



Rothschild & Co

Financial Crime Policy Statement

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Rothschild & Co (the 'group') is firmly committed to high ethical standards and complying with all laws, rules and regulations designed to combat financial crime (such as money laundering, terrorist financing, bribery, corruption, tax evasion and fraud). There is no place for any individual associated with, or activity connected to, financial crime, or similar offences within our business. This includes a zero-tolerance approach to corruption in all its forms (such as bribery, embezzlement, extortion, influence peddling and unlawful taking of interest).

Our policies on anti-money laundering and counter-terrorist financing, sanctions, and anti-bribery and corruption aim to ensure that risks identified by the group are appropriately mitigated, employees are protected and that Rothschild & Co makes a positive contribution to the global fight against financial crime and terrorism. Commercial considerations never take precedence over the group's commitment to combatting financial crime.

The group works with external counsel and leading consulting firms to ensure the design of its financial crime compliance programme is compliant and effective. The group uses independent compliance and audit functions (the second and third lines of defence respectively) to construct the appropriate control framework to deter, detect and prevent actual or potential instances of financial crime.

1. Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy Statement

Rothschild & Co implements group-wide policies predicated on robust AML standards and compliance with the laws, regulations and supervisory requirements applicable to its global operations.

To this end, Rothschild & Co has established a financial crime compliance programme and suite of policies, approved by senior management, applicable to all entities and employees within the group.

The programme includes, but is not limited to:

- The appointment of a Group Head of Financial Crime Compliance and Regional Heads of Financial Crime Compliance, as well as local 'Country Officers' and/or Money Laundering Reporting Officers (MLROs), as appropriate;
- Maintaining a Financial Crime Risk Assessment (FCRA) which underpins a proportionate and risk-based control framework for AML and CTF activity;
- A detailed Group Client Due Diligence (CDD) Policy, which covers identification & verification (ID&V), know your client (KYC) and other protocols (e.g., background and reputational checks, purpose of relationship and expected activity, source of wealth/funds and periodic review principles);
- In all information gathering processes, use of sources which are reliable, relevant and, where possible, independent. This extends to assessing country and sector risks based on a wide range of independent sources and market data providers;
- Involvement of senior management in new client onboarding and ongoing client maintenance decisions on a risk-sensitive basis (e.g., via local and group-level client acceptance committees);
- Subjecting client relationships and transactions that are considered to have an increased risk of financial crime to enhanced due diligence and enhanced ongoing monitoring (e.g., specific requirements related to politically exposed persons);
- Transaction monitoring principles, in order to detect suspicious activity, coupled with internal and external reporting mechanisms (e.g., suspicious activity reports (SARs));
- Maintenance of up-to-date records related to AML and CTF, including copies of (or references to) the evidence obtained during the CDD/KYC process. Including retaining these records for an appropriate time period, according to the legal and regulatory requirements in each jurisdiction where the group operates;
- For the purposes of consolidated group supervision of financial crime risk, and in compliance with applicable data protection and secrecy laws, the group shares relevant client data internally;
- Ensuring new joiners and existing group employees receive regular risk-based training to ensure everyone understands the risks posed, consequences of non-compliance and the individual and corporate responsibilities regarding AML, CTF and other financial crime topics;
- Regularly reviewing the effectiveness of AML/CTF and other financial crime related policies, procedures, systems and controls;
- A strong oversight, assurance and monitoring framework to validate and verify employee compliance with Rothschild & Co's policies, procedures, standards and other rules. This activity is regularly undertaken by both the second line of defence (e.g., local Compliance staff), as well as the third line of defence (e.g., Group Internal Audit); and
- Relevant local requirements (where there is a conflict in standards between group policy and local legislation, the most stringent prevails).

Rothschild & Co actively participates in industry fora to ensure it remains apprised of regulatory expectations and to help drive financial crime compliance in the market.

2. Sanctions Policy Statement

The governments of most jurisdictions in which the firm conducts business have established economic sanctions programmes, underpinned by specific laws and regulations. Rothschild & Co has a rigorous sanctions framework aimed at ensuring compliance with all relevant sanctions' laws and regulations applicable to its global operations.

The Group Sanctions Policy, approved by senior management, establishes minimum standards, processes and controls designed to limit the group's exposure to risk associated with violations of sanctions laws and regulatory requirements, as well as the risk of conducting business with a sanctioned party. All Rothschild & Co entities and employees must comply with standards, including:

- Screening the identity of clients and applicable connected parties, relevant third parties and transactions against the sanctions lists issued by the European Union or any member state (e.g., France's Ministry of Finance), the United Kingdom, the United Nations Security Council and the United States of America (including OFAC and other authorities). This includes ongoing sanctions screening using a risk-based approach, as well as ongoing payment and transaction filtering;
- Local screening against any other applicable sanctions lists;
- Full disclosure to senior management of any sanctions issues identified and ensuring no clients are accepted or maintained until the entity's client acceptance committee (or equivalent) is satisfied there are no sanctions issues;
- Prohibiting business activity (e.g., new client onboarding, existing client servicing or payment processing) where Rothschild & Co believes such activity may violate group policy or applicable sanctions laws or regulations;
- Prohibiting the act of concealing, forging, stripping or altering any information in payment messages or instructions for the purpose of circumventing sanctions laws or avoiding detection of that information in the payment or sanctions filtering process;
- Blocking or rejecting transactions where Rothschild & Co is required to do so pursuant to group policy or applicable sanctions laws or regulations;
- Maintenance of up-to-date client and monitoring records;
- Ensuring new joiners and existing group employees receive regular risk-based training to ensure everyone understands the risks posed, consequences of non-compliance and the individual and corporate responsibilities regarding sanctions; and
- Regularly reviewing the effectiveness of sanctions related policies, procedures, systems and controls.

Rothschild & Co may decide not to provide products or services even where it is permitted by sanctions regimes. These decisions may be guided by risk appetite, business efficiency or any other such reason.

The group has zero appetite for sanctions conduct failures and maintains a robust employee disciplinary regime.

3. Anti-Bribery and Corruption (ABC) Policy Statement

Rothschild & Co is firmly committed to conducting its business affairs in compliance with all ABC laws and regulations applicable to its global operations (e.g., France's Sapin II law, the UK Bribery Act and the U.S. Foreign Corrupt Practices Act).

The group has established an extensive ABC programme and suite of policies, approved by senior management, applicable to all entities and employees within the group. The Group Anti-Bribery and Corruption Policy gives practical effect to relevant global initiatives such as the United Nations Convention Against Corruption.

The ABC programme includes, but is not limited to:

- Appointing a member of the local board or equivalent senior management to sponsor and be responsible for B&C matters;
- Commitment to be acting
 - in full understanding and compliance with the rules of the Group Anti-Bribery & Corruption Policy, including its standards of judgement, and any applicable local laws, regulations or procedures which provide for a higher ABC standard;
 - fairly, honestly, openly and with integrity;
- Prohibiting employees from offering, promising or giving (directly or indirectly) anything of value (including employment opportunities) to anyone if it is intended, or could be reasonably perceived as intended, to improperly obtain or retain business, induce improper action, obtain an undue advantage or to improperly influence judgement or decision making;
- Prohibiting employees from accepting or soliciting anything of value from anyone (directly or indirectly) if it is intended, or could be reasonably perceived as intended, to induce improper action or to influence their judgement or decision making on behalf of the group;
- The requirement for Compliance to review and pre-approve, on a risk-sensitive basis, gift, entertainment, charitable donation and sponsorship activity;

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- Prohibiting facilitation payments, subject to very limited exceptions (i.e., where an employee is under duress or at risk of personal harm);
 - Prohibiting political donations on behalf of Rothschild & Co. No group employee should, at any time, offer or donate to a political party or any company or person connected to a political party in R&Co's name or on a group entity's behalf;
 - Detailed ABC risk mapping for identifying, assessing, prioritising and managing the risk of B&C across the group. The risk map also allows for key ABC information to be shared with senior management;
 - Completing all mandatory risk-based ABC training within the expected timeframe and identify and escalate any individual training needs;
 - Specifying the significant consequences for breaching the Group Anti-Bribery & Corruption Policy, local internal rules or for failing to meet ABC legal and regulatory requirements;
 - Maintaining accurate, complete and up-to-date records (e.g., gift and entertainment logs, third party due diligence, financial records);
 - Regularly reviewing the effectiveness of ABC related policies, procedures, systems and controls. A senior management committee is responsible for the regular review and approval of the group's ABC risk assessment (risk map) and the complementary controls instituted to mitigate the risk of B&C faced by the group; and
 - Reporting any suspicions of B&C or other serious concern, irregularity or wrongdoing in accordance with the Group Anti-Bribery & Corruption Policy and Group Policy on Reporting Concerns or Irregularities (whistleblowing).

The Group Anti-Bribery & Corruption Policy complements the [Group Code of Conduct](#), in which the behaviours expected from all employees (and third parties) are laid down, as well as the potential consequences of failure to live up to the high standards set. The group reserves the right to decline or exit relationships with third parties where ABC concerns exist.

Note that Rothschild & Co does not engage in, or dedicate funds to, lobbying activity (it does not seek to actively influence public officials, laws or regulations). The group, therefore, does not declare any expenditure in the EU Transparency Register (or equivalent registers).

4. Tax Evasion Policy Statement

Tax evasion and related offences are considered a crime (délit in France) and typically represent a predicate offence to money laundering. Rothschild & Co takes its responsibility to tackle tax evasion seriously.

All Rothschild & Co entities and employees must comply with standards, including:

- Reasonable client due diligence, where applicable, to mitigate the risk that the group is handling or dealing with the proceeds of crime;
- The requirement to identify and report incidents where a suspicion is formed that the group is handling or dealing in the proceeds of crime;
- Prohibiting exploitation of an association with Rothschild & Co to evade, or facilitate the evasion, of taxes legitimately due to any competent authority; and
- The institution of additional mitigating controls designed to help prevent the facilitation of tax evasion (e.g., risk assessments and relevant training).

5. Fraud Policy Statement

Rothschild & Co maintains a robust fraud risk framework, which includes appropriate measures to detect and prevent fraudulent activity.

Where fraud is suspected, or positively identified, the group will take appropriate measures to secure funds, assets (tangible and intangible), and/or technology. In tandem, the group will work closely and collaboratively with relevant authorities.

Where any employee suspects that a fraud has been attempted, or is being perpetrated, this must be reported immediately.

Whistleblowing Statement

Rothschild & Co expects all employees to maintain the highest standards of professionalism and integrity, reflective of the [Group Code of Conduct](#), policies and other rules.

All firms face the risk of errors occurring or of unknowingly harbouring criminal or unethical conduct. Equally, the group recognises that loyalty or fear of professional or personal consequences may inhibit the exposure of noncompliant behaviour. In order to prevent or address such situations, the Group Policy on Reporting Concerns or Irregularities (whistleblowing) explains how individuals can confidentially escalate matters so that they may be assessed and resolved in a suitable manner. Various whistleblowing channels are available, and individuals may choose to remain completely anonymous by reporting to the group's independent whistleblowing hotline (Safecall).

Individuals making any report in good faith are fully protected against any prejudicial treatment or retaliation; Rothschild & Co will not take any action against the individual for raising it, irrespective of whether it is later substantiated.