



ST. JAMES'S PLACE
WEALTH MANAGEMENT

SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 (the “Act”) and sets out the steps that the St. James’s Place Wealth Management Group (“the Group”) has undertaken, and is continuing to take, to ensure that 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.

OUR POSITION

We are committed to managing our business in an ethical manner and recognise that responsible management is important to all of our stakeholders – shareholders, clients, Partners, employees, suppliers and the communities in which we operate. We do not tolerate or condone abuse of human rights (including modern slavery) in any part of our business and we are committed to ensuring there is no slavery or human trafficking in any part of our supply chain.

OUR BUSINESS

We are 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 workforce is based in the UK and Ireland (over 86%) but we also have offices in Hong Kong, Singapore and Shanghai. All of 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 a Living Wage employer and have committed to meeting the living wage for all our employees and encourage our suppliers to adopt the same principle, or, where applicable an overseas equivalent.

All employees receive a copy of our employee handbook which 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. A whistleblowing policy is also in place to enable 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 the Group without fear of victimisation, discrimination or disadvantage. The Independent non-executive Chair of our Audit Committee is designated as a contact under the whistleblowing policy, providing a channel independent of reporting structures.

Our direct workforce is predominantly made up of professionally qualified and highly skilled employees and we consider the risk of Modern Slavery occurring within our business to be low.

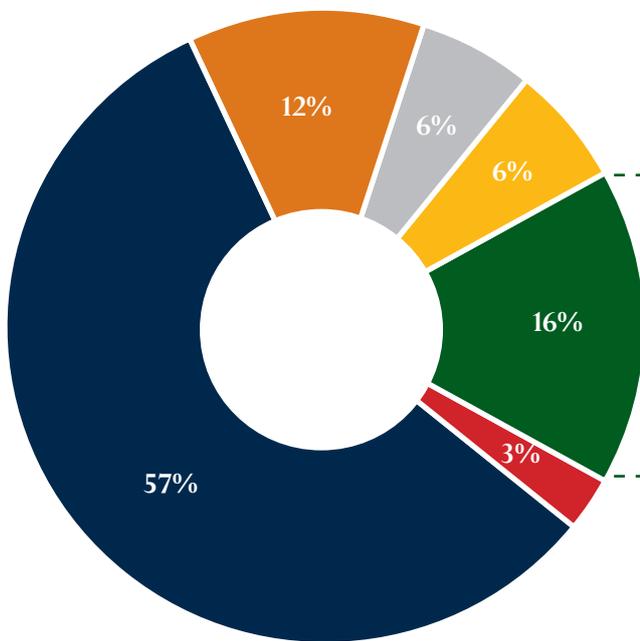
¹ This statement has been made on behalf of St. James’ Place plc, St. James’s Place UK plc, St. James’s Place Wealth Management plc, St. James’s Place Unit Trust Group Limited, St. James’s Place Management Services Limited, St. James’s Place Investment Administration Limited and St. James’s Place International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

Our c.2,700 Partners are self-employed (with the exception of a small number operating in Singapore and Shanghai) and play the leading role in delivering our wealth management service to clients. In excess of 95% of Partners are based in the UK with the balance mainly in Hong Kong, Shanghai and Singapore.

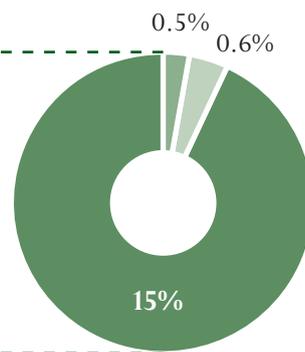
OUR EXPENSES

More than two-thirds of our total expenditure (by value) relates to payments to the Partnership and our employees, with an additional 12% associated with material outsourcing providers and the independent managers of St. James’s Place funds, which we explain in further detail below. Circa 16% of total Group expenditure relates to other suppliers and of this, the vast majority relates to UK-based businesses. This means that our exposure to non-UK suppliers represents only 1% of our overall annual spend.

ANALYSIS OF OUR EXPENSE BASE BY CATEGORY



ANALYSIS OF OUR OTHER SUPPLIER BASE BY GEOGRAPHY



- Partnership
- Investment managers
- UK
- Employees
- Other suppliers
- USA & Europe
- Material Outsourcing providers
- Other expenses
- Other

Source: St. James’s Place plc. Analyses based on 2016 full year Group Expenses as disclosed in the 2016 Annual Report & Accounts adjusted to exclude non-cash items.

OUR SUPPLY CHAIN

We have always placed great 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 (see Our Expenses above), where modern slavery is less prevalent and this is reflected in the UK’s rankings in global slavery indices. The provisions of the Act apply to all of our suppliers operating in the UK and they are bound by its requirements and sanctions. Although we do not place reliance on their requirements to comply with the Act, it does provide a degree of assurance.

Material Outsourcing

We have established and operate a material outsourcing policy which sets out key principles that must be taken into account when managing arrangements with providers of our material outsourcing arrangements (business critical or core business functions or services outsourced to third parties and Group companies). The Material Outsourcing Policy includes our minimum standards for due diligence and on-going management of outsourcing relationships so we can fulfil our strategic and regulatory obligations. All contracts we enter into with providers of material outsourcing arrangements require that the suppliers comply with our Corporate Social Responsibility requirements (“CSR Requirements”) and we seek explicit confirmation this is the case on an annual basis. The CSR Requirements extend to suppliers (and their operations) whether based in the UK or overseas and cover employee welfare and the prevention of modern slavery within the supplier’s own supply chain.

Fund Managers

Management of our clients’ funds is at the heart of our business and is undertaken through our distinctive Investment Management Approach (“IMA”). 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 and the approach taken by its teams, but also its cultural fit with the Group. Having selected our managers, we monitor them continually through in-depth analysis of their portfolios, regular meetings and periodic reporting on adherence to our expectations.

As guardians of our clients’ assets we recognise the importance of good stewardship and ‘responsible investing’. Our fund managers are required to meet our expectations in this regard and we have established a Responsible Investing Policy which extends to ESG (Environmental, Social and Governance) issues and CSR (Corporate Social Responsibility) factors. The policy states our expectation that fund managers develop a policy document or statement which sets out their approach to responsible investing and encourages, where appropriate, managers to sign up the United Nations Principles for Responsible Investment and adhere to the Financial Reporting Council’s UK Stewardship Code. All fund managers are also required to complete an annual ESG/Responsible Investment questionnaire which is designed to assess each fund manager’s approach to responsible investing. Where we identify that fund managers may not be complying with our expectations, we seek to engage with them to better understand the reasons for non-compliance and work with them to address any concerns.

Other Suppliers

Day-to-day ownership of the Group’s smaller supplier relationships is vested in individual relationship managers who are supported by our Sourcing & Supplier Management Policy. The policy covers the minimum standards we expect when carrying out initial due diligence on suppliers and the ongoing monitoring of performance and risk management (including socially responsible management). Our due diligence process allows us to assess factors relating to suppliers that may compromise our core values, including our ethical standards. Our chosen suppliers are subject to on-going monitoring, allowing us to measure them against agreed expectations which include the suitability of the controls in place to manage risk.

APPROVAL FOR THIS STATEMENT

This statement was approved by the Board of Directors of St. James’s Place plc on 12 June 2017.

Sarah Bates (Chair)