

# The 7 Pillars of our ESG policy

March 2018

## Introduction

Rothschild Merchant Banking has built its reputation on providing the highest levels of excellence. To maintain this we have defined our guiding principles to encompass a responsible and sustainable approach to Environment, Social and Governance (ESG) standards.

Our guiding principles have been established in line with the **UN Principles for Responsible Investment** ("UN PRI") which Rothschild Merchant Banking has agreed to adhere to in September 2012.

This policy statement sets out the principles and commitments of our approach to ESG challenges and opportunities.

## Principle 1

**Taking ESG criteria into accounting during the analysis and decision making processes for investments made by Rothschild Merchant Banking including:**

- Taking into account the non-financial performance of target companies: governance, social, environment
- Consideration of whether the investment is ethical

## Principle 2

**Disseminate the UN PRI and ensure the application of these principles throughout the entities in which we invest including:**

- Request all entities in which we invest to communicate and promote ESG issues within their business
- Provide support to senior management in developing mid-long term activities within a sustainable and trustworthy partnership

## Principle 3

**Inform our investors of this ESG policy and provide them with information on our approach to ESG issues on a regular basis through:**

- Provision of adequate, transparent and objective information in our annual report

## Principle 4

**Adopt a responsible and ethical approach to governance including:**

- Remuneration of senior management and a policy on bonuses that is compliant with international standards
- Implementation of compliance policies and procedures and on-going monitoring of the groups systems and controls
- Implementation of rigorous risk controls throughout the business
- Consideration of our ethical obligations in all business conduct (anti-money laundering, anti-corruption, reputational due diligence)

## Principle 5

**Encourage a human resources policy which values and respects all employees through:**

- Objective criteria to measure performance and competencies
- Support programs requiring senior management involvement in all employees career progression
- Equality across all staff irrespective of role, gender, race, age, religious belief or sexual orientation. In 2005 the Group signed the Diversity Charter

## Principle 6

**Reduce the environmental impact of our activities**

- In line with the Group approach to environmental management we will minimise, wherever practicable the negative environmental impact of our business including the impacts associated with energy, water and materials use, waste production and CO2 emissions
- Promote a circular economy practice by recycling and reusing as far as practicable
- Align with responsible purchasing practices and encourage our suppliers to respect sustainable development criteria
- Signatory of Initiative Climate (IC20) since 2018

## Principle 7

**Promote employees' commitment to society**

- Partnership with Epic Foundation
- Rothschild & Co's community investment programme combines long term partnerships and employee volunteering with strategic charitable giving
- Encouragement for employees to become involved in one or more of the 250+ volunteering commitments that the Management Company, through the Group, is involved in

Signatory of:

