

Gender *Pay Gap*
Report 2020-21



Introduction by *Andrew Croft*

Chief Executive Officer and Executive Sponsor for Gender Equality

This is our fifth year of reporting our gender pay gap. Over the 2020/21 reporting period, we have seen a small increase in our gender pay gap.

I remain as committed as ever to creating a workplace that engenders inclusivity and equality of opportunity for all employees as we shape our business for the future. To do this in a sustainable way takes time and we need to constantly evaluate the efficacy of our plans and actions.

We have introduced a hybrid working policy to provide greater flexibility for part-time work, job-sharing, remote working, and flexibility on hours and believe this will help us to attract and retain more female talent.

We have continued to work towards our gender equality commitments, although a number of actions taken to improve operational effectiveness, such as promotional freezes and redundancies, reduced options over this reporting period, for women to progress at the pace we intended.

We aim to be an employer of choice within the financial services sector, giving our people the confidence to create the futures they want.

Foreword by *Maria Spooner*

Head of Inclusion and Diversity

Inclusion and Diversity is at the heart of many of the key challenges that businesses face today; from understanding how to reach a broader client base and serve more complex needs, to improving performance through employee engagement and office culture. Having a workforce of people with diverse perspectives, experiences and strengths helps us to adapt and respond to societal change.

Throughout the reporting period, despite the challenges faced, we have continued to work hard at delivering initiatives that attract a wide range of talented people with diverse perspectives, to help our business thrive. We want to retain our people by nurturing an inclusive environment, led by a leadership team who demonstrate inclusive behaviours instinctively. We also want to develop and nurture our talent, supporting all backgrounds, aspirations and needs.

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Gender *Bonus* Gap

A bonus pay gap is the difference in bonus paid to male and female employees. It is expressed below as a percentage of the bonus paid to male employees over a 12-month period. Our current bonus gap is reflective of the higher performance related remuneration offered to senior roles.

The Annual Company Bonus Scheme was not paid in the 2020/21 tax year, reducing the number of employees receiving discretionary bonus. The Median Bonus for both Male and Female employees was £0.00, and so a median percentage cannot be calculated this year.

Some employees were entitled to payments outside of the Annual Company Bonus Scheme. These types of bonus include contractual payments such as commission, recruitment and staff recruitment bonuses and staff recruitment bonus as well as Dividend Equivalent Payments and DBS, PSP or SIP share exercises. These payments are reflected in our Mean Gender Bonus Gap calculation.

Percentage of Men & Women who received a bonus



Gender Bonus Gap - Mean

90.1%

2020: +77.0%
Difference 2020 & 2021: +13.1%

Gender Bonus Gap - Median

— 0%

2020: +50.5%
Difference 2020 & 2021: -%

Gender Pay Gap *Report*

Commentary

The 2020-21 reporting period has presented some challenges to our efforts on reducing the gender pay gap. As we have experienced, a pause on promotions and pay rises, together with the redundancy programme have all impacted on our figures. While we have seen a 1.3% decrease in the median pay gap, there is 0.6% increase in the mean pay gap.

We have seen improvements in some areas – we now have more female representation in our upper-middle and upper quartiles, indicating that the focus on supporting our female talent pipeline is continuing to have a positive impact.

Gender Pay Gap

A gender pay gap is the difference in average pay between one gender and another. It is expressed here as the difference in the hourly rate of pay between male and female employees, as a percentage of the hourly rate of pay of the male employees. The mean gender pay gap is the difference between the average hourly earnings of men and women. The median is the middle value of all hourly rates, when ranked.

Gender Pay Gap - Mean

40%

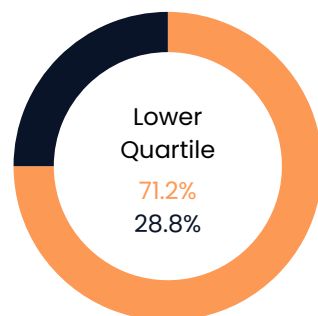
2020: 39.4%
Difference 2020 & 2021: +0.6%
Difference since GPG reporting began (2017): -7.2%

Gender Pay Gap - Median

41%

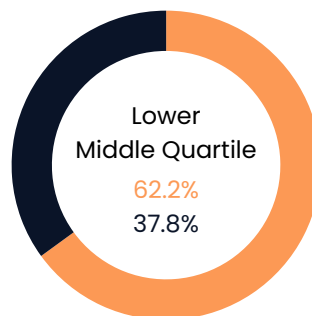
2020: 42.3%
Difference 2020 & 2021: -1.3%
Difference since GPG reporting began (2017): -5.4%

Pay Quartiles



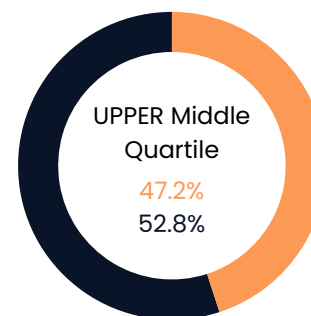
2020: 72.7%
Difference 2020-21: -1.5%

2020: 27.3%
Difference 2020-21: +1.5%



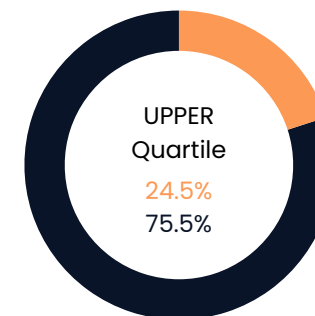
2020: 61.1%
Difference 2020-21: +1.1%

2020: 38.9%
Difference 2020-21: -1.1%



2020: 46.2%
Difference 2020-21: +1.0%

2020: 53.8%
Difference 2020-21: -1.0%



2020: 22.8%
Difference 2020-21: +1.7%

2020: 77.2%
Difference 2020-21: -1.7%

2020/21 *Challenges*

At St. James's Place, our culture is the glue that binds us together and plays a significant part in our success; at the heart of it sit our core values of doing the right thing, being the best version of ourselves, and investing in long term relationships.

Supporting our people and their families in times of need continues to be an integral part of our culture. This was felt even more acutely throughout 2020, as the impact of Covid-19 saw a rapid increase in demand. Recognising this we introduced Hybrid Working Guidance and a revised Flexible Working Policy to provide greater flexibility for all employees, including those who work part-time, job-share and/or work remotely.

In early 2020, we started a review of how we deliver against our strategic objectives, assessing whether we had the right roles and resources in the right areas to drive the business forward. A part of this process was to simplify processes, introduce technology to drive efficiency, and remove unnecessary duplication of tasks. This resulted in our first redundancy programme, which saw 117 roles being made redundant across the business in the first quarter of 2021.

Progress on key commitments

We have made progress on our public commitments:

- ◆ We achieved our target of 33% female representation on the St. James's Place plc board in January 2020 and are mindful of the need to maintain this level of representation.
- ◆ We have continued to work towards our public commitments concerning gender equality, although a number of redundancies in 2021 have slowed our progress. Despite the finance sector becoming more accessible to women through flexible and hybrid working and greater awareness of opportunities, the pipeline of senior female talent remains small and this means we have also experienced slower progress with senior female external hires. We have reflected on the lessons learned over the past 4 years and are actively exploring ways to address these.



How we're reducing our *gender pay gap*

Attract

Reviewing our recruitment processes and practices

In 2020 we undertook an in-depth review of our recruitment processes to better understand any barriers that might hinder our attraction and retention of women into senior roles. Over the past year we have piloted the recommendations, testing their success with a view to develop a 'gold standard' for inclusive recruitment practices. This included increasing diversity by applying consistent best practices throughout our recruitment processes such as establishing a requirement for diverse shortlists and interview panels, reviewing gender coded language in our job adverts, and widening our selection pools with specialist recruiters. We also ensured that we are equipping hiring managers with the necessary training to implement significant and meaningful change when required, this included unconscious bias training and an I&D KDM (informal employee training).

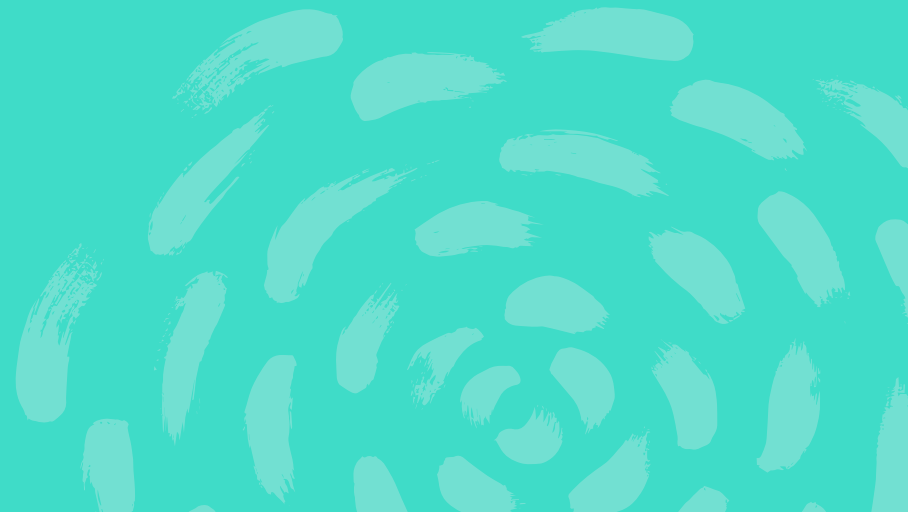
We know that meaningful change requires people to engage with, and consistently adopt, these approaches. This speaks to our culture and challenging our people and leaders to do the right thing. In the past year we have launched a new cultural framework – with 'embracing diversity' being one of our core values.

Retain

Review of our promotions process

A full review of the promotion process was conducted in 2020, during which time, promotions were not awarded. The recommendations from the promotions review were piloted throughout 2021, testing their success and continuously monitoring our activities to ensure that the promotions process is transparent and development opportunities are developed with inclusivity as a central requirement.

At the same time, a detailed equal pay and reward audit was conducted. No significant issues or concerns were raised from this audit, and we are regularly monitoring to ensure that this remains the case. As a result of the audit, a plan of broader actions will be put into place to ensure that employees are paid equally for the work that they do regardless of gender. This audit will be repeated every 2-3 years to ensure that our pay, grading and progression processes remain effective and fair.



Develop

Research shows that endorsement and advocacy from senior leaders is key to female progression, The (Female FTSE Board) Report, Cranfield University, 2021. As such, our Executive Board has agreed a plan of action to identify, support and develop our female talent pipeline. We have launched a mentoring programme to increase development opportunities for a cohort of women who have been matched with Executive Board members and leaders from across our business. The initiative provide access to resources and materials for self-development.

We have continued to play an active role in the 30% Club, enrolling 30 women at all levels and career stages into the 30% Club cross-company mentoring programme. We see this programme as a key component to identifying and developing talent.

We run focus groups with senior women across the business, seeking to understand what we are doing well and where we need to improve.



Governance

The Executive Board play an active role in prioritising inclusion & diversity within the business, including our work on gender equality. Members each sponsor a specific element of our inclusion & diversity agenda and are actively engaged in driving change. The Inclusion & Diversity Steering Group, sponsored at Executive Board level, is accountable for the effective execution of our Inclusion & Diversity Strategy.

“I confirm that the information contained in this report is accurate as at 5 April 2021 and aligned with the requirements of the Regulations.”

Andrew Croft
Chief Executive Officer





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