



Transparency Statement (May 2020)

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 and Rothschild & Co Wealth Management UK Limited (together referred to as “Rothschild & Co”), for the financial year ending 31 December 2019.

Overview of the Rothschild & Co 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 50 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 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. This Transparency Statement explains the steps we have taken over the past financial year in relation to this commitment.

Our approach to modern slavery risks

Openness and integrity

We recognise that fostering an environment of openness and integrity is crucial to tackling modern slavery risks; open communication is paramount and the firm enables employees to raise any genuine legal, compliance and/or ethical concerns, including those related to any instance of modern slavery. Embedded within the Rothschild family motto, ‘*Concordia, Integritas, Industria*’, integrity is the foremost expectation we place upon Rothschild & Co employees. Each individual is regularly reminded of their part to play in creating a responsible business culture, in acting thoughtfully and being guided by deeply-rooted principles. 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’.

Modern Slavery Working Group

We convene a Modern Slavery Working Group with representatives from the following teams: Legal & Compliance, Group Security, Purchasing and Community Investment.

This Working Group provides a forum in which to reflect on and evolve current approaches to the modern slavery risks we encounter. It allows us to evaluate our methods of assessment, review the results of such assessments and consider focal points for future development. By taking into account perspectives of different teams, we naturally extend the modern slavery agenda through the business.

Risk assessment

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 tier-one suppliers i.e. those 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.

1. 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. 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.

2. 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 contains 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 200 suppliers to each of N.M. Rothschild & Sons Limited and Rothschild & Co Wealth Management UK Limited (listed by expenditure for the financial year ending 31 December 2019) to ascertain our supplier risk profiles. A summary of our findings (and our actions) are below.

Low-risk suppliers

We can see that the vast majority of our suppliers are low-risk. For these suppliers we take no further action.

Medium-risk suppliers

Approximately 9% of the suppliers are identified as medium-risk. They are mainly operating in the food & drink and hotel & leisure spaces and are predominantly incorporated in the UK.

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) asking that the supplier represents and warrants that they comply with the Act (to the extent applicable) and other anti-slavery legislation; (2) requesting that the supplier adheres to our Anti-Slavery Policy; and (3) specifying the level of background checks we want performed on staff working on our contracts.

High-risk suppliers

Our risk assessment has found that we do not have any high-risk suppliers within the scope of the top 200 suppliers to each of the Rothschild & Co entities.

However, we are conscious that there will be high-risk suppliers beyond this list of top 200 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, 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 200 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:

- a) **Preferred List Hotels** – our Purchasing team 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 2019, we removed three hotels from the list of Preferred Hotels by virtue of their lack of response to the request for compliance with our Anti-Slavery Policy.
- b) **Hotels in High and Extreme Risk Locations** – 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.

Next steps and ongoing work

The risk assessment we have completed will be repeated in each financial year in order to ensure that our internal and external processes continue to be held to high and exacting standards.

Following discussions and testing via our Modern Slavery Working Group, we will make any necessary adaptations to the risk assessment process to ensure that it represents a useful and accurate tool in targeting the elimination of modern slavery in our supply chain. We will also use the Modern Slavery Working Group to discuss and develop appropriate training on modern slavery. For this reason, work continues throughout the financial year to further our aims of combatting modern slavery.

This flexibility underpins our long-term commitment to combatting modern slavery and human trafficking.

Director
N.M. Rothschild & Sons Limited
May 2020

Director
Rothschild & Co Wealth Management UK Limited
May 2020