

St
James's
Place

Stewardship,
Engagement 
& Shareholder

Voting Policy

23

About us

We're the guardians of over 941,000 clients' money, amounting to £157.5 billion*. That makes us one of the UK's leading wealth managers.

Trusted advice is at the heart of everything we do. Our highly qualified Partners offer clients a wide range of financial planning services, which include making the best use of their tax allowances, inheritance planning, and offering investment planning to help them meet their goals.

We believe in the face-to-face approach, and build our proposition around:

- Life-long relationships with clients and their families
- A distinctive approach to investment management
- A diverse range of investment funds and portfolios

* Data correct as at 30 June 2023



We look after

941,000

Clients

£157.5 billion

Funds under management

With a team of

4,766

Advisers

2,770

Employees

46

Fund Managers

Diversifying their wealth

£109.8 billion

Equities

£24.4 billion

Fixed Income

£11.9 billion

Alternative Assets

£2.0 billion

Property

£6.1 billion

Cash

£3.3 billion

Other

Employee figure as at 31 December 2022. All other figures as at 30 June 2023.

We exclude external assets - for example, those contained within the Portfolio Administration Bond and the Fund Administration Bond - from our stewardship activities, as our holding would not have a material impact on a company's direction.

What's in this document?

	About us	01
1	Stewardship, engagement, and shareholder voting	04
2	Our shareholder obligations	05
3	Our investment management approach	05
4	Monitoring our managers and their shareholder engagement	06
5	What we require of our fund managers	08
6	Voting activity	09
7	Making sure our fund managers fulfil their responsibilities	10
8	Making investments	10
9	Exercising voting rights and responsibilities	10
10	Monitoring proxy voting	11
11	Conflicts of interest	11
12	Managing transaction costs	12
13	Securities lending	12

Section 1

Stewardship, engagement, and shareholder voting

This policy shares our approach to stewardship, engagement, and shareholder voting. Along with our annual Stewardship & Engagement Report, it explains our standards and how we comply with the Shareholder Rights Directive II. We became members of the Financial Reporting Council's UK Stewardship Code in 2022 and have applied to remain a member again this year. Our Stewardship and engagement report can be found [here](#).

Explaining the terms

Stewardship is about using the money we manage to create long-term value for clients, by considering long terms trends that create risks and opportunities for investee companies.

Engagement is about interacting with the companies we invest in. Our fund managers create an ongoing dialogue with companies to make sure they understand our expectations, as investors.

Shareholder voting on board decisions is one way of engaging with companies. Our purpose is to make sure there's effective stewardship and decision-making in the management of our clients' investments.

What this policy covers

This policy relates to all client investments and explains how we engage on our clients' behalf, with the companies our funds are invested in.

At a St. James's Place Group level, this policy relates to three of our subsidiaries:

- St. James's Place UK plc (SJPUK)
- St. James's Place International (SJPI)
- St. James's Place Unit Trust Group Ltd (SJPUTG)

The engagement policy for Rowan Dartington, also known as St. James's Place Discretionary & Stockbroking Services, can be found [here](#).

Further information

This policy complements the information and guides available on our [responsible investing webpage](#). We review these documents at least once a year.

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**Stewardship is about using
the money we manage to create
long-term value for clients**

◆

Section 2

Our shareholder obligations

Our Group is made up of institutional investors and an asset manager, shown in the table below. This means we have certain shareholder obligations to fulfil.

For life and pension investments, most of SJPUK's and SJPI's unit-linked funds invest wholly in units in SJPUTG's unit trusts. Each unit trust is looked after on a day-to-day basis by external fund managers we've carefully selected and continuously monitor through our investment management approach. We discuss this in greater detail in **Section 5**.

	Name	Function	Obligated as an
1	SJP UK plc	life and pension products	Institutional investor
2	SJP International plc	overseas life products	Institutional investor
3	SJP Unit Trust Group Ltd	unit trusts	Asset manager

Section 3

Our investment management approach

At St. James's Place, we have a strong history built on planning for the future. As the investment landscape grows ever more complex, volatile, and uncertain, we make it our mission to find smarter ways to invest.

Seven investment beliefs are our North Star - helping us navigate changing tides with confidence. Our beliefs start with client outcomes; we help translate financial goals into investment objectives, finding the right solution for every client and embedding responsible investment through everything we do.

Our funds are actively managed by external fund managers, carefully selected from across the globe on the strength of their processes and principles. We don't employ in-house managers because history has shown us that the best investment talent isn't confined to a single firm or location.

We build portfolios for our clients with the right assets to balance the risk and opportunity. By proactively selecting, monitoring, and changing our range of fund managers, we blend investment strategies with the aim of delivering consistent returns over the medium to long term. Staying on track to meet our clients' evolving needs and goals, helping them to stay on course, with an approach to stand the test of time through all market conditions.

With the help of their SJP Partner, clients can choose from a range of investment solutions accessing the specialist advice, services, and products they need across our global network. From growing wealth, to preserving it for future generations, we're supporting our clients' ambitions for tomorrow.

For details on our approach to risk, see our **Annual Report & Accounts**.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested.

Where does responsible investing come into this?

We continually monitor the fund managers to whom we've delegated day-to-day responsibility for our funds; we don't directly manage the investee companies. This extends to shareholder voting, engagement, and our wider approach to responsible investing.

To us, responsible investing means making decisions about where to invest by considering the many environmental, social and governance (ESG) factors that affect a company's, or an investment's, success. It's key that we monitor and evaluate our managers to make sure these ESG factors are embedded within all investment decision-making. We discuss this in greater detail in **Section 5** and **Section 6**.

We also work with engagement overlay specialist, Robeco, to double down the engagement effort of our fund managers and represent our clients. Although we generally prefer engagement over divestment, we have an exclusionary policy for producers of controversial weapons and companies that our engagement partner believes are in significant breach of the Ten Principles of the **UN Global Compact**.

Our climate change targets

By collaborating with the wider industry, including the Net-Zero Asset Owner Alliance, we've set ourselves the target of making our investments net zero by 2050. Internally, **we've also set the following targets:**

- Our business operations will be climate positive by 2025
- Our Partnership will be net zero by 2035
- Our supply chain will be net zero by 2035

For information on how we intend to achieve this without harming long term returns, see **Our Approach to Climate Change**.

Section 4

Monitoring our managers and their shareholder engagement

At St. James's Place, we draw on the expertise of a large and diverse team of dedicated, in-house investment professionals. We're also supported by specialist investment consultancy firms, each offering their expertise in particular investment markets. Together, our in-house team and external consultants monitor, report, and engage on a range of ESG factors.

We carry out this monitoring through regular meetings, reviews of consultant reports, regular performance reporting, site visits, and quarterly governance reviews. Our Investment Committee oversees this activity, having independent oversight of our investment offering and making sure we

represent the views of our clients, who will ultimately be impacted by the performance of our funds.

In turn, we expect and make sure that our fund managers evaluate companies in many ways, including but not limited to:

- Company strategy
- Financial and non-financial performance
- Material risks
- Capital structure
- ESG factors

We embed shareholder engagement in our investment management approach by carefully selecting and monitoring fund managers and changing them when we see a benefit to doing so.

Our Investment Committee evaluates a manager's shareholder engagement approach throughout this process.

Monitoring a manager's approach to responsible investment

Responsible investment considerations are a vital part of our external fund monitoring. We have over 40 fund managers to monitor. By leveraging our scale and position, we can make sure their shareholder engagement is meaningful and leads to positive outcomes aligned with our clients' expectations.

Since 2014, we've had a programme of monitoring and evaluating our fund managers' approaches to responsible investment.

This involves looking at their shareholder engagement processes through:

- Face-to-face engagements
- Our annual responsible investment manager questionnaire
- Enforcing compliance with our high minimum standards for responsible investing

We and all our fund managers are signatories of the Principles for Responsible Investment, which is supported by the United Nations. This ultimately leads to enhanced governance and responsibility, and greater disclosure of responsible investment metrics.



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Section 5

What we require of our fund managers

We expect all our fund managers to be responsible stewards on behalf of our clients. They should apply an active engagement approach. Every manager should engage with the companies they're investing in, on a priority basis, including on all financially material ESG issues.

Engagement with companies can take many forms, for example:

- Face-to-face shareholder meetings
- Industry-wide collective action
- Exercising voting rights

All these aspects are considered in our monitoring of fund managers.

We also carry out an annual responsible investment assessment, collecting information from our fund managers, including but not limited to:

- Their process for making investment decisions
- Engagement case studies on a range of ESG topics
- Their roles in any industry associations of which they're a part
- Their voting policy



Section 6

Voting activity

This is a summary of all the voting activity that our managers carried out in 2022. It covers all our funds, where asset classes support voting.

Votes can only be cast when a company proposes a topic for shareholders to vote on. We'll encourage our fund managers to engage with companies' senior management, to push for more voting power on topics of greatest interest to our clients.

The votes cast have been broken down by topic. See **Section 10** for an explanation of the process that leads to this data, and [click here](#) to find out more about the fund managers casting these votes.

119,637

Votes in 2022

89%

Votes with management

11%

Votes against management and abstentions

General governance	1,834	96
Director-related	56,849	6,176
Remuneration	9,431	2,033
Capital structure	8,682	1,160
Takeover, merger or reorganisation	3,399	614
Anti-takeover measures	547	28
Environmental issues	305	149
Social issues	478	191
Voting rights	14	4
Audit or financials	5,818	362
Others	788	107
Voting rights	14	4
Routine and other business	17,350	885
Shareholder resolutions	1,574	763
Audit or financials	5,818	36

Section 7

Making sure our fund managers fulfil their responsibilities

We appoint external fund managers to manage our funds for the benefit of our clients. We have a legal agreement which formally outlines our expectations, including shareholder engagement activities. The duration of these agreements is indefinite, but we reserve the right to cancel the agreement at any time and switch to a different manager.

Our investment analysts, with oversight from the Investment Committee, continually monitor the actions of our fund managers, including the quality and frequency of their engagement with the companies they invest in. This includes the managers' approaches to shareholder voting policies.

Section 8

Making investments

Clients usually invest in our funds through one of our portfolios. These are constructed on a risk-aware basis, using a variety of asset classes such as equities, bonds, property, and private equity, to provide a well-diversified portfolio for a range of goals and outcomes.

We work hard with our fund managers and across asset classes, including private equity, when it comes to making active and meaningful engagements with the companies we invest in.

The overwhelming majority of our insurance business is unit-linked investments and pensions. Any mismatch between assets and liabilities is carefully addressed but doesn't occur systematically, as we don't actively participate in this type of insurance activity.

Section 9

Exercising voting rights and responsibilities

We delegate voting to our fund managers, as part of the fund strategy they implement for our clients. We don't currently specify how managers should vote in our legal agreements, but instead choose to monitor their voting processes, as one part of their engagement strategy.

Our fund managers are best placed to make voting decisions, as they're closest to the companies we hold in our funds. Our monitoring, along with the additional controls explained in **Section 4** and **Section 7**, ensures fund managers carry out their voting duties.

We have high stewardship standards for our managers, and beyond assessing their policy prior to their appointment, we also collect data on an ongoing, quarterly basis, in line with the **Investment Association's Stewardship Reporting Framework**.

This data covers how each manager has voted at a per-vote level and is reviewed thematically at a higher level across a range of ESG topics. This includes discussing a particular ESG issue with a fund

manager, where we feel their vote hasn't been cast in our clients' best interests.

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Section 10

Monitoring proxy voting

A proxy vote is a ballot cast by one party on behalf of another. If a shareholder is unable to attend a shareholder meeting, or otherwise desires not to vote on an issue, someone else can vote on their behalf. Proxy voting is used widely across the investment management industry.

SJP monitors manager voting activity on a quarterly basis. For each manager, we ask for information including whether the manager has used a proxy advisor and the direction of voting versus this recommendation. We also collect aggregated voting information on different topics such as remuneration and climate change. Engagement and the use of voting as a tool within this process is a specific part of our annual responsible investment manager assessment which looks in detail at our fund managers investment process.

Section 11

Conflicts of interest

We maintain robust processes for identifying conflicts of interest within our Group or with third parties, and for managing and monitoring any conflicts we find. On the [corporate governance section](#) of our website, you'll find policies which support this process.

As well as our corporate policy and supporting documents, we also have a specific Funds Conflicts of Interest Policy. This is about the management of our Group's unit-linked and unit trust funds, and investments available through SJPI. The policy sets out governance and reporting procedures specific to the funds.

We carry out due diligence on our fund managers' policies before appointing them, and on an ongoing basis. This includes their policies on:

- Conflicts of interest
- Gifts and hospitality
- Personal account dealing
- Aggregation and allocation

Fund manager performance is kept under the scrutiny of our Investment Management team, with oversight from the Investment Committee.

Our staff are trained to raise awareness and understanding of how conflicts may arise, so they can be identified and managed. Where a potential or actual conflict is identified, it's reported in line with our Group's [Conflicts of Interest Policy](#), and we agree a plan to mitigate the conflict.

We consolidate our conflicts of interest declarations and present them, annually, to our Risk Oversight Group, which then reviews the overall effectiveness of our policy.

We and our subsidiaries are responsible for operating this policy and making such arrangements as are necessary to underpin its operation. Each subsidiary approves the policy annually.

“We maintain robust processes for identifying conflicts of interest within our Group or with third parties.”

Section 12

Managing transaction costs

Transaction costs are managed on a fund-by-fund basis by the chosen fund manager. We carefully monitor the transaction costs of our managers. The selection process incorporates a manager’s portfolio turnover strategy. Information on the size of transaction costs for each fund is available on our [website](#).

Section 13

Securities lending

We don’t implement securities lending on a company-wide basis.





The 'St. James's Place Partnership' and the titles 'Partner' and 'Partner Practice' are marketing terms used to describe St. James's Place representatives.

Members of the St. James's Place Partnership represent St. James's Place Wealth Management plc, which is authorised and regulated by the Financial Conduct Authority.

St. James's Place UK plc, St. James's Place Unit Trust Group Limited and St. James's Place International plc are members of the St. James's Place Wealth Management Group. St. James's Place UK plc and St. James's Place Unit Trust Group are authorised and regulated by the Financial Conduct Authority. St. James's Place International plc is authorised by the Central Bank of Ireland.

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