



DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.

DISCLOSURE QUESTIONNAIRE

Company Name: Coutts & Company
 Date Submitted: 07/14/2021

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓
Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration	✓	
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other		✓
Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other	✓	

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Coutts & Company

UPDATED AS OF:

07/14/2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation or Arbitration
ISSUE DATE	Between 30/03/2016 and 30/03/2021
TOPIC	Cases of litigation brought forth by company's employees and clients.
SUMMARY OF ISSUE	In the last five years to 31/03/2021, 13 cases of litigation were settled by the company relating to employee issues such as claims regarding unfair dismissal, unpaid notice, alleged discrimination, etc. and commercial issues such as allegations of negligent investment advice and mis-sale of certain products.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>All of the lawsuits listed above have been settled out of court with the total settlement amount over five years being ~1.3% of company's annual revenue in 2020. On average, the aggregate settlement amounts in respect of these cases represented ~0.27% of the company's annual revenue each year of the relevant period.</p> <p>The number of claimants in respect of the settled cases mentioned above represent ~0.03% of the company clients and ~0.26% of the company's employees.</p> <p>In the last five years to 31/03/2021, the company has not had any adverse judgments against it in respect of litigation matters. The cases listed above are only those which were settled by the company (with or without payment and without admission of wrongdoing) and do not include those which resulted in a Court judgment in the company's favour or any extant cases.</p>
RESOLUTION	None of these litigation cases resulted in a verdict against company and were instead settled out of court.
IMPLEMENTED MGT PRACTICES	Litigation cases are reviewed by the company's management in order to identify opportunities to improve products, processes and client and employee outcomes.
OTHER MANAGEMENT COMMENTS	As a participant in the financial services industry, the company operates in a highly regulated environment. At any moment in time it is likely that the company will be involved in a number of investigations and disputes. A settlement should not be taken to infer the company was at fault. There are factors which could lead to the company agreeing a settlement even where it expects to prevail in Court – e.g. to avoid the expense, management distraction or the inherent risks and uncertainties associated with litigation. The terms of a settlement may not require a payment of funds or other compensation by the company.
REPORT	Further details can be found in the company's Annual Report and Accounts.

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UPDATED AS OF:

07/14/2021

DISCLOSURE QUESTIONNAIRE CATEGORY	Investments in the Potentially Sensitive Industries
TOPIC	Self managed & third party managed funds of Coutts & Company have exposure to sensitive industries such as fossil fuels, alcohol, tobacco, firearms, etc.
SUMMARY OF ISSUE	<p>Self managed & third party managed funds of Coutts & Company have exposure to sensitive industries such as fossil fuels, alcohol, tobacco, firearms, etc.</p> <p>The exposure differs between self-managed funds & third party managed funds of the company.</p> <p>Generally for Coutts & Company, exposure signifies investment exposure to companies flagged for involvement in sensitive industries which could include producers that derive => 5% of revenue from the sensitive industry and retailers, suppliers, and distributors, if the combined revenue from the sensitive industry =>15%.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	As of end of 2020, investment exposure of Coutts & Company funds to potentially sensitive industries collectively constituted an average of 7.25% across all Coutts & Company funds.
IMPACT ON STAKEHOLDERS	Industries such as fossil fuels, alcohol, tobacco, firearms, etc. could exert significant social and environmental impacts on communities.
IMPLEMENTED MGT PRACTICES	<p>The company invests predominantly through third-party funds and their own managed funds in conjunction with BlackRock.</p> <p>For their own managed funds, Coutts and Company have developed their exclusions policy in line with their investment philosophy and determined that certain activities are not sustainable for the long term. As a result, the company has excluded companies involved with high impact fossil fuels and controversial weapons from their portfolios.</p> <p>For third-party funds the company is unable to set the responsible investing policy as this is at the discretion of the portfolio manager, who determines the exclusions and the security selection process. The company does however engage with the portfolio manager and shares their exclusions policy (referenced above) and challenges them to be transparent and accountable for the companies they choose to invest in.</p>
OTHER MANAGEMENT COMMENTS	The company believes that active stewardship and engagement with fossil fuel companies can bring about significant change within the industry and can thus speed up the global transition to a net zero economy. Therefore the company adopts an engagement-first approach for companies involved in fossil fuels and utilises divestment as a potential escalation approach.