & Co Israel B.V. – Israel Branch	GA	100.00	99.98	100.00	99.98	FC	FC
Italy							
Rothschild & Co Asset Management Europe SCS – Milan Branch	WAM	100.00	99.98	100.00	99.99	FC	FC
Rothschild & Co Italia S.p.A.	GA	100.00	99.98	100.00	99.98	FC	FC
Rothschild & Co Wealth Management Italy SIM SpA	WAM	100.00	100.00	100.00	100.00	FC	FC
Japan							
Rothschild & Co Japan Ltd	GA	100.00	100.00	100.00	100.00	FC	FC
Jersey							
Arena Plaza Jersey GP Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Luxembourg							
Centrum Jonquille S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
Centrum Narcisse S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
Elsinore I GP S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
FA Mezzanine Investments Sàr	MB	-	-	100.00	100.00	-	FC
FACS C General Partner	MB	100.00	100.00	100.00	100.00	FC	FC
FAMI GP S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
FIN PO S.A., SICAR	MB	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Credit Solutions General Partner	MB	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers SA	MB	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Principal Investments International Feeder SCA SICAR	MB	100.00	100.00	100.00	100.00	FC	FC
Hermance Capital Management Sàrl	WAM	100.00	100.00	-	-	FC	-
HRA Investment SCSp	MB	84.62	84.20	84.62	84.20	FC	FC
Oberon GP S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
Oberon II GP S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
Oberon III GP S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
Oberon USA General Partner S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
Parallel GP S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
PO Co Invest GP S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
PO Invest 2 SA	MB	93.85	93.85	93.85	93.85	FC	FC
R Commodity Finance Fund General Partner	WAM	-	-	100.00	99.99	-	FC
Rothschild & Co Investment Managers S.A.	MB and WAM	100.00	100.00	100.00	100.00	FC	FC

Company name	Activity	31/12/2021 % Group voting interest	31/12/2021 % Group ownership interest	31/12/2020 % Group voting interest	31/12/2020 % Group ownership interest	Consolidation method[1] 31/12/2021	Consolidation method[1] 31/12/2020
Rothschild & Co Wealth Management (Europe) S.A. – (formerly Pâris Bertrand (Europe))	WAM	100.00	100.00	-	-	FC	-
RPI Invest 2 SCSp	MB	100.00	100.00	100.00	100.00	FC	FC
RPO GP S.à.r.l.	MB	100.00	100.00	100.00	100.00	FC	FC
RPO Invest 1 SCSp	MB	100.00	100.00	100.00	100.00	FC	FC
Malaysia							
RothschildCo Malaysia Sdn. Bhd.	GA	100.00	100.00	100.00	100.00	FC	FC
Mexico							
Rothschild & Co Mexico Holdings Limited	GA	-	-	100.00	100.00	-	FC
Rothschild & Co Mexico, S.A. de C.V.	GA	100.00	100.00	100.00	100.00	FC	FC
Monaco							
Rothschild & Co Asset Management Monaco – (formerly Rothschild Martin Maurel Monaco Gestion)	WAM	99.30	99.25	99.30	99.25	FC	FC
Rothschild & Co Wealth Management Monaco – (formerly Rothschild Martin Maurel Monaco)	WAM	99.97	99.95	99.97	99.95	FC	FC
Rothschild Martin Maurel SCS – Monaco branch	WAM	100.00	99.98	100.00	99.99	FC	FC
SCI VDP 2	WAM	100.00	71.27	100.00	71.27	FC	FC
SCPM VDP 1	WAM	71.00	70.98	71.00	70.98	FC	FC
Netherlands							
Rothschild & Co CIS B.V.	GA	100.00	99.98	100.00	99.98	FC	FC
Rothschild & Co Continuation Finance B.V.	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Europe B.V.	GA	100.00	99.98	100.00	99.98	FC	FC
Rothschild & Co Israel BV	GA	100.00	99.98	100.00	99.98	FC	FC
Poland							
Rothschild & Co Polska sp.z.o.o.	GA	100.00	99.98	100.00	99.98	FC	FC
Portugal							
Rothschild & Co Portugal Limitada	GA	100.00	99.98	100.00	99.98	FC	FC
Qatar							
Rothschild & Co Doha LLC	GA	100.00	99.98	100.00	99.98	FC	FC
Russia							
Rothschild & Co CIS B.V. – Moscow Branch	GA	100.00	99.98	100.00	99.98	FC	FC
Rothschild & Co CIS B.V. Moscow Representative Office	GA	100.00	99.98	100.00	99.98	FC	FC
Singapore							
Rothschild & Co Singapore Limited	GA	100.00	100.00	100.00	100.00	FC	FC
South Africa							
Rothschild & Co (South Africa) Foundation Trust	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild and Co South Africa (Pty) Ltd	GA	100.00	100.00	100.00	100.00	FC	FC
Southern Arrows Proprietary Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Spain							
Rothschild & Co Wealth Management Spain, A.V., S.A	WAM	100.00	100.00	-	-	FC	-
RothschildCo España S.A.	GA	100.00	99.98	100.00	99.98	FC	FC

Company name	Activity	31/12/2021 % Group voting interest	31/12/2021 % Group ownership interest	31/12/2020 % Group voting interest	31/12/2020 % Group ownership interest	Consolidation method[1] 31/12/2021	Consolidation method[1] 31/12/2020
Sweden							
Rothschild & Co Nordic AB	GA	100.00	99.98	100.00	99.98	FC	FC
Switzerland							
Holding Pâris Bertrand	WAM	100.00	100.00	-	-	FC	-
Pâris Bertrand Holding SA	WAM	100.00	100.00	-	-	FC	-
Rothschild & Co Bank AG	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Continuation Holdings AG	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Global Advisory Switzerland AG	GA	100.00	100.00	100.00	100.00	FC	FC
Turkey							
Rothschild & Co Kurumsal Finansman Hizmetleri Limited Sirketi	GA	100.00	99.98	100.00	99.98	FC	FC
United Arab Emirates							
Rothschild & Co Europe B.V. – Abu Dhabi Representative Office	GA	100.00	99.98	100.00	99.98	FC	FC
Rothschild & Co Middle East Limited	GA	100.00	99.98	100.00	99.98	FC	FC
United Kingdom							
Arrowpoint Advisory LLP	GA	100.00	100.00	100.00	100.00	FC	FC
Arrowpoint Advisory Services Limited	GA	100.00	100.00	100.00	100.00	FC	FC
Continuation Computers Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Five Arrows (Scotland) General Partner Limited	MB	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Credit Solutions Co-Investments, LP	MB	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Finance Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Holding UK Limited	MB	100.00	100.00	-	-	FC	-
Five Arrows Managers LLP	MB	100.00	100.00	100.00	100.00	FC	FC
International Property Finance (Spain) Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Lanebridge Holdings Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Lanebridge Investment Management Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Marplace (Number 480) Limited	Other	100.00	100.00	100.00	100.00	FC	FC
N.M. Rothschild & Sons Limited	GA	100.00	100.00	100.00	100.00	FC	FC
New Court Securities Limited	Other	100.00	100.00	100.00	100.00	FC	FC
O.C. Investments Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Redburn (Europe) Limited	GA	25.31	25.31	25.31	25.31	EM	EM
Risk Based Investment Solutions Limited	Other	-	-	100.00	100.00	-	FC
Rothschild & Co Australia Holdings Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Capital Markets Advisory Limited	GA	100.00	100.00	-	-	FC	-
Rothschild & Co Continuation Finance Holdings Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Continuation Finance PLC	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Continuation Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Credit Management Limited	MB	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Europe Partnership	GA	-	-	100.00	99.98	-	FC
Rothschild & Co Gold Limited	Other	-	-	100.00	100.00	-	FC

Company name	Activity	31/12/2021 % Group voting interest	31/12/2021 % Group ownership interest	31/12/2020 % Group voting interest	31/12/2020 % Group ownership interest	Consolidation method[1] 31/12/2021	Consolidation method[1] 31/12/2020
Rothschild & Co Holdings Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Wealth Management UK Limited	WAM	100.00	100.00	100.00	100.00	FC	FC
Second Continuation Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Shield MBCA Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Shield Trust Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Third New Court Limited	Other	100.00	100.00	100.00	100.00	FC	FC
Walbrook Assets Limited	Other	100.00	100.00	100.00	100.00	FC	FC
United States of America							
FACP General Partner LP	MB	100.00	100.00	100.00	100.00	FC	FC
FACP GP-GP	MB	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers (North America) LLC	MB	100.00	100.00	100.00	100.00	FC	FC
Five Arrows Managers (USA) LLC	MB	100.00	100.00	100.00	100.00	FC	FC
Francarep Inc.	MB	100.00	100.00	100.00	100.00	FC	FC
PO Black LLC	MB	100.00	100.00	100.00	100.00	FC	FC
PO Elevation Rock, Inc.	MB	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Asset Management US Inc.	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co North America Holdings Inc.	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co North America Inc.	GA	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Realty Group Inc.	Other	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co Risk Based Investments LLC	WAM	100.00	100.00	100.00	100.00	FC	FC
Rothschild & Co US Inc.	GA	100.00	100.00	100.00	100.00	FC	FC

(1) FC: full consolidation. EM: equity method.
(2) Some subsidiaries are limited partnerships *(sociétés en commandite simple)*. The percentage interest recorded in the consolidated accounts is calculated in accordance with the statutory regulations applicable to limited partnerships based on the individual results of each partnership.

Note 38 Results, tax and headcount by territory

Pursuant to Article L.511-45-II to V of the French Monetary and Financial Code *"Code monétaire et financier",* referred to in Note 37, the table below specifically provides information linked to net banking income, pre-tax profit, income tax and headcount for the 12 months to 31 December 2021.

Country/region of operation	**Net banking income** *(in millions of euros)*	**Profit before tax** *(in millions of euros)*	**Current tax** *(in millions of euros)*	**Deferred tax** *(in millions of euros)*	**Headcount**
United Kingdom	849.4	248.1	(54.5)	8.3	1,102
France	715.9	287.4	(33.2)	(8.3)	1,317
North America	417.1	140.2	(35.6)	4.6	365
Other Europe	328.5	100.3	(29.9)	1.4	482
Luxembourg	303.8	294.3	(3.3)	0.0	35
Asia-Pacific and Latin America	134.7	31.4	(16.9)	3.8	219
Switzerland	119.2	12.2	(5.2)	0.7	318
Channel Islands	18.9	3.6	(0.6)	0.0	41
Cayman Islands(1)	-	1.7	-	-	-
Other	38.6	11.7	(0.9)	(0.2)	62
Total before intercompany elimination	**2,926.1**	**1,130.9**	**(180.1)**	**10.3**	**3,941**
Intercompany elimination	(1.1)	-	-	-	-
TOTAL	**2,925.0**	**1,130.9**	**(180.1)**	**10.3**	**3,941**

(1) The Group has only associates in the Cayman Islands. In the consolidated accounts, the Group's share of associates' profit after tax is reported in profit before tax in the account "Net income from companies accounted for by the equity method". Headcount of associates is not reported in the Group's consolidated accounts. More detail on associates' accounts is disclosed in Note 7.

Revenues and profits are measured before the elimination of intercompany fees and interest income and expense.

Headcount is calculated as full-time equivalent employees at the period end and includes interns and apprentices.

The Group has not received any public subsidies in the period. For France, profit before tax is stated before amounts deducted as non-controlling interests, being profit share *(préciput)* paid as preferred amounts to French partners who individually account for tax (see also Note 32).

Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2021

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

Dear Shareholders,

Opinion

In compliance with the engagement entrusted to us by your general meeting, we have audited the accompanying consolidated financial statements of Rothschild & Co SCA for the year ended 31 December 2021, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at year end and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1st January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of financial instruments carried at Fair Value through P&L

Key Audit Matter

As at 31 December 2021, the Group holds financial instruments categorised as level 2 and level 3 according to the IFRS fair value hierarchy. These financial instruments are presented at fair value through P&L on the asset side of the balance sheet for €1,040 million ("Financial assets carried at fair value"), representing 5.9% of total assets.

The fair value of these financial assets, whose market prices are not available or the valuation parameters are not observable, is determined using valuation techniques or complex internal and external valuation models and requires exercise of judgment.

We considered that the valuation of level 2 and 3 financial instruments recognised at fair value through P&L was a key audit matter for the consolidated financial statements due to the exercise of the judgment that it requires and its sensitivity to the assumptions made.

Information on the valuation of financial instruments is presented in *section 1.4.5 – Fair value disclosures* of the consolidated financial statements on.

Our response

Our procedures consisted of:

- understanding of the internal control and governance put in place by the management to identify and value the financial assets in level 2 and 3 of the fair value hierarchy;
- assessing the soundness of the methodology applied and the relevance of the parameters and assumptions used by the Group to determine the fair values of these financial assets;
- testing the valuations used by the Group for these level 2 and 3 financial assets.

We have ensured that the information presented in the consolidated financial statements is appropriate.

Provision for litigation

Key Audit Matter

As at 31 December 2021, the Group has accrued a total provision of €21 million arising from litigation proceedings.

The Group may be involved in legal proceedings or receive claims arising from the conduct of its business. Based on available information and, where appropriate, legal advice, provisions are recognised when it is probable that a settlement will be necessary and a reliable estimate of this amount can be made.

We considered the determination of litigation provisions as a key audit matter because of the significant judgment required to evaluate these estimates. Information on provisions for litigation is presented in *note 16 – Provisions* to the consolidated financial statements.

Our response

Our procedures consisted in obtaining an understanding of the internal control and governance system put in place by the management to identify, evaluate and measure potential obligations arising from legal proceedings or claims in the conduct of the Group's business.

For significant legal proceedings that have undergone significant developments or that have emerged during the period, we have:

- assessed the facts and circumstances that motivate the existence of the obligation and the need to recognise a provision;
- questioned the Group's internal and external legal advice;
- carried out a critical analysis of the assumptions retained and the key judgments applied.

For the other procedures, we ensured that there was no development that could question Management's assessment of the level of the obligation and the resulting provision.

We have ensured that the information presented in the consolidated financial statements is appropriate.

Revenue recognition for advisory work and other services

Key Audit Matter

As at 31 December 2021, the Group records net fees for advisory work and other services over the year of €1,920 million, representing 66% of net banking income.

Revenues are recognised either during the period during which the service is provided, or when a significant act is completed or an event occurs.

We considered that revenue recognition for advisory work and other services was a key audit matter considering the relative importance of these fees in the Group's income statement and because the recognition of these revenues requires a case-by-case analysis of the contractual conditions.

Information on the recognition of revenue from advisory work and other services is presented in section 1.*3.2.13 – Revenue from contracts with customers* and *note 26 – Net fee and commission income* of the consolidated financial statements.

Our response

Our procedures consisted of:

- understanding the internal control system put in place within the Group;
- testing, on a sample basis, the occurrence of the events generating contractual exigibility of the fees as well as the correct cut-off to the related accounting period.

Lastly, we made sure that the information presented in the consolidated financial statements is appropriate.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group’s information given in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce), is included in the Group’s management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared unde the responsibility of the Managing Partner, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Rothschild & Co SCA by the general meeting held on 29 September 2005 for KPMG SA and on 24 June 2003 for Cailliau Dedouit et Associés SA.

As at 31 December 2021, KPMG SA and Cailliau Dedouit et Associés S.A. were in the 17th year and 19th year of total uninterrupted engagement, which are the 17 and 19 years since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Managing Partner.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee *[ou autre terminologie retenue par la société pour désigner le comité spécialisé visé à l'article L.823-19 du code de commerce]* the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, March 11th 2022	Paris, March 11th 2022
KPMG S.A.	Cailliau Dedouit et Associés S.A.

The statutory auditors

French original signed by

Arnaud Bourdeille	Sandrine Le Mao
Partner	Partner

8

Parent company financial statements

8.1 Parent company financial statements

8.1.1 Balance sheet

Assets

In thousands of euros	Notes	31/12/2021 Gross value	31/12/2021 Depreciation, amortisation and provisions	31/12/2021 Net carrying amount	31/12/2020 Net carrying amount
Non-current assets					
Intangible assets					
Concessions, patents, brands and software		267	258	9	9
Total intangible assets		**267**	**258**	9	**9**
Property, plant and equipment					
Land		3,170	-	3,170	3,170
Buildings		4,394	1,060	3,334	3,546
Other property, plant and equipment		811	248	563	353
Total property, plant and equipment	**1**	**8,375**	**1,308**	**7,067**	**7,069**
Non-current financial assets					
Investments in Group and other companies	2	1,735,314	5,310	1,730,004	1,725,248
Portfolio holdings	3	14,286	11,519	2,767	94,842
Loans		1	-	1	1
Other non-current financial assets		6	-	6	6
Total non-current financial assets		**1,749,607**	**16,829**	**1,732,778**	**1,820,098**
TOTAL NON-CURRENT ASSETS		**1,758,250**	**18,396**	**1,739,854**	**1,827,176**
Current assets					
Accounts receivable	**4**	**52,115**	**-**	**52,115**	**27,010**
Marketable securities	**5**				
Treasury stock		102,262	-	102,262	-
Other securities		30,726	-	30,726	40,956
Cash		**350,426**	**-**	**350,426**	**328,446**
Prepaid expenses		**226**	**-**	**226**	**43**
TOTAL CURRENT ASSETS		**535,756**	**-**	**535,756**	**396,455**
Unrealised translation gains	6	-	-	-	8
TOTAL ASSETS		**2,294,006**	**18,396**	**2,275,610**	**2,223,639**

Liabilities and shareholders' equity

In thousands of euros	Notes	31/12/2021	31/12/2020
Shareholders' equity			
Share capital		155,465	155,315
Share premium		1,116,127	1,114,964
Reserves			
Legal reserve		15,532	15,524
Other reserves		153,044	153,044
Retained earnings		**545,744**	**516,542**
Net income for the year		**140,078**	**84,497**
Interim dividends		**(77,043)**	-
Regulated provisions		-	303
TOTAL SHAREHOLDERS' EQUITY	**7**	**2,048,947**	**2,040,189**
Provisions for contingencies and charges			
Provisions for contingencies		12,881	11,347
Provisions for charges		2,523	4,719
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	**8**	**15,405**	**16,066**
Liabilities			
Financial liabilities			
Borrowings and other financial liabilities – banks	9	71	38
Borrowings and other financial liabilities – others	9	32	31
Operating liabilities	**10**	**38,189**	**22,900**
Other liabilities	**11**	**172,905**	**144,343**
TOTAL LIABILITIES		**211,196**	**167,313**
Unrealised translation losses	6	**63**	72
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,275,610**	**2,223,639**

8.1.2 Income statement

In thousands of euros	Notes	31/12/2021	31/12/2020
Income transactions			
Operating income transactions			
Operating income	12	4,221	3,135
Operating expenses	13	(27,032)	(24,538)
Net operating income		**(22,812)**	**(21,403)**
Other income transactions			
Income from investments in Group and other companies and portfolio holdings	14	153,957	121,926
Other financial income	15	1,280	1,073
Capital gains/(losses) on disposals of marketable securities	16	(4,796)	136
Charge/(Recovery) of provisions on other income transactions	17	**8**	**99**
Financial expenses	18	(377)	(1,465)
Income from other income transactions		**150,072**	**121,769**
Joint operations			
Loss incurred or profit transferred		-	-
Current income before tax		**127,260**	**100,366**
Income from capital transactions	19	10,389	(18,117)
Income tax credit	20	2,429	2,249
NET INCOME		**140,078**	**84,497**

8.1.3 Notes to the Parent company financial statements

8.1.3.1 Highlights of the financial year

R&Co ended the 2021 calendar year with net income of €140.1 million, compared with €84.5 million in the prior year.

For the year ended 31 December 2021, the Company received dividends of €153.8 million from its French subsidiaries (Paris Orléans Holding Bancaire SAS (POHB) : €133.1 million; K Développement SAS : €8.3 million; Rothschild & Co Wealth & Asset Management SAS (ex: Martin Maurel SA) : €9.6 million; Rothschild Martin Maurel SCS : €2.9 million), versus €121.8 million for the previous year.

The focus of the R&Co Group throughout the Covid-19 crisis has been and remains the safety and welfare of the colleagues and the needs of the clients. R&Co and its subsidiaries have maintained a home-working set-up for the vast majority of our employees without major impact on productivity. In addition, the R&Co Group has undertaken actions to limit the adverse effects of the Covid-19 outbreak. In this context, the overall impact on revenue is not significant. The additional costs related to this health crisis (social distance and increased hygiene measures), offset by savings (travel), did not have a significant impact on operating income.

8.1.3.2 Subsequent events

No significant adjusting events have occurred after 31 December 2021 closing date until *arrêté*.

8.1.3.3 Accounting principles and valuation methods

To abide by principles of going concern, conservatism and reliability, and to ensure consistency of accounting methods from one reporting period to the next, the financial statements have been prepared in accordance with the provisions of French law and with French generally accepted accounting principles.

The financial statements have been approved in accordance with Financial Regulation 2014-03 modified by regulations 2015-06 and 2016-07 from the French Accounting Standards Authority *(Autorité des normes comptables)*.

The income statement is presented in accordance with the TIAP model, as recommended by the French Accounting Standards Authority for financial companies.

Income transactions are split in two: firstly, operating income transactions, followed by other income transactions (primarily financial transactions).

Current income corresponds to "income from ordinary activities", *i.e.* all activities in which the company engages in the normal course of its business, and any related activities that it carries out on an add-on basis or as an extension of its ordinary activities.

Operating profit does, however, include non-recurring income and expenses from events which are clearly separate from the Company's ordinary activities and which are not, therefore, deemed to occur on a frequent or regular basis.

Capital transactions include transactions concerning holdings classified as non-current assets.

The main accounting policies applied are as follows:

Intangible assets and property, plant and equipment are valued at their acquisition cost and amortised and depreciated in the following manner:

	Estimated useful life	Method
Start-up costs	3 years	straight-line
Software	3 years	straight-line
Buildings	20 to 30 years	straight-line
Leasehold and general improvements	8 to 10 years	straight-line
Vehicles	5 years	straight-line
Office equipment	3 years	reducing-balance
Office furniture	10 years	straight-line

Non-current financial assets are valued at their acquisition cost. The values of holdings denominated in foreign currencies are translated into euro at the exchange rate on the transaction date. All loans and receivables denominated in foreign currencies that are classified among non-current financial assets are translated at the closing rate for the financial year.

Investments in Group and other companies and portfolio holdings are recognised at their acquisition cost. An impairment loss is recognised when fair value is below acquisition cost.

The fair values of investments in Group and other companies and portfolio holdings are calculated in the following manner:

- treasury stock and other listed securities: Average quoted price of the last month before the closing;
- unlisted securities: fair value. This is obtained using either the Company's share of book net assets, or re-appraised net assets of the investment, or the price used for a recent transaction in the security;
- funds: an impairment is recognised when the acquisition cost or total investment in the fund exceeds the Company's share of the fund's adjusted net asset value as certified by the fund's auditors or the redemption value as determined by the issuer. The portion of unrealised capital losses linked to currency effects is recognised separately from impairment, which relates solely to changes in the value of the underlying assets.

The value of the portfolio at 31 December 2021 was measured using the same methodology as applied in the preceding financial year. Dividends are recorded in the month in which it is decided to distribute them.

Regarding private equity funds, in accordance with market practice, only amounts actually called up are recorded in the balance sheet, and the unfunded capital commitment is recorded as an off-balance sheet item.

Sales of treasury shares, shareholdings, long-term portfolio holdings or investment securities are recognised using the first-in, first-out (FIFO) method, *i.e.* the longest-held securities will be deemed to be the first sold.

Receivables are recognised at their nominal value. An impairment loss is recognised when the value is lower than the carrying cost. Receivables denominated in foreign currencies are translated at the closing rate for the financial year.

Marketable securities are recognised initially at their acquisition cost. When their overall value is lower than their acquisition cost, an impairment loss is recognised.

Transactions denominated in foreign currencies are recognised at the rate on the transaction date. At the end of the financial year, all financial assets and liabilities are converted at the closing rate.

8.1.3.4 Notes to the Company balance sheet

Note 1 Property, plant and equipment

In thousands of euros	01/01/2021	Acquisitions	(Disposals)/ (reclassification)	31/12/2021
Gross value	8,112	278	(15)	8,375
		(Increases)	Decreases	
Impairment/amortisation	(1,043)	(281)	15	(1,308)
TOTAL	**7,069**	**(2)**	**-**	**7,067**

Note 2 Investments in Group and other companies

In thousands of euros	01/01/2021	Acquisitions	(Disposals)/ (reclassification)	Other	31/12/2021
Gross values[1]	1,732,911	2,403	-		1,735,314
		(Increases)	Decreases		
Impairment	(7,663)	(37)	2,368	22	(5,310)
TOTAL	**1,725,248**	**2,366**	**2,368**	**22**	**1,730,004**

(1) Acquisitions relate mainly to the French subsidiary Rothschild & Co Wealth & Asset Management SAS (ex Martin Maurel SA).

Note 3 Portfolio holdings

This heading includes all strategic portfolio investments that cannot be classified as “Investment in Group and other companies”.

In thousands of euros	01/01/2021	Acquisitions	(Disposals)	(Reclassifications)	31/12/2021
Gross value	116,494	-	(623)	(101,585)	14,286
		(Increases)	Decreases		
Impairment	(21,651)	(395)	10,527		(11,519)
TOTAL	**94,842**	**(395)**	**(9,904)**	**(101,585)**	**2,767**

Reclassifications correspond to own shares transferred from *TIAP* portfolio (long term portfolio securities) to the investment securities portfolio (cf Note 5).

Impairments include a reversal of provision (Decreases) on R&Co treasury shares for €9.9 million.

As at 31 December 2021, the estimated value of the portfolio of participating interests and investments amounted to €2.9 million.

Note 4 Accounts receivable

In thousands of euros	Amount total	< 1 year	Between 1 and 5 years	> 5 years
Group and associated companies’ advances and current accounts (cash pooling)	114	114	-	-
Current accounts related to the tax consolidation group	31,236	31,236	-	-
Amounts receivable from the tax authorities[1]	19,094	19,094	-	-
Other accounts receivable	1,671	1,671	-	-
TOTAL	**52,115**	**52,115**	**-**	**-**

(1) Of which accrued income: €0.6 million.

Note 5 Marketable securities

Marketable securities consist of:

- Own shares for a total amount of 102,3 million euros

As at 31 December 2021, the fair value of these securities amounted to €139.6 million, with an unrealised gain of €37.4 million :

In thousands of euros	01/01/2021	Acquisitions	(Disposals)	(Reclassifications)	31/12/2021
Gross value	-	46,271	(45,593)	101,585	102,262
		(Increases)	Decreases		
Impairment	-	-	-	-	-
TOTAL	**-**	**46,271**	**(45,593)**	**101,585**	**102,262**

Reclassifications correspond to own shares transferred from *TIAP* portfolio (long term portfolio securities) to the investment securities portfolio (cf Note 3).

- The other securities (€30.7 million) consist mainly of mutual funds and short-term liquid investments.

As at 31 December 2021, the fair value of these securities amounted to €30.8 million, with an unrealised gain of €83,000 :

In thousands of euros	01/01/2021	Acquisitions	(Disposals)	(Reclassifications)	31/12/2021
Gross value	40,956	-	(10,230)		30,726
		(Increases)	Decreases		
Impairment	-	-	-		-
TOTAL	**40,956**	**-**	**(10,230)**		**30,726**

Note 6 Unrealised translation adjustments

Assets

- Related to accounts receivable for €0,000.

Liabilities

- Related to current accounts for €63,000.

Note 7 Shareholders' equity

In thousands of euros	Share capital	Share premium	Legal reserve	Other reserves	Retained Earnings	Regulated provisions	Net income for the year	Total shareholders' equity
Shareholders' equity as at 01/01/2021	**155,315**	**1,114,964**	**15,524**	**153,044**	**516,542**	**303**	**84,497**	**2,040,189**
Capital increase	150	1,163	-	-	-	-	-	1,313
Appropriation of net income for FY 31/12/2020	-	-	8	-	84,489	-	(84,497)	-
Dividend payment	-	-	-	-	(55,287)	-	-	(55,287)
Regultated provision recoveries	-	-	-	-	-	(303)	-	(303)
Net income for FY 31/12/2021	-	-	-	-	-	-	140,078	140,078
Interim dividends	-	-	-	-	-	-	(77,043)	(77,043)
SHAREHOLDERS' EQUITY AS AT 31/12/2021	**155,465**	**1,116,127**	**15,532**	**153,044**	**545,744**	**-**	**63,035**	**2,048,947**

At 31 December 2021, the Company's capital comprised 77,732,512 shares with a nominal value of €2 each.

Treasury shares

As at 31 December 2021, R&Co holds 3,526,932 own shares, including 450 shares held as part of the liquidity contract.

As at 31 December 2020, R&Co held 3,476,531 of its own shares, of which none are held as part of the liquidity contract.

Note 8 Provisions for contingencies and charges

In thousands of euros	01/01/2021	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	31/12/2021
Provisions for contingencies	**11,347**	**1,542**	**(8)**	**-**	**12,881**
• Hedging of foreign currency risk	8	-	(8)	-	-
• Long-service employee awards		186			186
• Treasury shares	11,339	1,356	-	-	12,695
Provisions for charges	**4,719**	**654**	**(2,849)**	**-**	**2,523**
TOTAL	**16,066**	**2,196**	**(2,856)**	**-**	**15,405**

The provision for contingencies and charges mainly relates to a possible expense of €12.7 million linked to the exercise of stock options.

Note 9 Borrowings and financial liabilities – banks

In thousands of euros	Amount total	< 1 year	Between 1 and 5 years	> 5 years
Deposits received	32	32	-	-
Bank overdrafts	71	71	-	-
TOTAL	**103**	**103**	**-**	**-**

Note 10 Operating liabilities

In thousands of euros	Amount total	< 1 year	Between 1 and 5 years	> 5 years
Accounts payable(1)	6,628	6,628	-	-
Tax and social liabilities(2)	31,561	31,359	202	-
TOTAL	**38,189**	**37,987**	**202**	**-**

(1) Of which accrued expenses: €6.6 million.
(2) Of which accrued expenses: €2.5 million.

Note 11 Other liabilities

In thousands of euros	Amount total	< 1 year	Between 1 and 5 years	> 5 years
Group advances and current accounts	172,861	172,861	-	-
Other liabilities	43	43	-	-
TOTAL	**172,905**	**172,905**	**-**	**-**

8.1.3.5 Notes to the Company income statement

R&Co ended the 2021 financial year with net income of €140.1 million compared with €84.5 million for the prior period.

The 2021 financial year saw €153.8 million in dividend income from its subsidiaries against €121.8 million for 2020.

The Company made a profit on ordinary activities before tax of €127.3 million in 2021, compared with €100.4 million in the 2020.

Note 12 Operating income

In thousands of euros	31/12/2021	31/12/2020
Expenses recharged to related companies	3,127	2,827
Other provision recoveries	303	-
Other operating income	791	308
TOTAL	**4,221**	**3,135**

Note 13 Operating expenses

In thousands of euros	31/12/2021	31/12/2020
General and administration costs	(18,650)	(17,943)
Taxes other than those on income	(1,959)	(1,735)
Salaries and payroll taxes	(5,019)	(3,721)
Depreciation and amortisation	(290)	(278)
Provisions for long-service awards	(186)	-
Other charges	(929)	(861)
TOTAL	**(27,032)**	**(24,538)**

Note 14 Income from investments in Group and other companies and portfolio holdings

In thousands of euros	31/12/2021	31/12/2020
Dividends from investments in Group and other companies	153,779	121,825
Dividends from portfolio holdings	178	101
TOTAL	**153,957**	**121,926**

Note 15 Other financial income

In thousands of euros	31/12/2021	31/12/2020
Interest income on forward contracts and certificates of deposit	145	148
Interest income from advances granted to Group companies	57	187
Foreign exchange gain	1,079	737
TOTAL	**1,280**	**1,073**

Note 16 Capital gains/(losses) on disposals of marketable securities

In thousands of euros	31/12/2021	31/12/2020
Capital gains on sales of marketable securities	1,674	175
Capital losses on sales of marketable securities	(5,114)	(39)
Provisions for impairments on marketable securities	(1,356)	-
TOTAL	**(4,796)**	**136**

Own shares have been transferred from *TIAPs* to investment securities.

Note 17 (Charge)/Recovery of provisions on other income transactions

In thousands of euros	31/12/2021	31/12/2020
Provisions on exchange rate risk	-	(7)
Recoveries on exchange rate risk	8	106
TOTAL	**8**	**99**

Note 18 Financial expenses

In thousands of euros	31/12/2021	31/12/2020
Interest on medium-term borrowings from subsidiaries	-	(168)
Interest on medium-term borrowings from third parties	(175)	(407)
Other interest expense	(154)	(112)
Exchange losses	(49)	(778)
TOTAL	**(377)**	**(1,465)**

Note 19 Income from capital transactions

In thousands of euros	31/12/2021	31/12/2020
Capital gains on disposals of investments in Group and other companies and portfolio holdings	-	109
Capital losses on disposal of investments in Group and other companies and portfolio holdings	(2,111)	(5,903)
Impairment of investments in Group and other companies and portfolio holdings	(426)	(16,210)
Recoveries of impairment of investments in Group and other companies and portfolio holdings	12,912	3,882
Gains and losses on disposals of property, plant and equipment	15	4
TOTAL	**10,389**	**(18,117)**

Own shares have been transferred from *TIAPs* to investment securities.

Note 20 Income tax

The Company is the head of a tax group, that includes the following companies:

- Paris Orléans Holding Bancaire SAS;
- Concordia Holding SARL;
- Financière Rabelais SAS;
- K Développement SAS;
- Rothschild & Co Wealth and Asset Management SA (Ex Martin Maurel SA);
- PO Fonds SAS;
- PO Mezzanine SAS;
- Verseau SAS.

As part of the tax consolidation process each subsidiary in the tax consolidation group calculates its income tax as if it were taxed on a stand-alone basis.

In thousands of euros	31/12/2021	31/12/2020
Income tax credit	2,429	2,249
TOTAL	**2,429**	**2,249**

For the year ended 31 December 2021, the net tax credit amounts to €2.4 million.

8.1.3.6 Other information

A. Employees

For the year ended 31 December 2021, the average headcount was 18 people, all of whom were executives.

B. Post-employment benefits

An independent actuary has calculated the Post employment indemnity.

Taking into account the accumulation of individual rights recorded on the day of the study, the company's social liability, including social security charges, is evaluated at €122,258.

C. Compensation of management bodies

In respect of their functions as corporate officers of R&Co for 2021, members of the Supervisory Board who were entitled to compensation under the terms fixed by the Supervisory Board received compensation of €876,000.

D. Consolidation

R&Co, the parent company of the R&Co Group, prepares consolidated financial statements as at 31 December 2021, which are in turn consolidated into the Rothschild & Co Concordia SAS, registered at 23 bis, avenue de Messine, 75008 Paris, France.

E. Off-balance sheet commitments

In thousands of euros	31/12/2021	31/12/2020
Commitments given		
Guarantees given and other commitments	289	289
Commitments to invest in different funds	–	–
Earn-out amounts to be paid for shares purchased	510	4,470
TOTAL	**799**	**4,759**
Commitments received		
Undrawn lines of credit	135,000	115,000
TOTAL	**135,000**	**115,000**

Off-balance sheet commitments relating to the purchase of preferred shares in MMI

In July 2015 and March 2016, R&Co acquired from minority shareholders all b1, b2, b3 and b4 preference shares not yet held by MMI, a subsidiary of R&Co. The purpose of MMI was to link the Company's management to potential capital gains that may be realised by the Company within its private equity activities on making divestments. Within the framework of agreements with these minority shareholders, the Company agreed to pay them earnouts on shares transferred, estimated at €510,000 as at 31 December 2021.

Off-balance sheet commitments relating to the R&Co Equity Schemes

As at 31 December 2021, the only securities granting access to the share capital of the Company are the stock options granted by Rothschild & Co for the benefit of the senior employees and executive corporate officers of the Company and its subsidiaries.

Within the framework of the delegations of authority granted by the shareholders and characteristics specific to Rothschild & Co seven equity schemes have been implemented and remained in force as at 31 December 2021.

- on 11 October 2013 (the "2013 Equity Scheme");
- on 9 December 2015 (the "2015 Equity Scheme");
- on 13 December 2017 (the "2017 Equity Scheme");
- on 20 June 2018 (the "2018 Equity Scheme");
- on 11 October 2019 (the "2019 Existing Partners Scheme" and the "2019 New Partners Scheme") ; and
- on 11 October 2021 (the "2021 Equity Scheme").

The main characteristics of the plans are disclosed in Section 3B of the Annual report with the following parts:

- participants;
- pricing and other conditions set out to promote the long-term performance of the Group.

Situation as at 31 December 2021

The table below summarises all information on outstanding stock options as at 31 December 2021:

		Date of authorisation by the General Meeting	Grant date by the Managing Partner	Total of options granted	Number of beneficiaries	share capital % at the grant date	Subject to the fulfilment of performance conditions	Exercise period start date	Expiration date	Stock option subscription or purchasing price (in euros) approved by the Managing Partner on the grant date	Total options exercised	Total options forfeited	Total options remaining
2013 Equity Scheme	**Options 2013-1**	26 Sept 2013	11 Oct 2013	780,000	57	1.10%	No	30 Nov 2016	11 Oct 2023	€17.50	487,500	20,000	272,500
	Options 2013-2	26 Sept 2013	11 Oct 2013	780,000	57	1.10%	No	11 Oct 2017	11 Oct. 2023	€18.00	467,500	20,000	292,500
	Options 2013-3	26 Sept 2013	11 Oct 2013	780,000	57	1.10%	No	11 Oct 2018	11 Oct 2023	€19.00	382,500	30,000	367,500
	Options 2013-4	26 Sept 2013	11 Oct 2013	780,000	57	1.10%	No	11 Oct 2019	11 Oct 2023	€20.00	272,500	30,000	477,500
2015 Equity Scheme	**Options 2015-1**	26 Sept 2013	9 Dec 2015	115,000	10	0.16%	No	11 Oct 2018	9 Dec 2025	€23.62	75,000	10,000	30,000
	Options 2015-2	26 Sept 2013	9 Dec 2015	115,000	10	0.16%	No	11 Oct 2019	9 Dec 2025	€24.12	50,000	10,000	55,000
	Options 2015-3	26 Sept 2013	9 Dec 2015	115,000	10	0.16%	No	11 Oct 2020	9 Dec 2025	€25.12	40,000	10,000	65,000
	Options 2015-4	26 Sept 2013	9 Dec 2015	115,000	10	0.16%	No	11 Oct 2021	9 Dec 2025	€26.12	40,000	10,000	65,000
2017 Equity Scheme	**Options 2017-1**	29 Sept 2016	13 Dec 2017	277,500	20	0.36%	Yes	11 Oct 2020	13 Dec 2027	€31.56	87,500	15,000	175,000
	Options 2017-2	29 Sept 2016	13 Dec 2017	277,500	20	0.36%	Yes	11 Oct 2021	13 Dec 2027	€32.06	46,500	15,000	216,000
	Options 2017-3	29 Sept 2016	13 Dec 2017	277,500	20	0.36%	Yes	11 Oct 2022	13 Dec 2027	€33.06	-	15,000	262,500
	Options 2017-4	29 Sept 2016	13 Dec 2017	277,500	20	0.36%	Yes	11 Oct 2023	13 Dec 2027	€34.06	-	15,000	262,500
2018 Equity Scheme	**Options 2018-1**	17 May 2018	20 June 2018	20,000	1	0.02%	Yes	11 Oct 2020	13 Dec 2027	€31.56	-	-	20,000
	Options 2018-2	17 May 2018	20 June 2018	20,000	1	0.02%	Yes	11 Oct 2021	13 Dec 2027	€32.06	-	-	20,000
	Options 2018-3	17 May 2018	20 June 2018	20,000	1	0.02%	Yes	11 Oct 2022	13 Dec 2027	€33.06	-	-	20,000
	Options 2018-4	17 May 2018	20 June 2018	20,000	1	0.02%	Yes	11 Oct 2023	13 Dec 2027	€34.06	-	-	20,000
2019 Existing Partners Scheme	**Options EP 2019-1**	17 May 2018	11 Oct 2019	207,500	49	0.27%	Yes	11 Oct 2020	11 Oct 2023	€26.10	70,000	5,000	132,500
	Options EP 2019-2	17 May 2018	11 Oct 2019	207,500	49	0.27%	Yes	11 Oct 2020	11 Oct 2023	€27.10	70,000	5,000	132,500
	Options EP 2019-3	17 May 2018	11 Oct 2019	207,500	49	0.27%	Yes	11 Oct 2021	11 Oct 2023	€29.10	50,000	5,000	152,500
	Options EP 2019-4	17 May 2018	11 Oct 2019	207,500	49	0.27%	Yes	11 Oct 2022	11 Oct 2023	€31.10	-	5,000	202,500
2019 New Partners Scheme	**Options NP 2019-1**	17 May 2018	11 Oct 2019	80,000	6	0.10%	Yes	11 Oct 2022	11 Oct 2029	€26.10	-	-	80,000
	Options NP 2019-2	17 May 2018	11 Oct 2019	80,000	6	0.10%	Yes	11 Oct 2023	11 Oct 2029	€26.60	-	-	80,000
	Options NP 2019-3	17 May 2018	11 Oct 2019	80,000	6	0.10%	Yes	11 Oct 2024	11 Oct 2029	€27.60	-	-	80,000
	Options NP 2019-4	17 May 2018	11 Oct 2019	80,000	6	0.10%	Yes	11 Oct 2025	11 Oct 2029	€28.60	-	-	80,000
2021 Partners Scheme	**Options 2021-1**	20 May 2021	11 Oct 2021	137,500	14	0.17%	Oui	11 Oct 2022	11 Oct 2025	€39.45	–	–	137,500
	Options 2021-2	20 May 2021	11 Oct 2021	137,500	14	0.17%	Oui	11 Oct 2022	11 Oct 2025	€39.95	–	–	137,500
	Options 2021-3	20 May 2021	11 Oct 2021	137,500	14	0.17%	Oui	11 Oct 2023	11 Oct 2025	€40.95	–	–	137,500
	Options 2021-4	20 May 2021	11 Oct 2021	137,500	14	0.17%	Oui	11 Oct 2024	11 Oct 2025	€41.95	–	–	137,500
TOTAL				**6,470,000**		**8.72%**					**2,139,025**	**220,000**	**4,111,000**

As at 31 December 2021, 2,473,500 stock options were still outstanding and exercisable in accordance with the terms and conditions of the Equity Schemes. Liabilities related to Equity schemes are disclosed in note 8.

F. Analysis of subsidiaries and participating interests

Companies or groups of companies *In millions of euros*	Share capital	APIC, reserves and retained earnings excluding net income for the period	Share of capital held	Carrying value of shares held Gross	Carrying value of shares held Net	Outstanding loans and advances from the Company	Gross revenues (excluding VAT) for the last financial year	Net income for the last financial year	Dividends received by the Company during the financial year
A. Subsidiaries (Company holds at least 50% of capital)									
Paris Orléans Holding Bancaire SAS (Paris)[(2)(4)]	729.6	514.2	100%	1,335.5	1,335.5	17.3	-	182.9	133.0
K Développement SAS (Paris)[(2)(4)]	99.0	102.0	100%	104.2	104.2	0.2	-	19.4	8.3
Francarep Inc. (USA)[(2)(4)]	-	3.2	100%	2.6	2.4	-	-	-	-
Cavour SASU (Paris)[(2)(4)]	0.06	(0.01)	100%	0.1	0.03	-	-	(0.02)	-
Verdi SASU (Paris)[(2)(4)]	0.07	(0.02)	100%	0.13	0.06	-	-	0.02	-
Aida SASU (Paris)[(2)(4)]	0.3	-	100%	0.52	0.28	0.1	-	(0.02)	-
Rothschild & Co wealth and Asset Management (ex Martin Maurel SA)[(2)(4)]	51.2	139.6	100%	224.6	224.6	8.4	-	22.8	9.6
B. Participating interests (Company holds 5 to 50% of capital)									
Rothschild Martin Maurel[(2)(4)]	35.0	236.9	9.1%	55.2	55.2	-	-	147.0	2.9
Finatis SA (Paris)[(1)(3)(4)(5)]	85.0	(357.0)	5.0%	12.3	5.2	-	31.9	(492.0)	-

(1) Consolidated figures.
(2) Financial year ended 31 December 2021 (FX rate: 1 EUR = 1.13495 USD).
(3) Reserves and net income (Group share).
(4) No guarantees were given by the Company to the above companies or groups of companies.
(5) Financial year ended 31 December 2020.

8.2 Statutory Auditors' report on the financial statements

For the year ended 31 December 2021

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

Dear Shareholders,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of Rothschild & Co S.C.A. for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at year end and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of this report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us and provided for by the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie)* for statutory auditors, for the period from 1st January 2021 to the date of our report and specifically we did not provide any prohibited services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Impairment of investments in Group, other companies and portfolio holdings

Key Audit Matter

As at 31 December 2021, the company holds 1,733 million euros through investments in Group, other companies and portfolio holdings, which represent 76% of the total amount of assets.

The net asset value of these investments in Group, other companies and portfolio holdings is determined by the management, depending on the availability of the data and by using quotation prices, net or revalued share in equity or references to recent transactions.

When the inventory value thus determined is lower than the acquisition cost of these investments, an impairment is recognised.

The methodology and assumptions used to determine the inventory value of investments in Group, other companies and portfolio holdings requiring the exercise of judgement, and considering the relative importance of the amount of these financial assets in the balance sheet of the Company, we considered that the determination of impairment of investments in Group, other companies and portfolio holdings is a key audit matter for the financial statements of the Company.

Paragraph III "Accounting principles, rules and methods" of the appendix sets out the methods for recording an impairment to cover the risk of a decline in the value of investments in Group, other companies and portfolio holdings.

Our response

Our procedures consisted in:

- understanding the internal control and governance put in place by the management to measure the inventory value of investments in Group, other companies and portfolio holdings;
- considering the validity of the methodologies applied and the relevance of the parameters and assumptions used by the Company to determine the inventory values of these financial assets; and
- testing, on a sample basis, the inventory values used by the Company for these financial assets and the correct application of the methods.

Lastly, we made sure that the information presented in the financial statements are appropriate.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Managing Partner and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the Managing Partner, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Rothschild & Co SCA. by the General Meeting held on 29 September 2005 for KPMG SA and on 24 June 2003 for Cailliau Dedouit et Associés SA.

As at 31 December 2021, KPMG SA and Cailliau Dedouit et Associés were in the 17th year and 19th year of total uninterrupted engagement, which are the 17th year and 19th year since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Management.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditors

Paris La Défense, March 11th 2022	Paris, March 11th 2022
KPMG S.A	Cailliau Dedouit et Associés S.A.

French original signed by

Arnaud Bourdeille	Sandrine Le Mao
Partner	*Partner*

General information

Abbreviations and glossary

Term	Definition
ABC	Anti-bribery and corruption
ACPR	*Autorité de Contrôle Prudentiel et de Résolution* (French prudential and resolution authority)
AD	Assistant director
AM	Asset management
AMF	*Autorité des Marchés Financiers* (French financial markets authority)
AML	Anti-money laundering
AuM	Assets under management
B&I	Balance and inclusion
bp	Basis point
Category 1/2/3/4/5	Classification of credit risk rating by the Group, explained in section 4.2.1 of the Consolidated Financial Statements for 2021
CCC	Corporate Credit Committee
CET 1	Common Equity Tier 1
CGU	Cash-generating unit
CO_2	Carbon dioxide
CO_2eq	Carbon dioxide equivalent is a universal unit of measurement used to compare the emissions from various greenhouse gases based upon their global warming potential
Company	Rothschild & Co SCA
CRD	The amended version of Directive (EU) 2013/36 on access to the activity and the prudential supervision (Capital Requirements Directive or “CRD”)
CRD5 / CRD V	Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures
CRR	The amended versions of Regulation (EU) 575/2013 on prudential requirements (Capital Requirements Regulation or “CRR”)
CTF	Counter-terrorist financing
D&I	Diversity and inclusion
DCF	Discounted cash flow
EAD	Exposure at default (IFRS 9)
EBA	European Banking Authority
ECL	Expected credit loss (IFRS 9), which can be measured on either a 12-month basis (12m ECL) or a lifetime basis (lifetime ECL)
Emissions, location based	A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)
Emissions, market based	A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice)
Emissions, scope 1	Direct emissions from owned or controlled sources as defined by the GHG Protocol Corporate Standard
Emissions, scope 2	Indirect emissions from the generation of purchased energy as defined by the GHG Protocol Corporate Standard
Emissions, scope 3	All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions as defined by the GHG Protocol Corporate Standard
EPS	Earnings per share
EQS	Equity Scheme
ESEF	European Single Electronic Format
ESG	Environmental, social and governance
EVE	Economic value of equity
FACP	Five Arrows Capital Partners
FACS	Five Arrows Credit Solutions
FADL	Five Arrows Direct Lending

Term	Definition
FAPEP	Five Arrows Private Equity Program
FAPI	Five Arrows Private Investments
FASO	Five Arrows Secondary Opportunities
FIFO	First-in, first-out
Financing advisory	A subset of the Global Advisory business, encompassing: debt advisory, restructuring and equity advisory, and investor advisory work
FINREP	Financial regulatory reporting based on IFRS accounting standards (FINancial REPorting)
FTE	Full time equivalent
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GA	Global Advisory (business segment)
GCC	Group Credit Committee
GCCF	Group Credit Committee - France
GEC	Group Executive Committee
General Meeting	General meeting of the shareholders of the Company
General Partners	Rothschild & Co Gestion and Rothschild & Co Commandité, general partners of the Company
GHG	Greenhouse gas
Group	Rothschild & Co SCA and its consolidated subsidiaries
Group ALCO	Group Assets and Liabilities Committee
GW	Gigawatt
HR	Human resources
IBOR	Interbank offered rate
ICAAP	Internal capital adequacy assessment process
ICP	Internal carbon price
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IPO	Initial Public Offering
IRRBB	Interest rate risk in the banking book
LBO	Leveraged buy-out
LCR	Liquidity coverage ratio
Level 1/2/3	IFRS 13 fair value hierarchy, explained in section 4.5.1 of the Consolidated Financial Statements for 2021
LGBT	Lesbian, gay, bisexual, transgender, queer etc.
LGD	Loss given default (IFRS 9)
LIBOR	London interbank offered rate
Lombard lending/loan	Lending secured against portfolios of securities
LTV	Loan to value
M&A	Mergers and acquisitions
Managing Partner	Rothschild & Co Gestion SAS, as manager *(gérant)* of Rothschild & Co SCA
MB	Merchant Banking (business segment)
MMI	Messine Managers Investments SAS
MOIC	Multiple of invested capital
Mwh	Megawatt hour
NAV	Net asset value
NCI	Non-cash instrument
NcoI	Non-controlling interest
NGO	Non-governmental organisation
NII	Net interest income
NMR	N. M. Rothschild & Sons Limited
NNA	Net new assets

Term	Definition
NSFR	Net Stable Funding Ratio
OCF	Operating cash flow
OCI	Other comprehensive income
OECD	Organisation for Economic Co-operation and Development
OTC	Over the counter
Overseas Fund	N. M. Rothschild & Sons Limited overseas pension fund
PATMI	Profit after tax and minority interest
PBT	Profit before tax
PCCC	Private Client Credit Committee
PCL	Private client lending
PD	Probability of default (IFRS 9)
PER	Price/earnings ratio
POCI	Purchased or originated credit-impaired financial asset (IFRS 9)
POHB	Paris Orléans Holding Bancaire SAS
PPE	Personal protective equipment
R&Co	Rothschild & Co SCA
R&CoBI	Rothschild & Co Bank International Limited
R&CoBZ	Rothschild & Co Bank AG Zurich
R&CoCL	Rothschild & Co Continuation Limited
R&Co Gestion	Rothschild & Co Gestion SAS
R&Co PO	Rothschild & Co Private Opportunities
RAC	Risk adjusted capital
RCSAS	Rothschild & Co Concordia SAS
Revenue	Net banking income
RI	Responsible investment
RMM	Rothschild Martin Maurel SCS
RORAC	Return on risk adjusted capital
ROU asset	Right of use asset (IFRS 16)
ROTE	Return on tangible equity
SA	*Société anonyme*
SARL	*Société à responsabilité limitée*
SAS	*Société par actions simplifiée*
SASU	*Société par actions simplifiée unipersonnelle*
SC	*Société civile*
SCA	*Société en commandite par actions*
SCS	*Société en commandite simple*
SDGs	Sustainable development goals, as defined by the United Nations
SFDR	Sustainable Finance Disclosure Regulation
SICR	Significant increase in credit risk (IFRS 9)
SNC	*Société en nom collectif*
SPPI	Solely payments of principal and interest (IFRS 9)
SRI	Socially responsible investing
Stage 1/2/3	IFRS 9 credit quality assessments
Statutory auditors	KPMG SA and Cailliau Dedouit et Associés SA, statutory auditors of Rothschild & Co SCA
Supervisory Board	Rothschild & Co SCA supervisory board
Swiss Funds	Rothschild & Co Bank AG Zurich pension funds
TCFD	Taskforce on Climate-Related Financial Disclosure
tCO_2eq	Tonnes of carbon dioxide equivalent
TIAP	Long term portfolio securities *(Titres immobilisés de l'activité de portefeuille)*
UK Fund	N. M. Rothschild & Sons Limited pension fund

Term	Definition
UNPRI	United Nations Principles for Responsible Investment
US Fund	Defined benefit pensions maintained by Rothschild & Co North America Inc.
USUP	Unnecessary single-use plastics
VC	Video conferencing
WAM	Wealth and Asset Management (business segment)
WM	Wealth management
WTT	Well to tank, upstream emissions associated with, for example, the extraction, production and transportation of fuel before combustion

Statement by the persons responsible for the annual financial report

Persons responsible for the annual financial report

Rothschild & Co Gestion SAS	Mark Crump
Managing Partner	Group Chief Financial Officer and Chief Operating Officer

Statement by the persons responsible for the annual financial report

We confirm that, to the best of our knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and fairly present the assets, liabilities, the financial position and the profit or loss of the Company and its consolidated subsidiaries, and that the management report included in this report fairly presents the evolution of the business, results and financial position of the Company and its consolidated subsidiaries and describes the main risks and uncertainties that they face.

Paris, 29 March 2022

Rothschild & Co Gestion SAS

Managing Partner
Represented by Alexandre de Rothschild,
Executive Chairman

Mark Crump

Group Chief Financial Officer
and Chief Operating Officer

Other information

Persons responsible for the audit of the financial statements

Statutory Auditors

Cailliau Dedouit et Associés SA

Represented by Sandrine Le Mao
19, rue Clément-Marot
75008 Paris, France

Date of first appointment: 24 June 2003
Date of last renewal: 28 September 2017
End of term: General Meeting called to approve the financial statements for the financial year ended 31 December 2022

KPMG SA

Represented by Arnaud Bourdeille
Tour Eqho 2, avenue Gambetta
92066 Paris la Défense Cedex, France

Date of first appointment: 29 September 2005
Date of last renewal: 28 September 2017
End of term: General Meeting called to approve the financial statements for the financial year ended 31 December 2022

The information relating to the fees paid to the Statutory auditors in respect of the financial year ended 31 December 2021 is presented on Note 34 of the Consolidated Financial Statements for 2021.

Content of this report

This report includes (i) the components of the annual financial report (*rapport financier annuel*) referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code as well as in Article 222-3 of the AMF General Regulation (*Règlement Général de l'AMF*), (ii) the management report to the General Meeting to be held on 19 May 2022 (which is composed of chapters 1 to 5 of this report[1]) and (iii) the corporate governance report established pursuant to Articles L.226-10-1 and L.22-10-78 of the French Commercial Code and appended to the management report (which is included in chapter 6 of this report).

About Rothschild & Co

Rothschild & Co is family-controlled and independent group and has been at the centre of the world's financial markets for over 200 years. With a team of c. 3,800 talented financial services specialists on the ground in over 40 countries, Rothschild & Co's integrated global network of trusted professionals provides in-depth market intelligence and effective long-term solutions for our clients in Global Advisory, Wealth and Asset Management, and Merchant Banking.

Rothschild & Co is a French partnership limited by shares (*société en commandite par actions*) listed on Euronext in Paris, Compartment A with a share capital of €155,465,024. Paris trade and companies registry number: 302 519 228. Registered office: 23 *bis*, avenue de Messine, 75008 Paris, France.

(1) Excluding Section 2.6 in Chapter 2 of this report which was added after the management report date.

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