



## Transparency Statement (June 2019)

### ***The purpose of and background to this Statement***

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the “Act”) and constitutes the joint Modern Slavery Act Transparency Statement for N. M. Rothschild & Sons Limited and Rothschild & Co Wealth Management UK Limited (together referred to in this Statement as “Rothschild & Co”), for the financial year ending 31 December 2018.

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

This statement explains the steps we have taken over the past financial year in relation to this commitment.

### ***Overview of the Rothschild & Co Business and Values***

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

At Rothschild & Co, we seek to innovate in a collaborative, considered and strategic manner, taking a long term perspective which incorporates our underlying principles of responsibility, empathy and commitment to both internal and external stakeholders.

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.

### ***Approach to Modern Slavery***

#### *Working Group*

During the financial year ending 31 December 2018, we formed a Modern Slavery Working Group with representatives from the following teams: Legal & Compliance, Security, Human Resources and Purchasing. During 2019, we will expand the Modern Slavery Working Group to include members from other key teams, such as Community Investment.

The establishment of a working group provides a forum in which to reflect on and evolve current approaches to modern slavery. It allows us to evaluate our methods of assessment, review the results of such assessments, and consider focal points for current discussion and future development by taking into account perspectives of different teams, thereby extending the modern slavery agenda through the business.

#### *Purchasing Policy*

During 2018, we finalised a Purchasing Policy which is applicable to all Rothschild & Co entities purchasing certain goods and services in the UK. This Purchasing Policy addresses a range of matters including the procurement process, environmental, diversity, health and safety and the modern slave trade. It is therefore an integral part of our commitment to eradicating any instances of modern slavery in our supply chain. The Purchasing Policy also embeds the Risk Assessment process described below.

#### *Openness and integrity*

All Rothschild & Co employees are expected to act with integrity. The firm fosters a culture of openness, thereby enabling employees to raise any genuine legal, compliance and/or ethical concerns, including those related to any instance of modern slavery (even if such a concern subsequently transpires to be unfounded). We encourage a sense of collective responsibility within our firm towards combatting modern slavery.



We recognise that fostering an environment of openness and integrity within our firm is crucial to ensuring that modern slavery does not occur within our business or within our supply chain.

#### *Risk assessment*

Following the approach of previous years, for the year ending 31 December 2018, we have analysed and performed a 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 have identified potential vulnerabilities in relation to slavery and human trafficking. We have then considered 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 current modern slavery focal points that we have found within our business are:

- Staff profile and recruitment
- Supply Chain; and
- Business Travel.

The Modern Slavery Working Group's discussions on Business Travel have enabled us to consider further ways in which we can eliminate the possibility of modern slavery entering our supply chain where there is business travel to a high risk country.

Details of our progress over the past year are shown as follows:

#### **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. 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**

Pursuant to our Purchasing Policy methodology for classifying tier-one suppliers, we look at the risks evident in both: (1) the *sector* in which they operate; and (2) the *jurisdiction* in which they are incorporated or where they principally work (by reference to the Global Slavery Index).

On this basis, we then classify suppliers as:

- **low risk** (neither a high risk sector nor a high risk jurisdiction);
- **medium risk** (either a high risk sector or a high risk jurisdiction); or
- **high risk** (both a high risk sector and a high risk jurisdiction).

For the financial year ending 31 December 2018, we have reviewed our top 200 tier-one suppliers to Rothschild & Co (listed by expenditure), and have found that we have no high risk tier-one suppliers.

For medium risk tier-one suppliers, we implement a variety of measures when reviewing contracts depending on the level of risk presented, 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 will adhere to our Anti-Slavery Policy; and (3) specifying the level of background checks we want performed on staff working on our contracts.



For low risk tier-one suppliers, no further action is required.

### 3. Business Travel

We continue to evolve our approach to ensuring that business travellers neither deliberately nor inadvertently associate with hotel and leisure industry service providers who are at a high risk of using slave labour. Following a risk assessment, we have identified the hotel and leisure industry as the high risk sector most likely to expose Rothschild & Co staff to instances of modern slavery. Within this sector, we are currently focusing on locations with a known high prevalence and/or risk of modern slavery practices.

Our approach can be summarised as follows:

- Preferred List Hotels – any hotel on this list which is also in a high risk location according to the Purchasing Policy methodology is asked to signify adherence to our Anti-Modern Slavery Policy. If they adhere, they can remain on the Preferred List; if they do not agree to comply with this policy or do not respond to our request, then they are removed from the Preferred List. For the year ending 31 December 2018, we removed two hotels from the Preferred List by virtue of their lack of response to the request for compliance with our Anti-Modern Slavery Policy.
- Hotels in High and Extreme Risk Locations – during 2018, we have been developing a system whereby Rothschild & Co staff travelling on business to High and Extreme Risk countries will be requested to use hotels that appear on a new 'Approved List'. All hotels on this list will have been subjected to security screening and/or review. This represents an enhancement in our efforts to ensure that all hotels hosting Rothschild & Co staff adhere to our Anti-Modern 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**  
**June 2019**

**Director**  
**Rothschild & Co Wealth Management UK Limited**  
**June 2019**