



Transparency Statement (June 2022)

This Transparency Statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the "Act"). It constitutes the joint Transparency Statement for each of N.M. Rothschild & Sons Limited, Rothschild & Co Wealth Management UK Limited, Five Arrows Managers LLP and Arrowpoint Advisory LLP (together referred to as "Rothschild & Co"), for the financial year ending 31 December 2021.

In this Transparency Statement, we cover the following items:

1. Our business and values
2. Modern Slavery – risk assessment and response
3. Other key workstreams
4. Next steps and ongoing work

1. Our business and values

As one of the world's largest independent financial advisory groups, we are rightly held to the highest standards of ethics and integrity in all that we do.

Across a network of more than 60 offices in over 40 countries, we serve our clients and approach our business with a deeply-held sense of responsibility to, and empathy with, our people, our environment and the communities in which we operate.

Rothschild & Co's systems, policies and procedures are aimed at setting standards for all employees and individuals working for Rothschild & Co, supported by targeted and mandatory trainings to mitigate risks. Rothschild & Co places great emphasis on responsible business conduct, based on personal accountability and commitment in the way employees work with each other, clients and partners. This culture is vital in preparing the firm to address modern slavery risks where, in order to be effective, it is critical to have a strong sense of doing the 'right thing'. Rothschild & Co is committed to countering modern slavery in all its forms. This Transparency Statement explains the steps we have taken over the past financial year in relation to this commitment.

2. Modern Slavery – risk assessment and response

Aligned with the Act's requirements to address modern slavery risks both within our business and our supply chains, we conduct an annual risk assessment on: (1) our current staff profile and recruitment practices (covering employees, contractors and agency staff); and (2) our supply chain (with a focus on those companies with whom we contract directly).

Through this risk assessment, we can identify potential vulnerabilities in relation to slavery and human trafficking. We consider the probability of such risks materialising, the impact of them doing so, and the control mechanisms we have (or should have) in place that seek to mitigate such risks.

The results of our risk assessment are set out below.

a. Staff profile and recruitment practices

We have rigorous Human Resources policies and practices which are in line with our obligations pursuant to the Act; background checking procedures are thorough and apply equally to permanent employees as to contractors and agency staff. The Group's policies are reflective of the main provisions of the International Labour Organization 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.



We have not found any evidence to suggest that modern slavery is present within our business. Although we have assessed that we have minimal risk in this respect, we remain alert to possible risks of modern slavery and we will continue to adhere to our stringent Human Resources standards.

b. Supply chain

We note that there are two key characteristics to assess when identifying which suppliers are likely to pose a modern slavery risk:

- a) the **sector** in which the supplier is operating; and
- b) the **jurisdiction** where the supplier is incorporated and/or is predominantly operating (we refer to the Global Slavery Index to inform us of the appropriate risk-weighting per jurisdiction).

Our Purchasing Policy (which was the document governing procurement in the UK in the last financial year) contained the methodology and criteria for assessing sectors and jurisdictions and allows suppliers to be easily classified as either low, medium or high-risk suppliers.

For the risk assessment, we review the top suppliers to Rothschild & Co (i.e. those suppliers where we have spent more than £50,000 during the financial year ending 31 December 2021) to ascertain our supplier risk profiles. A summary of our findings (and our actions) are below.

i. Low-risk suppliers

We can see that the vast majority of our suppliers are low-risk. For these suppliers we take no specific action in relation to modern slavery risks, although suppliers will be asked to adhere to our Supplier Code of Conduct (details below) in the normal course.

ii. Medium-risk suppliers

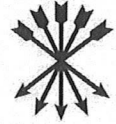
Approximately 6% of the top suppliers are identified as medium-risk, the most significant of which are operating in the catering and cleaning industries.

For these suppliers, we implement a variety of measures when reviewing contracts depending on the nature of their work and the scope of the contract negotiations, including: (1) confirmation of compliance with the MSA; (2) passing on anti-slavery obligations to their own supply chain, (3) notification obligations should the supplier become aware of actual/suspected slavery issues in connection with the goods/services rendered to us, and (4) requesting that the supplier adheres to our Anti-Slavery Policy.

iii. High-risk suppliers

Our risk assessment has found that we do not have any high-risk suppliers within the scope of the top suppliers to each of the Rothschild & Co entities.

However, we are conscious that there will be high-risk suppliers beyond this list of top suppliers. This is because: (1) according to our methodology hotels are a high-risk sector, and (2) we know that business travel from Rothschild & Co occurs in high-risk jurisdictions. As such, an assumption is made that a Rothschild & Co traveler staying in a hotel in a high-risk jurisdiction will be engaging with a high-risk supplier. For one-off business travel bookings, the overall spend is unlikely to cast any one particular hotel as amongst the top suppliers when listed by expenditure; however, we feel compelled to address business travel separately as it appears to us to be an outlier. Our approach can be summarised as follows:



Preferred Hotels – We maintain a list of Preferred Hotels. Any hotel on this list which is also in a high-risk jurisdiction is asked to signify adherence to our Anti-Slavery Policy. If they adhere, they can remain on the list of Preferred Hotels; if they do not agree to comply with this policy or do not respond to our request, then they are removed from the list of Preferred Hotels. As at 31 December 2021, every hotel on the Preferred Hotels list has either agreed to adhere to our Anti-Slavery Policy, or has provided details of their own policies which oblige them to follow similar standards.

Hotels in High and Extreme Risk Locations – In conjunction with International SOS, our Group Security team has maintained an Approved List of hotels in jurisdictions designated as 'High and Extreme Risk' (in accordance with assessments from the Control Risks Group) in order to advise staff on security considerations while travelling. There is a significant overlap between the jurisdictions noted as being 'High and Extreme Risk' (regarding security), and those in 'high-risk jurisdictions' (regarding modern slavery). All hotels on the Approved List have been subjected to security screening and/or review which now includes a modern-slavery related questionnaire (issued via a corporate travel management company). Failure to complete this questionnaire successfully could result in a hotel being removed from the Approved List. This represents an enhancement in our efforts to ensure that all hotels designated as high-risk adhere to our Anti-Slavery Policy.

3. Other key workstreams

a. Supplier Code of Conduct

In order for our modern slavery response to have a real impact, supplier engagement is key and we see our Supplier Code of Conduct (the "Code") as critical in this mission. In 2021, the Group published its expectations with regards to respect for fundamental human rights in the Code. These expectations are aligned with the commitments made as a signatory to the United Nations Global Compact, including avoiding 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, we use our influence to increase commitment to responsible management practices in our supply chain.

Expectations of in the Code in terms of human rights include:

- i. Respect Rothschild & Co's zero tolerance policy towards bribery and corruption
- ii. Respect rights and dignity of all individuals with whom they are dealing. Suppliers are expected to respect the provisions of the ILO (or equivalent), and in particular implement policies and procedures aimed at:
 - Elimination of forced labour and child labour
 - Freedom of association and right to collective bargaining
 - Elimination of discrimination in the workplace
 - Safe and healthy working conditions
 - Fair and competitive compensation and benefits

All suppliers are asked to adhere to the Code. The impact of the Code is as follows:

- i. Suppliers have a duty to operate in accordance with the principles that are expressed in the Code and in a manner which is consistent with prudent business practices and highest standards of business conduct.
- ii. Suppliers have the duty to inform their local Rothschild & Co contact if they become aware of any potential concern or violation with regards to the above outlined obligations.



- iii. Any violation of the Code is considered a material breach of the applicable agreement or contract and Rothschild & Co reserves the right to decline or exit relationships with suppliers where the Code is breached, or concerns exist as to its application.

b. *ESG Agenda*

A common set of environmental, social and governance strategic priorities provides Rothschild & Co with a clear focus in ensuring that sustainability is a strategic imperative. These priorities include considerations around modern slavery and apply across the business model, including through our operations, our investment and advisory services and through the way we select and onboard our new; clients, mandates and suppliers, which include key considerations around modern slavery.

c. *Third-Party Relationships*

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 (to be recorded in the Third-Party Relationships and Outsourcing Policy and Framework ("TPR Framework")). A 'pilot phase' will run through H2 2022, during which we will test our internal processes to ensure that modern slavery risks are addressed.

d. *EBA Guidelines*

We have developed a response to the EBA Guidelines, to which Rothschild & Co is subject. Where a supplier agreement constitutes an 'outsourcing' for the purposes of the EBA Guidelines, we expect the contract to reflect the responsibility of the supplier to act in a socially responsible manner and to adhere to international standards on human rights, environmental protection and appropriate working conditions, including the prohibition of child labour.

4. *Next steps and ongoing work*

Rothschild & Co is committed to countering modern slavery in all its forms. We continue to take proportionate and effective measures to ensure that slavery and human trafficking are not taking place in our business or in our supply chains.

We will continue to hold Rothschild & Co and our suppliers to high standards in our modern slavery response in order to protect those most vulnerable, and the development of the TPR Framework is an important step to support this ambition. Additionally, there is now a Group Procurement function and subject matter experts within the Corporate Responsibility team working on matters concerning human rights and labour issues. Together we will form a Modern Slavery Steering Committee to set the agenda for the next year.



Director
N.M. Rothschild & Sons Limited
June 2022

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Five Arrows Managers LLP
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