



ST. JAMES'S PLACE  
WEALTH MANAGEMENT

## SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 Group<sup>1</sup> (“SJP”) has undertaken, and is continuing 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.

### OUR POSITION

We are committed to managing our business in an ethical manner and recognise that responsible management is important to all our stakeholders – shareholders, clients, Partners<sup>2</sup>, employees, suppliers and the communities in which we operate. 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 any part of our supply chain.

### OUR BUSINESS

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%) but 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](http://www.livingwage.org.uk))

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. Our bullying and harassment policy 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.

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<sup>1</sup> 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.

<sup>2</sup> 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.

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 SJP without fear of victimisation, discrimination or disadvantage. Our whistleblowing policy is reviewed regularly and will be updated in the 3rd quarter of 2018. 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.

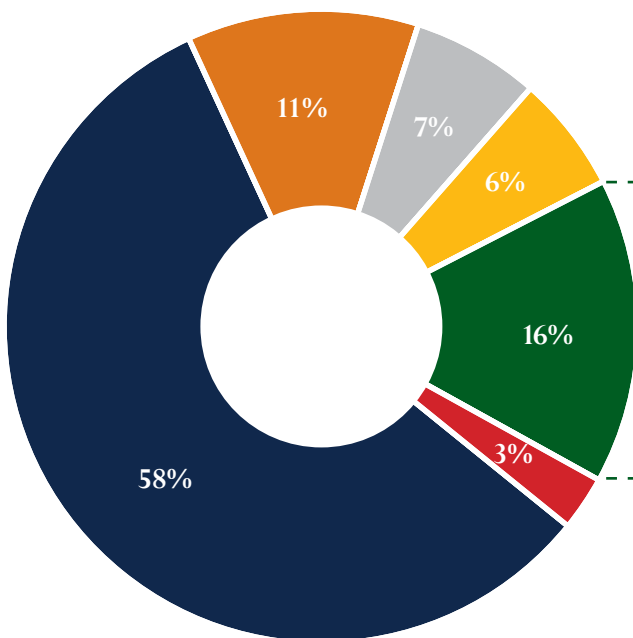
In addition to the above policies, SJP offers its employees the opportunity to seek independent and impartial advice via confidential telephone, email and/or face-to-face counselling services provided through our employee assistance programme, should they wish.

We work with 2,415 Partner Practices which include a total 3,661 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.

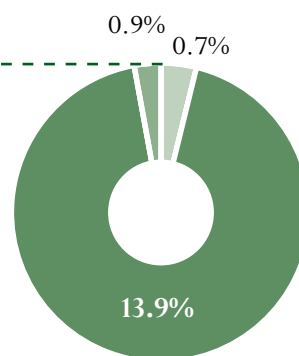
OUR EXPENSES

More than two-thirds of our total expenditure (by value) relates to payments to the Partnership and SJP employees, with an additional 13% associated with material outsourcing suppliers and the independent managers of SJP funds, which we explain in further detail below. Circa 16% of total Group expenditure relates to other suppliers and, of this, the significant majority relates to UK-based businesses.

ANALYSIS OF SJP EXPENSE BASE BY CATEGORY



ANALYSIS OF SJP OTHER SUPPLIER BASE BY GEOGRAPHY



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

Source: St. James’s Place. Analysis based on 2017 full year Group Expenses as disclosed in the 2017 Annual Report & Accounts adjusted to exclude non-cash items.

## OUR SUPPLY CHAIN

SJP has 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). The provisions of the Act apply to all of our suppliers, regardless of where they are headquartered, who are providing goods and services to the Group within the UK.

## OUR GOVERNANCE FRAMEWORK

We have implemented procurement policies which not only support us in meeting our regulatory obligations, but also create and promote an internal awareness of how our suppliers should be managed and the legislation which should be complied with. Our procurement policies include:

### **Sourcing and Supplier Management Policy and Best Practice Guidance**

This guidance was developed to support our SJP contract managers in their management of 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, negotiation/contract award, supplier management and exit/renew. Our due diligence process assesses potential financial, legal and regulatory exposures of prospective third party suppliers. It also gives insight into the third party's structure, operations, culture, human resources, supplier and customer relationships, competitive positioning and outlook.

Since our last statement, as part of our due diligence process, we now require our third party suppliers to confirm their compliance with local legislation, as well as provide commentary around the activities they undertake to mitigate the risks associated with modern slavery and human trafficking. In addition, we seek confirmation of our suppliers' due diligence processes in respect of their own supply chain, where sub-contractors may be used in the delivery of goods and services to SJP. Any response which requires further clarity is subsequently addressed to ensure an appropriate understanding of risk. We are reviewing this policy to ensure it remains aligned with our approach to supplier risk mitigation.

Through this process we are helping our contract managers understand the importance of assessing the risks associated with modern slavery, and more formal training will be developed to improve awareness in the future.

### **Material Outsourcing Policy**

We have established and operate a material outsourcing policy which sets out 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 material outsourcing policy includes our standards for due diligence, as mentioned above, 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. At a minimum, this policy is reviewed on an annual basis, however the introduction of additional regulation would prompt an interim review. Following approval of any changes, the revised policy is distributed to all contract managers of material outsourcing arrangements and they are requested to confirm they have read and comply with the policy.

As well as performing due diligence at the initial stage of contracting, our material outsourcing suppliers undergo an annual due diligence refresh, which provides us with not only continued assurance of their capabilities to meet our regulatory and legislative obligations but also 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. 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 are not taking place within their business operations.

### **Fund Managers**

Management of our clients' funds is at the heart of our business and is undertaken through our 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 SJP. Having selected our fund 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 therefore 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 which sets out their approach to responsible investing, nominates a named individual responsible for and ensuring the oversight and assurance that the policy is adhered to, and for gradual improvement over time. Our responsible investing committee is responsible for the integration of ESG factors into our business 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 and, where we see material ESG risks, the committee will engage with managers through periodic meetings. SJP is also a signatory to the United Nations Principles for Responsible Investment (UNPRI) and the UK Stewardship Code. Please click here for more information: [www.unpri.org/](http://www.unpri.org/) and [www.frc.org.uk/investors/uk-stewardship-code](http://www.frc.org.uk/investors/uk-stewardship-code).

### **OBJECTIVES AND ACTIVITIES**

Since our last published statement, we have identified opportunities to continue to develop our approach to modern slavery risk mitigation and are committed to not only developing improved central visibility of our third party supply chain, but to identifying high-risk suppliers and taking subsequent mitigating action in respect of those high-risk suppliers. This will be accomplished through the following activities:

#### **Supplier Insights**

- We are developing an enhanced contract management system to create improved central visibility of our contractual relationships. This will enable us to prioritise our activities on key areas of contract risk and contract management activities.
- We are enhancing the key supplier information captured at the initial contracting stage, to enrich our risk identification to highlight any potential areas of concern which we can subsequently address through targeted, outcome-oriented initiatives.
- We are ensuring all suppliers have a recorded internal SJP contract owner who is responsible for overseeing the effective operation of the relationship.
- We are providing additional support to contract owners 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 are reviewing our existing supplier categorisation model to ensure all suppliers are risk assessed appropriately and the correct level of oversight and monitoring is in place. Part of this categorisation review will allow us to conduct a heatmap exercise of our suppliers by location and commodity to enhance the identification of the scale of risk across our supply base.

## Training

- We are creating awareness documentation and training materials for contract managers who have responsibility for engaging and maintaining supplier relationships. Training will be delivered face-to-face, by Group Risk, using our in-house Knowledge Development Meeting forum (KDM) and made available to every employee via our group intranet.
- We are providing accessible resources for contract managers within SJP to help them understand monitoring and oversight requirements through the sharing of policies and targeted training.
- We are introducing a supplier code of conduct which is both internal and external facing to reinforce our criteria in respect of commercial relationships.

## CLOSING STATEMENT

As far as we are aware, no modern slavery concerns were identified as part of current assessment procedures of our supply chain.

## APPROVAL FOR THIS STATEMENT

This statement was approved by the Board of Directors of St. James's Place plc on 28 June 2018.

**Craig Gentle** – Chief Financial Officer

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 in the UK represent St. James's Place Wealth Management plc, which is authorised and regulated by the Financial Conduct Authority. St. James's Place Wealth Management plc, St. James's Place UK plc, St. James's Place Unit Trust Group Ltd, St. James's Place International plc and St. James's Place Investment Administration Ltd are members of the St. James's Place Wealth Management Group. St. James's Place UK plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. St. James's Place Unit Trust Group Ltd is authorised and regulated by the Financial Conduct Authority. St. James's Place International plc is authorised and regulated by the Central Bank of Ireland. St. James's Place Investment Administration Ltd is authorised and regulated by the Financial Conduct Authority. St. James's Place Wealth Management plc Registered Office: St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP, United Kingdom. Registered in England Number 4113955.