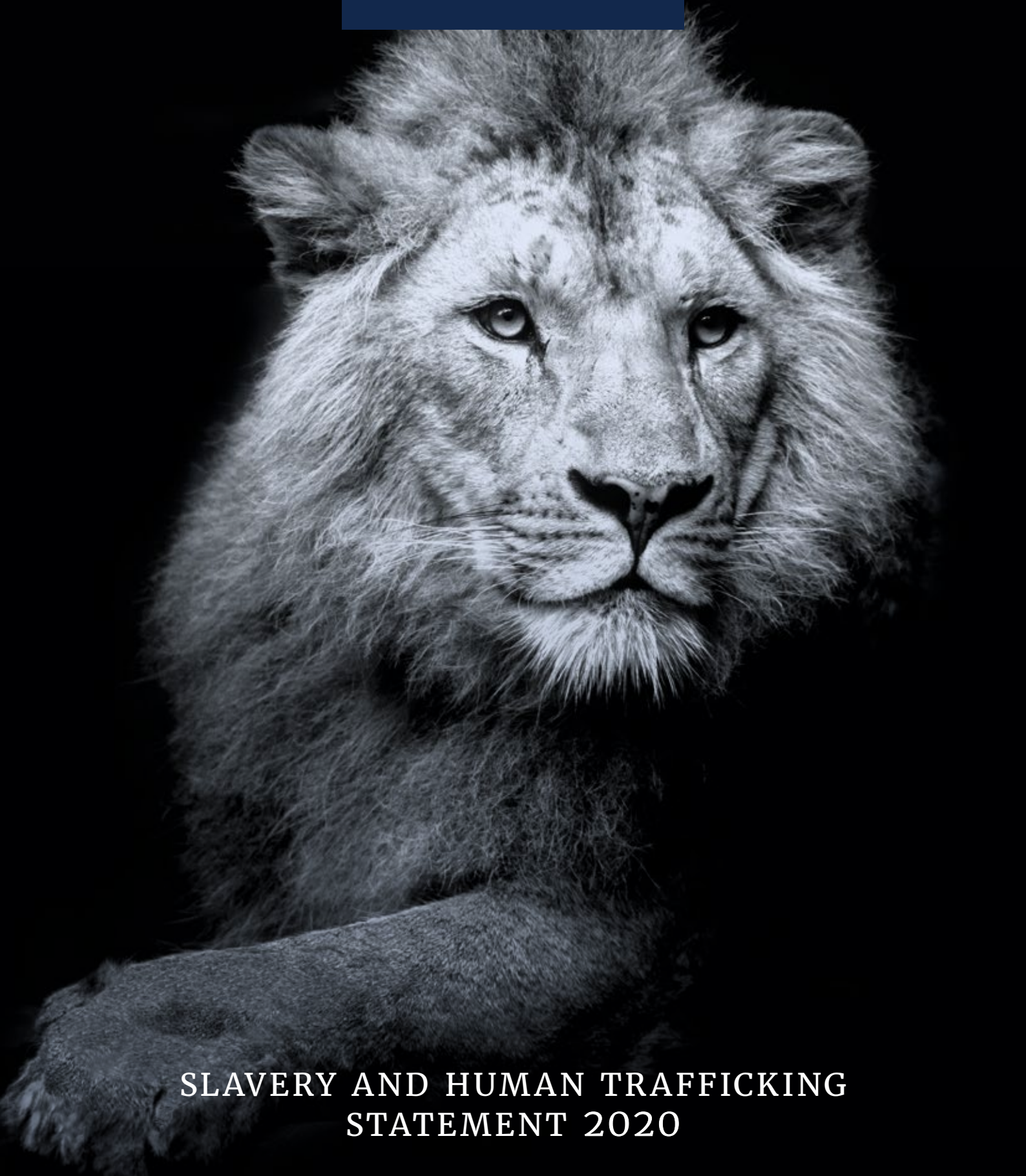




ST. JAMES'S PLACE



**SLAVERY AND HUMAN TRAFFICKING
STATEMENT 2020**

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.

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, St. James’s Place Partnership Services Limited and St. James’s Place International plc.

Our position

We are committed to managing our business in a responsible and ethical manner, such that the relationships we have with all our stakeholders, including shareholders, clients, Partners,² employees and suppliers adhere to high 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 identifying and minimising the risk of slavery or human trafficking in all parts of our supply chain.

Read more in our Annual Report



Our Annual Report, which can be viewed on-line at www.sjp.co.uk incorporates our Social Value Report (pages 24-37) where we reiterate we will neither tolerate or condone the abuse of human rights, including modern slavery in any part of our business.

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

Due to the nature of our business, SJP is primarily a consumer of services rather than goods and materials, and the associated risks are lower than manufacturing for example. Nonetheless, we are committed to managing the risks in an effective way within 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, 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 2020, we work with 2,540 Partner Practices, which includes approximately 4,300 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.

Our expenses

65% of our total expenditure (by value) relates to payments to the Partnership and SJP employees, with an additional 12% associated with material outsourcing suppliers and the independent managers of SJP funds. 22% 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

This Policy 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. The Policy has been substantially re-written in 2021 to make it clearer to those responsible for supplier engagement and relationships what we expect from our suppliers in this area.

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 Group Risk Executive 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. This policy will be reviewed further during 2021 following the outcome of the PRA CP30 consultation paper on outsourcing.

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 our business and legal requirements. We assess via our supplier relationship managers, the level of due diligence required for each engagement. 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, including their own supply chain, 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 all local legislation. It 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, or where additional suppliers may be used in the delivery of goods and services to SJP. We also 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 and contracts include clauses requiring the minimisation of any risk of modern slavery. Any supplier response which requires further clarity is subsequently addressed to ensure we have and can assess 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. At the end of 2019, SJP invested in new proprietary software to

develop and enhance our due diligence approach. The software provides access to a portal which both SJP and suppliers will use for the issuing and completion of due diligence questionnaires. The solution was successfully implemented during 2020 and the usage and throughput of supplier due diligence have continued to increase

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, the Third Party Risk Management Team produces a report which will either confirm compliance or will identify areas of concern or those 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 enable us to measure 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

In 2021 we are improving our employee training on Modern Slavery and Human Trafficking through the following activities: Our annual Slavery and Human Trafficking Statement will be given to all new employees as part of their induction training, we are also introducing annual mandatory training for all employees on Slavery and Human Trafficking through a digital learning platform with a module specifically aimed at this topic.

Please click here for more information:

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



Signatory of:




Fund managers

We understand that through investment decisions, financial institutions can have a significant impact on preventing human rights abuses. Organisations whose business practices directly or indirectly violate the human rights of individuals are deemed as unacceptable investments for our fund managers. Through our approach to responsible investment we have set minimum criteria and standards that all our fund managers must meet to work with us.

The way we select, monitor and change fund managers is a distinctive feature of our investment proposition and it has guided our business for many years. Our global research process helps us pick from the world's leading fund managers and assess their investment approach. All external fund managers must treat responsible investing as seriously as we do, and adopt the high expectations we set. Before engaging a fund manager, they need to prove that they have an established code of conduct for responsible investing.

Responsible investing incorporates the consideration of a wide spectrum of Environmental, Social and Governance (ESG) issues and the effect that those factors can have on a company's long-term prospects. Responsible investing is not only about taking environmental and social responsibility, integrating ESG also makes investment sense. We can help clients achieve financial well-being in a world worth living in by driving change through positive engagement and using money as a force for good. More details about our approach to responsible investing can be found here.

Specifically, all fund managers wishing to work with St James's Place need to be signatories to the Principles for Responsible Investment (PRI), name an accountable individual to implement responsible investing into all investment decisions and submit their responsible investing policy to the St. James's Place Investment Committee for review. Whilst this ensures our fund managers have a base level of process and annual reporting on their approach to responsible investment, the PRI does also have a specific focus on modern slavery and human trafficking through their collaborative working groups and support material for investors. SJP became signatories to the PRI in 2018 and have been awarded their highest rating of A+ for the past 3 years. 100% of our fund managers are signed up.

Having selected our fund managers, we monitor them continually through in-depth analysis, regular meetings and a rigorous annual manager assessment, which has been undertaken since 2014. These combine to ensure adherence to our expectations and the opportunity to raise standards where appropriate.

Modern slavery and human trafficking features in this assessment under a broader pillar of how fund managers integrate social factors and risk into their decision-making process. Ongoing engagements with our fund managers and our use of third party data to give a bottom up view and additional oversight on the ESG risks within our investment portfolios. Modern slavery and human trafficking is often part of these fund manager engagements and in 2020 we further enhanced our third-party data to include supply chain standards and labour controversies.

In 2021 SJP is going to partner with Robeco, an engagement specialist who will support SJP with large scale company engagement on behalf of our clients' assets, in addition to our fund managers, this will include a focus on modern slavery and human trafficking. We also plan to do a specific thematic focus on modern slavery and human trafficking in our 2021 annual fund manager responsible investment assessment.

Knowledge Meetings

Part of our employee training will be based on an interactive session at which attendees are asked to describe a product in full detail, including any packaging, in particular where and how the item may be sourced, to give thought to any associated risks to slavery and human trafficking.

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 intend to undertake the following activities:

- continue with the development and roll-out our on-line system for due diligence
- we continue to identify key supplier information which is captured at the due diligence stage, and highlight any potential areas of concern which we can subsequently address through targeted, outcome oriented initiatives.
- through our assessment of new suppliers 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.
- provide enhanced guidance and education through the development of and assigned designated Commercial Business Partnering approach.
- we will have a focussed attention on the risks associated with modern slavery in our face to face and virtual meetings with business areas.

Risk assessment

We risk assess all new supplier relationships and conduct risk-based due diligence, both at pre-onboarding stage and at periodic intervals during the contractual period in the form of evidential assurance and responses to 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

Through our ongoing assessments during 2020, no modern slavery concerns were identified in our current supply chain. We will continue to monitor both existing and new suppliers and we will address any emerging issues.

Approval for this statement

This statement was approved by the Board of Directors of St. James's Place plc on 31 July 2021.



CRAIG GENTLE
Chief Financial Officer

