



ST. JAMES'S PLACE PLC

ST. JAMES'S PLACE

SLAVERY AND HUMAN TRAFFICKING STATEMENT
FOR THE YEAR ENDING 31 DECEMBER 2018

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This statement is made pursuant to section 54 of the Modern Slavery Act 2015 (the ‘Act’) and sets out the steps the St. James’s Place Wealth Management Group¹ (‘SJP’) has undertaken, and will continue to take, to ensure modern slavery or human trafficking is not taking place within our business or supply chain. We have prepared this statement based on our understanding of the definition of ‘modern slavery’ – a term which encapsulates slavery, servitude, forced or compulsory labour and human trafficking.

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¹ This statement has been made on behalf of St. James’s Place plc, St. James’s Place UK plc, St. James’s Place Wealth Management plc, St. James’s Place Unit Trust Group Limited, St. James’s Place Management Services Limited, St. James’s Place Investment Administration Limited and St. James’s Place International plc.

SLAVERY AND HUMAN TRAFFICKING STATEMENT 2018

OUR POSITION

We are committed to managing our business in a responsible and ethical manner, ensuring that the relationships we have with all our stakeholders, including shareholders, clients, Partners², employees and suppliers adhere to the highest standards. We will not tolerate or condone abuse of human rights (including modern slavery) in any part of our business and we are committed to minimising the risk of slavery or human trafficking in all parts of our supply chain.

ORGANISATION STRUCTURE AND SUPPLY CHAINS

SJP is a wealth management group specialising in delivering face-to-face wealth management advice to individuals, trustees and businesses, the majority of which are resident in the UK (approximately 96%). Most of our employed workforce is based in the UK and Ireland (over 91%) and we also have offices in Hong Kong, Singapore and Shanghai. All our operations benefit from our in-house Human Resources and Recruitment teams who ensure employees and job applicants are treated equally and fairly and are eligible to work in their respective territories. We are an equal opportunities employer and acknowledge our obligations under the Equality Act 2010 and endorse the codes of practice relating to this legislation. We are a real Living Wage employer and encourage our suppliers to adopt the same principle or, where applicable, an overseas equivalent. (www.livingwage.org.uk)

OUR SUPPLY CHAIN

SJP has always placed reliance on the support of third party suppliers and a significant proportion of our key suppliers have been associated with the Group for many years. As is the case with our operations and our clients, most of our supply chain is based in the UK. The provisions of the Act apply to all our suppliers, regardless of where they are headquartered, who are providing goods and services to the Group within the UK.

POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

All employees receive a copy of our employee handbook.

This includes a statement about our code of ethics and our equal opportunities policy, which makes it clear we oppose all forms of unfair discrimination or victimisation. Our bullying and harassment policy also sets out our approach in relation to allegations of harassment and/or bullying. Harassment, in general terms, is defined as unwanted conduct affecting the dignity of people in the workplace. It may be related to age, sex, race, disability, religion, nationality or any personal characteristics of the individual and may be persistent or an isolated incident.

A whistleblowing policy is in place that enables employees (including temporary or permanent employees, contractors, agency workers and temps, interns and those on work experience) to raise any concerns they may have about illegal or improper behaviour by anyone connected to SJP, without fear of victimisation, discrimination or disadvantage. The independent non-executive chair of our Audit Committee is designated as the contact under the policy, providing a channel independent of employees' reporting structures.

In addition to the above policies, SJP offers its employees the opportunity to seek independent and impartial advice via confidential telephone, email and/or face-to-face counselling services provided through our employee assistance programme, should they wish.

As at 31 December 2018, we work with nearly 2,500 Partner Practices, which includes approximately 4000 individuals who provide advice services to clients. These Partners are self-employed (except for a small number operating in Singapore and Shanghai) and play the leading role in delivering our wealth management service to clients. More than 95% of our Partner businesses are based in the UK with the remainder mainly in Hong Kong, Shanghai and Singapore.

² Throughout this document, the terms 'Partner' and 'Partnership' shall mean the appointed representatives of St. James's Place Wealth Management plc pursuant to section 39 of the Financial Services and Markets Act 2000, subject to such terms as are applied from time to time by St. James's Place Wealth Management plc and duly registered as appointed representatives of St. James's Place Wealth Management plc with the Financial Conduct Authority.

SLAVERY AND HUMAN TRAFFICKING STATEMENT 2018 CONTINUED

OUR EXPENSES

62% of our total expenditure (by value) relates to payments to the Partnership and SJP employees, with an additional 14% associated with material outsourcing suppliers and the independent managers of SJP funds. 24% of total Group expenditure relates to other suppliers and, of this, the significant majority relates to UK-based businesses.

OUR GOVERNANCE FRAMEWORK

We have implemented procurement policies which support us with our own values and standards, help us meet our regulatory obligations, and promote an internal awareness of how we expect suppliers to be managed and the legislative frameworks they should operate within. Our procurement policies include:

Sourcing and Supplier Management Policy and Best Practice Guidance

This guidance supports those in the business with responsibility for managing third-party suppliers of indirect goods and services as well as providing a consistent standard of approach when dealing with third parties. The policy covers the key stages of the procurement lifecycle from requirements definition, selection, due diligence including modern slavery, negotiation/contract award, supplier management and exit/renew.

Material Outsourcing Policy

The material outsourcing policy describes the principles to be followed when managing suppliers of our material outsourcing arrangements (business critical or important operational functions or services outsourced to third parties and SJP Group companies). The policy includes our standards for due diligence and ongoing monitoring and oversight requirements, which are conducted and reported to our executive Risk Committee on a quarterly basis, ensuring we fulfil our strategic and regulatory obligations. The policy is reviewed on an annual basis, but the introduction of additional regulation would prompt an interim review. Following Board approval of any changes, the revised policy is distributed to all those in the business with responsibility for managing material outsourcing arrangements and they are requested to confirm they have read and comply with the policy.

Due Diligence Process

At the outset of any supplier engagement and then at periodic intervals during the contractual period we require due diligence to be completed to assess the capability and compliance to business and legal requirements. Our due diligence process assesses potential financial, legal and regulatory exposures of prospective third party suppliers. It provides insight into the third party's structure, operations, culture, their approach and focus on modern slavery, human resources, supplier and customer relationships, competitive positioning and outlook.

The due diligence process requires our suppliers to confirm and, where appropriate to do so, evidence compliance with local legislation. It also requires them to provide information around the activities they undertake to mitigate the risks associated with modern slavery and human trafficking. We also request confirmation of our suppliers' due diligence processes in respect of their own supply chain, where additional suppliers may be used in the delivery of goods and services to SJP. We request information relating to our suppliers' approach to the welfare of individuals and the welfare of people who might be working within their supply chain, and the steps our suppliers are taking to ensure modern slavery and human trafficking is not taking place within their business operations.

Within our supply chain for facilities management services, such as cleaning, catering, maintenance, security and other services, we test the provision of services, or proposed services through detailed cost modelling and we ensure all master services agreements include clauses highlighting the minimisation of any risk of modern slavery.

Any response which requires further clarity is subsequently addressed to ensure an appropriate understanding of risk. As well as performing due diligence at the initial stage of contracting, our material outsourcing suppliers undergo an annual due diligence refresh. This provides us with continued assurance of their capabilities to meet our regulatory and legislative obligations and a signed attestation in relation to the fitness and propriety of their key personnel. We seek assurance that effective processes are in operation, their employees are of good repute, suitably qualified and experienced, as well as supported in their ongoing development to manage our account.

Risk Assessment and Management

The due diligence process outlined above enables us to assess the potential for any exposure to modern slavery as well as any risk across a wide range of criteria and requires review and assessment by various subject matter experts across our business structure. We use a RAG (Red, Amber, Green) system to categorise our assessment of responses. Following the review of supplier responses, Procurement will produce a report which will either confirm compliance or will identify areas of concern or where more information is required. Risk mitigation actions are identified and agreed with the relevant business area and supplier to progress and resolve.

We will continue to review our existing supplier categorisation model to ensure all suppliers are risk assessed appropriately and the correct level of ongoing oversight and monitoring is in place.

Key Performance Indicators

Key Performance Indicators are measured through the activities we take as a result of our due diligence process, and any remedial actions required for improvement. In addition, we measure our on-going actions with our key suppliers to ensure compliance is maintained.

Training on Modern Slavery and Trafficking

We have developed and implemented employee training sessions, known as Knowledge Development Meetings, which include specific details on identifying the risk of modern slavery in our supply chain, as well as best practice guidance to mitigate any such risks. These sessions are delivered via face-to-face, and on-line learning modules are in development. Feedback is sought following attendance to check participant understanding, as well as providing the opportunity to update material if required.

Through the sharing of policies and targeted training, we are providing accessible resources for those in the business with responsibility for managing suppliers to help them understand monitoring and oversight requirements.

We are introducing a supplier code of conduct, which is both internal and external facing to reinforce our criteria in respect of commercial relationships.

FUND MANAGERS

Our Investment Management Approach ('IMA') is at the heart of our client proposition. The IMA provides the basis for selecting leading third party fund managers, each with their own distinctive investment styles, enabling us to provide our clients with real diversification of risk. The selection process for appointing new fund managers is extremely thorough, focusing not only on the performance of the fund manager, the risk management approach and operating environment, but also its cultural fit with SJP. Having selected our fund managers, we monitor them continually through in-depth analysis of their portfolios, bi-annual meetings at a minimum and periodic reporting on adherence to our expectations.

Through our focus on client outcomes, we recognise the importance of good stewardship and the principles underpinning responsible investment. Our fund managers are required to meet our expectations in this regard and we have therefore established a responsible investing policy which extends to ESG (Environmental, Social and Governance) issues.

We have also introduced minimum standards across all our fund managers. These standards include the requirement for a robust responsible investing policy statement or document, a named senior individual with responsibility for policy implementation and continuous improvement of the ESG practice over time. Our responsible investing committee is responsible for the integration of ESG factors into our investment model and for promoting the principles of responsible investing across our fund managers.

We monitor fund managers through a comprehensive programme of pre-appointment due diligence and ongoing oversight. This includes requiring all fund managers to complete our annual ESG/responsible investing questionnaire, which from 2019 will include a question on modern slavery and, where we see material ESG risks, we will engage with managers through periodic meetings. SJP is also a signatory to the United Nations Principles for Responsible Investment (UNPRI) and the Financial Reporting Council's UK Stewardship Code. We were awarded the highest assessment ratings by both organisations based on the quality of our disclosure and activities. The ratings being A+ (UNPRI) and Tier One (Financial Reporting Council's UK Stewardship Code). Please click here for more information:

www.unpri.org/ and www.frc.org.uk/investors/uk-stewardship-code

SLAVERY AND HUMAN TRAFFICKING STATEMENT 2018 CONTINUED

OBJECTIVES AND ACTIVITIES

We have identified opportunities to continue to develop our approach to modern slavery risk mitigation and we are committed to developing improved central visibility of our third party supply chain. We undertake the following activities:

- we identify key supplier information which is captured at the due diligence stage, and we highlight any potential areas of concern which we can subsequently address through targeted, outcome-oriented initiatives.
- we are ensuring all new suppliers have a recorded internal SJP owner who is responsible for overseeing the effective operation of the relationship.
- we provide additional support to those in the business with responsibility for managing suppliers, so they remain aware of their responsibility in ensuring the appropriate level of oversight is in place as determined by our supplier categorisation model.

RISK ASSESSMENT

We risk assess all supplier relationships by seeking evidential assurances and responses to a series of set questions, which cover the following:

- basic company information
- risk and regulatory
- financial crime and financial assessment
- business continuity
- corporate social responsibility and modern slavery
- diversity and inclusion
- fitness and propriety
- information security and data protection
- sub-contractors

CLOSING STATEMENT

No modern slavery concerns were identified as part of current assessment procedures of our supply chain, and we will continue to monitor both existing and new suppliers and address any emerging issues.

APPROVAL FOR THIS STATEMENT

This statement was approved by the Board of Directors of St. James's Place plc on 28 June 2019.

CRAIG GENTLE

Chief Financial Officer

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