

Rothsay

Corporate Social Responsibility policy

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Corporate Social Responsibility Policy

A. Scope

This policy applies to Rothesay Limited and its subsidiaries (Rothesay or the Group).

B. Overview

We want to be a responsible business that meets high standards of ethics and professionalism.

This Corporate Social Responsibility (CSR) policy aims to make clear to all stakeholders what Rothesay means by CSR and how Rothesay proposes to work towards implementing and achieving CSR.

When carrying out our business, the Group will endeavour to ensure that we meet our corporate and social responsibility and we will encourage our business partners to do the same. By doing so, we also believe that the Group will achieve positive outcomes with respect to environmental, social and governance (ESG) criteria.

Sections C through G of the policy are focussed on the activities of the Group itself. They are designed to ensure:

- The legality of what we do
- That we are ethical in what we do
- That we protect the environment
- That we protect people
- That we give back to the community

Section H is designed to ensure that the Group invests responsibly.

C. Legality

The Group will:

- Comply with applicable laws
- Ensure that all its business operations are legitimate
- Keep every partnership and collaboration open and transparent

D. Business ethics

The Group Compliance Manual sets out our standards for integrity, accountability and always conducting business in a fair manner:

- We will treat customers fairly
- We will promote anti-bribery and anti-corruption practices (see the Group's Gift and Entertainment policy)
- We will seek to avoid conflicts of interest (see the Group's conflict of interest policy)
- We will respect confidentiality and uphold competition laws
- We respect and protect the privacy of our employees, customers and other stakeholders (see the Group's data policy).
- We will report in a way which is accurate, balanced and fair (see the Group's External reporting policy)

We will reject financial crime (see Rothesay's Financial Crime Policy), including but not limited to:

- Bribery and corruption
- Fraud
- Facilitation of tax evasion (see the Group's tax policy)
- Market abuse (see the Group's Personal Account Dealing policy)
- Money laundering and terrorist financing
- Sanctions breaches

E. Protecting the environment

The Group recognises the need to protect the environment. Keeping our environment clean and unpolluted, and recognising and addressing the risks of climate change, is a benefit to all.

The Group will endeavour to reduce our impact on the environment and climate change and to work with our partners to reduce any adverse impact they have on the environment.

F. Protecting people

The Group will invest in the wellness of our employees and their families and will ensure that we don't risk the health and safety of our employees and community (see Rothesay's Health & Safety Policy).

The Group supports diversity and inclusion in the workplace (see Rothesay's Life Equal Employment Opportunity Policy and Rothesay's Board and Senior Management Diversity Policy).

Rothesay's remuneration policy is intended to motivate our employees in delivering their best performance over the long-term and to ensure that the interests of employees are aligned to the interests of Rothesay and its stakeholders.

Rothesay aims to support and respect the protection of internationally proclaimed human rights. All partners are actively encouraged to observe international human rights norms within their work (see Rothesay's Modern Slavery Statement).

G. Giving back

Giving back to the communities in which we work is important to the Group and we encourage our people to volunteer with the same energy, innovation and commitment that they bring to their professional responsibilities. In particular:

- The Group has established the Rothesay Foundation to support charities that seek to improve the quality of life for older people, helping them to live their lives in a happy, safe and fulfilling way.
- The Group will provide substantial financial support to the Foundation and will also make donations each year to a number of other charities, including employee-nominated charities.
- Employees may take one day's paid leave each year to take part in charitable volunteering initiatives.
- Employees may take reasonable unpaid leave to undertake public duties such as being a Justice of the Peace or being a member of a school governing body.
- The Group will match up to £1,000 of charitable fund raising per employee or £1,000 of each employee's charitable donations.

See also the Group's policy on interests outside of work and the policy with regard to charitable contributions.

H. Responsible investment

Investment philosophy

The Group believes that investing sustainably is consistent with our long-term investment objectives and sound risk management. In particular, we believe that climate change could pose a systematic, long-term material financial risk to the value of assets.

We believe that responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can have a positive impact on long-term financial performance, recognising that the importance of ESG factors varies across industries, geography and over time. By taking financially material ESG factors, including climate change, into account in our investment process, we believe that the Group better manages risk and is better positioned to deliver our long-term investment objectives.

Our in-house team is responsible for the selection and management of almost all of the Group's assets. ESG considerations are integrated into the investment process, including consideration through specific dedicated sections of committee approval papers for new investments. This will necessitate us seeking appropriate disclosure on ESG issues.

The Group's credit risk team also considers ESG issues as part of its independent oversight of the Group's investment portfolio.

The Group focuses on ESG issues to the extent that they have an actual or potential impact on financial risk and performance.

Engagement

The Group believes that active ownership is the most appropriate channel to promote positive ESG practices. However, the Group has no equity investments and many of the Group's investments are publicly traded so the Group has limited ability to promote positive ESG practices except through selection and retention of investments.

That said, where the Group has the opportunity for direct engagement then where appropriate we will promote positive ESG practices by our investment counterparties, for example, in the case of equity release mortgages, ensuring the fair treatment of borrowers.

Monitoring and reporting

As noted above, our in-house team is responsible for the management of almost all of the Group's assets and the team is required to report to the Board Risk Committee on a regular basis on their responsible investing and engagement activities.

The Group is committed to reporting on our responsible investment activities and we do so in the annual report and accounts.