

Modern

day

slavery

Modern Day Slavery and Human Trafficking

SPW Statement

July 2022

Schroders
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Opening statement

Schroders Personal Wealth (SPW) recognise the responsibility that we have towards our clients, stakeholders, our employees, and society as a whole and corporate responsibility matters enormously to us and therefore, we are committed to do everything we can to prevent any form of modern slavery from taking place in our business or supply chains. This statement has been prepared to comply with section 54 of the UK Modern Slavery Act (2015) and is an update on the progress that we have made during 2021.

Organisational structure

SPW is a joint venture between Lloyds Banking Group and Schroders – two of the UK’s largest names in banking and asset management. SPW was established in 2019 to help more people across the UK benefit from financial advice. Our purpose is simple: to help people realise their dreams by unlocking the power of financial planning.



Supply chains

The risk of modern slavery within our direct business is deemed to be low because all our employees work in roles that are office-based and/or require specialist qualifications, we therefore consider that modern slavery risks are most likely to be found in our supply chain.

Suppliers play an important role at SPW and we work in collaboration with them to mitigate risk. At SPW we have implemented a supply chain ecosystem that adheres to Regulatory and Legal requirements whilst minimising supplier risks to our business. At the centre of this ecosystem is our Supplier Request Forum (SRF). SRF is designed to encourage visibility and collaboration between the requesting business area and important support partners such as Legal, Risk, Technology, Finance, and Operations not only at the point of approving a new supplier, but also during the lifecycle of the relationship. Most importantly, SRF, helps to identify any potential risks associated with the supplier's service which will trigger the most appropriate oversight to be completed, aligned to FCA guidance, we determine our most important suppliers through a segmentation model that considers four risk lenses: Resilience, Cyber, Data and Conduct. In 2021, we have facilitated over 37 SRF's and reviewed 236 supplier requests.

SPW also subscribe to Risk Ledger, a managed third-party qualification system which ensures SPW adopt a standardised approach to compliance and assurance. It also allows us to validate and evidence third-party adherence to industry best practices, internal and regulatory requirements. Appropriate monitoring and testing of policies and processes are key to ensuring risk mitigating controls are working as expected. In total, the Risk Ledger assessment asks over 180 questions covering 12 key business areas including Supply Chain Management and Environmental, Social and Governance. Should a supplier provide an answer that is non-compliant with the UK Modern Slavery Act, Sourcing Managers are required to investigate and manage through to resolution prior to contract signing. If a modern slavery issue is identified during an annual review of an existing supplier and deemed sufficiently serious, a review of contract terms is undertaken including the right to terminate.

SPW aim to manage contractual risks by establishing a suite of SPW standard terms and conditions, enabling us to define our preferred position, encourage consistency and minimise the number of contract versions being managed within our supply chain. To date, over 65% of supplier relationships contract on SPW's standard terms and conditions which helps facilitate the ongoing oversight of our approved supplier inventory. SPW's standard contractual terms and conditions incorporate clauses requiring suppliers to confirm that slavery and human trafficking is not taking place and that they are complying with the requirements of the Modern Slavery Act. SPW

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does not permit its key suppliers to subcontract work without SPW consent.

At the end of 2021, our supply base consisted of 214 suppliers, the majority of which operate in professional services sectors such as management consultancy, HR, IT, marketing, and communication. The majority of our suppliers are located in the UK, with the remainder in other European countries and North America.

In almost all cases our suppliers are medium to long-term service providers, rather than seasonal providers. We recognise that sectors such as cleaning, catering, property, and security are potentially higher risk, especially where separately outsourced, therefore we have mostly consolidated these under one long-term managed service agreement. This enables us to better monitor and manage this risk.

Our service provider operates an Ethics Helpline which enables all members of their staff, their subcontractors, and our employees to report any concerns regarding alleged minimum wage and other labour law violations by their suppliers on our sites. These reports are independently recorded and fully investigated.



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Policies in relation to Slavery and Human Trafficking

The policies and procedures we have in place reflect our commitments to operating responsibly and ethically as a business and as individual employees. These policies help us to embed modern slavery considerations into our operations.

- We are an accredited Living Wage Employer with all colleagues being paid above the living wage; throughout the COVID-19 pandemic, SPW did not receive any government support, nor were any colleagues placed on furlough.
- We are also committed to Fairer hours and Contracts, where we do not have any employees on zero or minimal hour contracts
- Our Whistleblowing policy encourages employees and members of our supply chain to report any actions they believe to be unsafe, unethical, or unlawful. SPW employees are required to familiarise themselves with relevant policies by way of mandatory training requirements and a breach of SPW internal policies can result in disciplinary action including dismissal.
- Our employment vetting standards apply to all permanent and non-permanent employees that we recruit, including temporary staff and contractors. Our recruitment procedures ensure that all prospective employees are legally entitled to work in the UK. We also use a number of recruitment agencies to fill roles. UK agencies are bound by contracts which require compliance with specific Modern Slavery and Anti-Bribery clauses.
- We adhere to Ethical Sourcing, ensuring that we only partner with responsible suppliers. To achieve this, we have ensured that our Supplier Code of Responsibility (SCOR), which we share through the supplier on-boarding process has been acknowledged by all suppliers onboarded in 2021. It defines our expectation in terms of responsible business behaviour, including human rights and labour issues.





Training and materials

SPW continues to review and update its Modern Slavery training materials to manage new risks. Designed to provide all employees with the most up to date information on the key facts and includes the “red flags” that will assist them in not only detecting the signs of modern slavery but also how to report it. This annual training is mandatory for all colleagues and was completed in December 2021.

This is further supported by training for colleagues in specific roles such as Sourcing and Supplier Management covering the requirements of the UK Modern Slavery Act and the risks of slavery and human trafficking.

To help furnish SPW colleagues with updates on all supply chain activities, a Sourcing and Supplier Management newsletter is circulated monthly to all colleagues via the company engage platform. This helps provide a high-level overview of inflight activities and timelines for pending requests and helps provide a transparent service to all our internal customers.

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Achievements in 2021:

Good Business Charter Membership

SPW are immensely proud to have become an accredited member of the Good Business Charter (GBC) in August 2021 and join the growing number of organisations who, like us, want to demonstrate commitment to the development and growth of responsible and sustainable businesses across England and Wales. We seek to make a positive impact in our community, society and the environment and are committed to acting responsibly throughout the value chain ensuring a fair and transparent business model.

Risk Management System

Implementation of our Riskconnect Portal forms part of the new SPW Enterprise Risk Management platform; a one-stop application for supporting Risk Events reporting including breaches, issues, and conflicts of interest. In addition, it allows us to risk score our supply chain performance and process and produce additional MI to assist in the ongoing monitoring of our supply chains.

Responsible Business Report

For SPW responsible business is the way we do business. We are proud to have recently published our first Responsible Business Report and it aligns with our deep commitment to transparency in everything we do and with the ambition to be a sustainability leader in the wealth management sector. We aim to play our part in the global effort to reach net zero by 2050. And we aim to uphold the highest standards in our conduct with clients, colleagues, the communities in which we operate, and society as a whole.

Key Performance Indicators

We recognise that it is difficult to put a numerical value on the outcomes and impacts of an approach to tackle modern slavery, however, the Key Performance Indicators (KPIs) we have adopted for our activities and progress for 2021 are:

KPI	2021	2020
Instances of modern slavery reported in business or supply chain	Zero	Zero
Completion rates of employees required to do modern slavery e-learning	100% 785 Colleagues	100% 881 Colleagues
New suppliers who have agreed to our Supplier Code of Responsibility (SCOR)	100% 88 Suppliers	100% 126 Suppliers
Number of modern slavery due diligence questionnaires assessed and approved for Tier 1 suppliers	100% 18 Tier 1 Suppliers	100% 16 Tier 1 Suppliers

Closing statement

SPW will continue to monitor, embed, and improve our processes to combat slavery and human trafficking risks in our business and supply chain. Initiatives that we are looking to implement in 2022 include:

- Annual attestation by all suppliers of Supplier Code of Responsibility (SCOR)
- Reviewing our modern slavery awareness and training offering for different employee groups
- Fair Tax Mark (FTM) accreditation – we are committed to adopting sustainable tax principles that are aligned with our position as a responsible member of the Good Business Charter

Approval

This statement was approved by the Board of Directors of Schrodgers Personal Wealth and signed by the CEO on 21 July 2022 and will be reviewed and updated annually.



Mark Duckworth
CEO at Schrodgers Personal Wealth





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