

Modern Day Slavery and Human Trafficking

SPW Statement

July 2024

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Opening statement

At Schroders Personal Wealth (SPW), we recognise our significant responsibility towards our clients, stakeholders, employees, and society. Corporate responsibility is integral to our ethos, and we are firmly dedicated to eradicating any form of modern slavery or human trafficking within our business operations and supply chains. Our Chief Operating Officer (COO) Nick Allen is accountable for ensuring SPW's policies and procedures are in compliance with the UK Modern Slavery Act (2015). This is our fifth annual statement and highlights the progress made during 2023.

Organisational structure

SPW is a financial planning joint venture formed by Schroders plc and Lloyds Banking Group plc. Our approach combines personal relationships and investment expertise with advanced digital technologies to deliver an intuitive and transparent service, assisting customers in achieving their financial goals. Our mission is to make financial advice more accessible to people across the UK.

Supply chains

The direct risk of modern slavery within our business is considered low due to our workforce being engaged in office-based roles or requiring specialist qualifications. However, we recognise that the highest risks of modern slavery could emerge from our supply chains, particularly when sourcing goods or services for internal use from unethical suppliers.

As of the end of 2023, our supplier base comprised 191 suppliers, predominantly operating in professional services sectors such as management consultancy, HR, IT, marketing, and communication. The majority of these suppliers are located in the UK, with the remainder spread across other European countries and North America.

Typically, our suppliers are medium to long-term service providers rather than seasonal ones. We acknowledge higher risks in sectors such as cleaning, catering, property, and security services, especially when outsourced. To mitigate this, we have consolidated these services under a single long-term managed service agreement, allowing us better control and monitoring of potential risks. Our service provider operates an Ethics Helpline, enabling staff, subcontractors, and our employees to report any concerns regarding wage or employment law violations, with reports being independently recorded and investigated.

Due Diligence Activities

We mitigate supply chain risks through several due diligence activities during supplier onboarding and throughout the supplier relationship lifecycle:

Completion of Risk Ledger

This managed third-party qualification system ensures SPW adopts a standardised approach to compliance and assurance. Suppliers complete a questionnaire validating adherence to industry best practices, internal standards, and regulatory requirements. Within the Environmental, Social, and Governance question set, suppliers must confirm whether they have a modern slavery statement or policy and report any incidents in the past 12 months. Non-compliant responses trigger an investigation and resolution process by Sourcing Managers before contract signing. Serious issues identified during annual reviews may lead to a review of contract terms, including the possibility of termination.

Legal contracts

SPW manages contractual risks by using standardised terms and conditions, ensuring consistency and minimising the number of contract versions within our supply chain. Our standard terms include clauses requiring suppliers to confirm the absence of slavery and human trafficking and to comply with the Modern Slavery Act. Key suppliers are prohibited from subcontracting work without SPW's consent.

Supplier Code of Responsibility (SCOR)

All suppliers must adhere to our SCOR, which expects responsible and sustainable operations. The SCOR outlines key social, ethical, and environmental values we uphold. Suppliers are required to communicate the principles of this Code to their employees and key subcontractors supporting SPW products and services.

Policies in Relation to Slavery and Human Trafficking

Our policies and procedures embody our commitment to responsible and ethical operations. These policies integrate modern slavery considerations into our daily activities. SPW employees must familiarise themselves with these policies through mandatory training, and violations can result in disciplinary actions. Specifically:

- SPW is an accredited Living Wage Employer, ensuring all colleagues are paid above the living wage.
- We commit to fairer hours and contracts, with no employees on zero or minimal hour contracts.
- Our Whistleblowing policy encourages reporting of unsafe, unethical, or unlawful actions.
- Our employment vetting standards apply to all Permanent and Non-Permanent employees, including temporary staff and contractors.
- Recruitment agencies we use must comply with Modern Slavery and Anti-Bribery clauses in their contracts.
- We adhere to ethical sourcing, partnering only with responsible suppliers.

Training & materials

SPW regularly updates its Modern Slavery training materials to address emerging risks. The training equips employees with current information on key facts and “red flags” for identifying and reporting modern slavery. Additionally, colleagues in roles such as Sourcing and Supplier Management receive specialised training on the UK Modern Slavery Act requirements and associated risks.



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 2023 are:

KPI	2023	2022	2021	2020
Instances of modern slavery reported in business or supply chain	Zero	Zero	Zero	Zero
Completion rates of employees required to do modern slavery e-learning	100% 837 Colleagues	100% 874 Colleagues	100% 785 Colleagues	100% 881 Colleagues
Total Managed suppliers who have agreed to our Supplier Code of Responsibility (SCOR)	100% 191 Suppliers	100% 169 Suppliers	100% 140 Suppliers	100% 126 Suppliers
Number of modern slavery due diligence questionnaires assessed and approved for Tier 1 suppliers	100% 15 Tier 1 Suppliers	100% 18 Tier 1 Suppliers	100% 18 Tier 1 Suppliers	100% 16 Tier 1 Suppliers

Achievements in 2023

- published our third Responsible Business Report which aligns with our commitment to transparency in everything we do and with the ambition to be a sustainability leader in the wealth management sector
- assessed country risk for all critical 4th parties and sub-processors using the Walk Free Global Slavery Index to determine the top countries for modern slavery and can confirm our supply chain does not have any critical 4th parties operating from these countries.
- obtained attestation from all suppliers to our Supplier Code of Responsibility (SCOR)
 - for our most critical Tier 1 suppliers we validate that their mission and purpose are detailed in documents which align to SPW’s SCOR
 - we also validate that for their employees and their supply chains, education and training is provided, and that whistleblowing tools are made available to ensure that any concerns surrounding Modern Slavery can be reported.
- obtained re-accreditation to the Good Business Charter by continuing to fulfil all ten of their responsible business criteria
- re-accredited as a Living Wage Employer, our ongoing commitment to transparency
- re-accreditation with the Fair Tax Mark, our pledge to paying our fair share of tax.
- continued membership of The Prompt Payment Code, and we are proud to report that in 2023:
 - 99% invoices were paid within agreed guidelines
 - 99% of small businesses (<50 colleagues) were paid within 30 days
 - 22.8 average days to payment

Focus for 2024/2025

Over the next 12 months, SPW will continue assessing areas of potential risk within our supply chain and act promptly where a compliance breach has been identified or flagged. Initiatives that we are looking to implement in 2024 include:

- deliver modern slavery training to our new Non-Executive Directors as part of the recruitment and induction process;
- ensuring that all colleagues involved in buying or procurement and the recruitment and deployment of workers receive training on modern slavery and ethical employment practices;
- ensuring that consideration of the modern slavery risks and prevention are added to SPW’s policy review process; and
- increase awareness with our most critical Tier 1 suppliers by including it as a discussion and review topic in annual business review meetings.

Closing statement

We are not aware of any modern slavery or human trafficking incidents having occurred within SPW or our supply chain over the past 12 months, but will continue to act vigilantly and in line with the Modern Slavery Act throughout 2024/25.

Approval

This statement was approved by the Board of Directors of Schroders Personal Wealth and signed by the CEO on 24 July 2024 and will be reviewed and updated annually.



Mark Duckworth
CEO at Schroders Personal Wealth



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