

Slavery and Human Trafficking Statement (September 2016)

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the “Act”) and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2016.

At the heart of the Rothschild & Co Group’s approach to business is a deeply-held sense of responsibility to its people, to the environment and to the communities in which it operates.

Over the years, the Rothschild & Co Group has been developing and implementing policies designed to take social issues into greater account in its businesses, and circulating these among its employees. Whilst the impact of the Act predominantly vests within N M Rothschild & Sons Limited (“Rothschild”), the initiatives taken in response to the Act are built on a common set of values on which the Rothschild & Co Group’s internal operations, relations with stakeholders and investment decisions are based.

In the financial year ending March 2016, Rothschild undertook a risk assessment of (1) its current staff profile and recruitment practices (covering employees, contractors and agency staff) and (2) its supply chain (focusing, for this first year of the Act’s applicability, on its tier one suppliers). In this risk assessment we looked at the potential for vulnerabilities in relation to slavery and human trafficking, considering the probability of such risks materialising, the impact of them doing so, and the control mechanisms we already had in place that attempt to mitigate such risks.

Staff profile and recruitment practices

In relation to risks within our business, we found that we have rigorous HR 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 and contractors. We have not found any evidence to suggest that modern slavery is present within our business. We will continue to adhere by our stringent standards.

Supply chain

Our first tier suppliers were categorised by the risk evident in the sectors and the jurisdictions in which they operate. We compiled a list of high risk sectors where slavery and human trafficking is considered to be particularly prevalent, and have referred to the [Global Slavery Index](#) to determine the list of the countries where slavery is most widespread, as a proportion of the population. The composite parts of this double-headed approach of sector and jurisdiction will be reviewed annually to ensure our methodology remains relevant and robust.

Using these two concepts of sector and jurisdiction we accorded our suppliers the appropriate rating on the following basis:

- Low risk supplier: a supplier that is BOTH (i) working in a sector which is considered to be low risk, AND (ii) incorporated in (and predominantly operating within) a jurisdiction which is low risk.
- Medium risk supplier: a supplier that is EITHER (i) working in a sector which is considered to be high risk, OR (ii) incorporated in (or predominantly operating within) a jurisdiction which is high risk.
- High risk supplier: a supplier that is BOTH (i) working in a sector which is considered to be high risk, AND incorporated in (or predominantly operating within) a jurisdiction which is high risk.

The results of our due diligence found that the vast majority of our first tier suppliers were low risk. Additionally we have some medium risk suppliers and a very small number of high risk suppliers. As a response to this, in future contracts with suppliers we will implement a variety of measures 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, (3) specifying the level of background checks we want performed on staff working on our contracts, and (4) requesting that high risk suppliers submit an annual slavery and human trafficking report setting out the steps it has taken to ensure that slavery and human trafficking is not taking place in any part of its business).

The risk assessment we 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. As our actions gain momentum and we receive vital feedback from our suppliers, others in our industry and key stakeholders shaping the response to the Act, we will expand our remit to reach through our supply chain, beyond our tier one suppliers.

We are committed to rooting out instances of abuse in our business and supply chains and re-affirm our zero-tolerance approach to slavery and human trafficking.



Director
N M Rothschild & Sons Limited
September 2016