

Schroders



# 2017 Corporate Responsibility Report



EST. 1804

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## About Schroders

**As a global active investment manager, we help institutions and individuals meet their financial goals and prepare for the future.**

As the world changes, so do our clients' needs. That's why we have a long history of adapting to suit the times and keeping our focus on what matters most to our clients.

From pension funds and insurance companies to individuals, we work with a range of clients whose needs are as diverse as they are.

Knowing and understanding our clients and their financial needs, and responding with relevant, actively-managed solutions that help them realise their financial goals matters to us, because not only does it provide future prosperity for our clients, but it also allows us to deliver consistent, sustainable earnings for our shareholders. And that matters for the success of our business, our employees and the communities in which we operate.

### Assets under management and administration

# £447.0bn

as at 31 March 2018

(2016: £395.3bn)



**In 2017 we delivered strong returns for clients, coupled with significant achievements across our four pillars of focus in corporate responsibility.**



### Our Clients

Integrating our high Environmental, Social and Governance (ESG) standards in decision making for everything that we do.



### Our People

Creating an inclusive and diverse workforce that delivers growth.



### Our Community

Supporting the communities that we work alongside.



### Our Environment

Managing our own footprint for the benefit of society.

We view Corporate Responsibility as the management of all of the environmental, social, governance, economic and ethical issues that make up our relationships with stakeholders and society. The development of our strategy has continued throughout this year, reinforcing our commitment to act responsibly and contribute to society.

Our carefully selected CR committee represents the breadth of our business with representatives from all of our divisions.

This year, alongside our fundraising support with CASCAID, we have continued our work with the Social Mobility Foundation and Action For Kids, providing work placements for students from low income backgrounds and young adults with learning disabilities.

Our newly-established Charity Committee spearheads engagement with our employees and how we invest in our communities, in collaboration with our global network of charity champions.

**I'm proud to lead our corporate responsibility efforts at Schroders, and to work for a firm where our senior leaders are actively engaged in how we contribute to society.**

### **Nicky Richards**

Global Head of Equities and Chair of the CR Committee

**“We have always believed that demanding high levels of corporate responsibility is the right thing to do for a principle-led business like Schroders.”**

### **Peter Harrison**

Group Chief Executive

## **Charity Committee**

**“The Committee is going through a strategic review of all giving and volunteering activities across the business and aims to build on and amplify the impact of those activities and giving schemes by identifying a focus which can be implemented on a global level.”**

### **Kate Rogers**

Head of Policy – Charities at Cazenove Capital



# Our business model

## A client-centric value proposition

### What we offer

**We offer actively managed investment solutions that help build our clients' future prosperity.**

We design innovative products and bespoke solutions, actively managed by our 41 investment teams across a diverse range of asset classes including equities, fixed income, multi-asset, private assets and alternatives.

Within Asset Management, we work with a broad range of institutional clients, including pension funds, insurance companies and sovereign wealth funds. We also work with a variety of intermediaries, including financial advisers, private wealth managers and online platforms.

Within Wealth Management we offer bespoke discretionary and advisory investment services, lending and deposit taking to private individuals, family offices, trusts and charities.

We differentiate ourselves from our competitors through:

#### Our long-term focus

Supported by our shareholder structure and strong capital base, we take a long-term approach in everything that we do.

#### A collaborative culture

Our culture is based on unconditional collaboration and a core belief in working together to bring the whole of the firm to our clients.

#### Our diversity of thought

An inclusive environment where ideas are heard and debated is one of the keys to our long-term success.

#### A data-driven approach

We continue to enhance how we use data across all areas of the business, including deriving unique investment insights, designing innovative products and improving operational efficiency.

### How we do it

**Our clients are at the centre of our business. Our resilience and ongoing success is built upon our ability to understand our clients' needs. This allows us to anticipate how these needs will evolve and to construct products that meet their financial goals and build future prosperity.**



**41** Investment teams    **29** Countries    **4,619** People

### Understand clients' goals

We build principled partnerships with our clients in order to fully understand their financial goals. This allows us to provide a high level of client service and select appropriate products to meet their needs.

### Develop innovative products

We design innovative products to consistently meet our clients' financial objectives, whether that is outperforming a benchmark, providing a regular sustainable income or delivering an absolute return.

### Actively manage solutions

We take an active approach to managing investment solutions that build our clients' future prosperity over the long term.

### Outperformance for clients

It is only by demonstrating value for money in meeting our clients' financial objectives that we can continue to successfully grow our business.

We earn fees charged as a percentage of our clients' assets under management and administration. We may also earn other revenues, such as performance fees and transaction related fees.

## What we deliver for other stakeholders

**Our client-led approach allows us to deliver for a range of global stakeholders, including our shareholders, people, wider society, regulators and suppliers.**



### Shareholders

Our business model focuses on delivering growth over the long term, which enables us to generate sustainable shareholder returns. Our progressive dividend policy has seen a 22% increase in the total dividend to 113 pence, or a payout ratio of 50%.

#### Dividend per share

**113p**



### People

We seek to maintain a culture of collaboration and innovation, supporting a talented and diverse workforce, who are key to our ongoing success. We have consistently maintained a high rate of retention of our most highly rated people.

#### Employees proud to be associated with Schroders

**94%**



### Society

We are committed to acting as responsible stewards of capital and promoting sustainability and high levels of governance in the companies in which we invest.

We are proud to support the communities in which we operate.

#### Company engagements on environmental, social and governance (ESG) issues

**1,014**

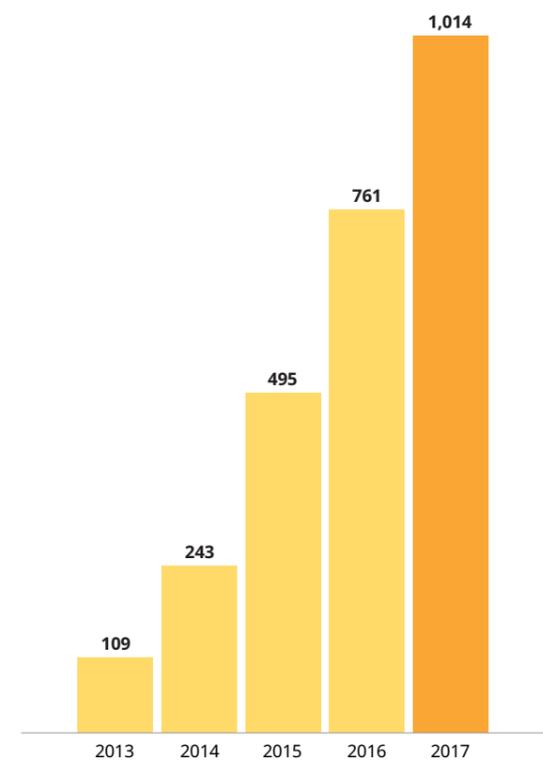


## Our Clients

**As one of the largest asset managers in Europe, we take our role as ‘owner not renter’ incredibly seriously.**

This means playing an active role in engaging with – and driving up standards in – the companies we invest in, as well as providing innovative products and services that meet our clients’ needs now and in the future. Building trust and credibility also means that we remain transparent about our own actions, contribution and responsibilities.

### Engagements with companies on ESG issues



† Governance engagements included from 2014 onwards.

### Engagement

2017: We conducted 1,014 company engagements across 50 countries

Engagement by category and most engaged topics within overall category:



**Environmental, social and governance (ESG) factors have a fundamental influence on our investment decisions.**



A+ Rating from United Nations Principles for Responsible Investment for three consecutive years



#1 in 2017 ShareAction Responsible Investment Survey of European asset managers



Top Tier signatory for the UK Stewardship Code



Top 5 in 2017 Asset Owners Disclosure Project (AODP) Global Climate Index

We are committed to using our position to improve the industry as a whole, helping to mainstream sustainable performance criteria as standard. Big challenges face us all today, and we believe our insights can help organisations rise to them.

## Responsibility brings returns

Our world is changing faster than ever. As environmental stresses and social pressures become more acute, the financial importance of managing environmental and social change is rising. High standards of governance and corporate responsibility are important to us and we believe they are likely to lead to outperformance in the long term.

This is why we are committed to integrating ESG factors into our investment processes across regions and asset classes leveraging a broad range of investment strategies that incorporate ESG considerations, with a view to creating sustainable investment returns.

Schroders has always been committed to responsible investing. We seek to be at the forefront of understanding and communicating ESG trends, opportunities and risks to the wider business, so we can make better investment decisions. Our quarterly and annual Sustainable Investment reports offer insight on what clients require, how the industry needs to respond plus our thoughts on trends and issues impacting our clients. We also regularly publish thematic research and reports to help educate and empower our clients and the industry.



## Demonstrating ownership

In 2017, we conducted more than 1,000 company engagements across 50 countries on ESG issues. We covered topics such as climate change, human rights, antimicrobial resistance, bribery and corruption, board structure and remuneration. We also voted on resolutions at 5,378 company meetings.

Our commitment to ESG factors has also led to broader engagement with stakeholders. We've worked with a number of non-governmental organisations and industry bodies – including the PRI, Investor forum, Carbon Disclosure Project (CDP), the Financial Reporting Council (FRC) and ShareAction – across a wide range of topics, such as viability reporting, nutrition, workforce practices and climate resilience. We have also engaged with policymakers around the world, in particular the High Level Expert Group (HLEG) sponsored by the European Commission, on sustainable finance and the review of how to grow a culture of social investing in the UK.

We consider climate change to be one of the largest long term investment challenges that we face, so are taking action on a number of fronts. In 2017 we co-filed on a company resolution calling for Exxon to provide more disclosure on its two-degree climate

scenarios, and we've used our votes to promote change in other companies. We combine our voice with other investors through industry initiatives such as the Global Investor Statement on Climate Change, which aligns around 400 global investors, and we are a founding signatory to the Climate Action 100+ initiative pushing for more robust disclosure from the most exposed companies.

We've also published several reports on the topic, sharing our intellectual property to enhance the debate. We have also invested in developing tools and analysis to help identify those companies at greatest risk from climate change. Our Climate Progress Dashboard provides an objective measure of the speed and scale of transition towards a low carbon global economy. Risk analyses such as Carbon Value at Risk and our work on fossil fuels provide proprietary insight into the implications of one of the greatest disruptive challenges facing the global economy, industries and financial markets. We continue to push for more disclosure in this area. As both a business and an investor, we have supported the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

### During 2017, our Sustainable Investment team produced insightful multi-sector and multi-region research on a range of ESG issues:

- Bribery and corruption in emerging markets
- The rise of founder-CEO firms
- Sugar, obesity and noncommunicable disease
- Corporate governance in Australia
- Trump: border adjustment tax vs carbon tax
- Corporate controversies: the role of ESG ratings
- Oligopolies
- Human capital
- Labour standards at UK fulfilment centres
- Risk profile of consumer staples vs tobacco
- Implications of the US withdrawing from the Paris Agreement
- Investing in a time of political change
- Antimicrobial resistance: investment implications from farm to pharma
- The cost of opioid addiction
- Responsible lending in auto financing
- It's not black and white for fossil fuels



## Growing interest but we need to do more to facilitate broader adoption

It is clear from our 2017 global investor studies that sustainability is becoming increasingly important for individual and institutional investors. Not only are they looking for sustainable investments to deliver financial returns, they also see it as a way to drive positive environmental and societal change.

Despite demonstrating a variety of sustainable behaviours, sustainable investing by individual investors appears to be less widely embraced. This suggests that there are some barriers holding back broader adoption. We think incorporating our findings on definitions will help us build solutions that work. For institutional investors, concerns about performance, transparency and risk are the main hurdles.

We are encouraged by the growing global interest in sustainable investing and the recognition of its importance, particularly in the Americas and Asia where it is less well established. However, our research suggests there is still some way to go for both individual and institutional investors to adopt a more sustainable investment approach.

## Our priorities in 2018

We will continue to take practical steps towards more sustainable investments for all our clients. Stewardship activity, company engagement and thoughtful voting at AGMs will continue to be an important foundation stone. We remain committed to collaboration across the investment industry, and to engaging with policymakers on how the system can be improved to create long-term value.

We are committed to resolving some of the barriers that clients have identified around sustainable investment: a lack of transparency, questions over risk, performance and data. In particular we are working on more client specific reporting, to complement our existing outputs. Increasingly we are pulling in our own data at a security specific level to assess sustainability, moving away from third party analysis.

Thematic research, focusing on the implications of environmental and social change, that helps us to deploy our clients' capital more effectively, is key. A more systemic understanding of governance factors that lead to strong performance is also an important project. Finally, we are building scalable innovative products to help our clients satisfy their environmental and ethical objectives whilst giving them the opportunity to grow across asset classes.

# Case studies: Tackling global health issues

## Resistance to antibiotics: Investment implications from farm to pharma

The increasing resistance of bacteria to common antibiotics is one of the most important issues since modern medicine began; the economic impact is estimated at £100 trillion by 2050 if no action is taken.

Resistance has been accelerated by the misuse and overuse of antibiotics in humans and animals, and there is increasing regulation restricting their use.

In 2017, we conducted our own research, considering companies across the entire antibiotic value chain, ranging from the antibiotics manufacturers to meat and dairy producers.

Our research revealed both risks and opportunities. Healthcare companies will face restrictions on how antibiotics are sold, but several opportunities to innovate exist - for example through developing new classes of antibiotics or antivirals.

The food and farming industries face increased regulatory pressure and heightened scrutiny from consumers to eradicate certain antibiotics from the food chain.

**“We are engaging companies in our portfolios to better understand their approach to antibiotic resistance. This is vital: the resistance threat is not yet on corporate risk radars for 70% of the top 10 antibiotic producers. We are also encouraging further data disclosure on antibiotics that will enable us to value the impacts in our models”**

Seema Suchak, Sustainable Investment Analyst

## Opioid addiction crisis: The cost of killing pain

A national opioid crisis has hit the US, with one in three Americans being prescribed opioids to treat pain in 2015.

The cost of addiction paints a bleak picture. The total economic burden of prescription opioid and heroin abuse in the US is almost \$80 billion annually.

Throughout 2017, major opioid drug manufacturers were sued by over 30 states, cities or counties in the US - accused of underplaying the addictive qualities of the drugs and overstating their benefits.

With media and market attention focused on drug manufacturers, we have mapped risks and opportunities across sectors, tracked corporate responses, and spoken with companies.

Given the burden of opioid addiction on the US economy and the political attention it receives, we believe there will be opportunities for companies offering solutions as well as risks to those companies implicated in its causes.

Our work to determine the strength of corporate responses is helping us navigate the investment implications of this health crisis.

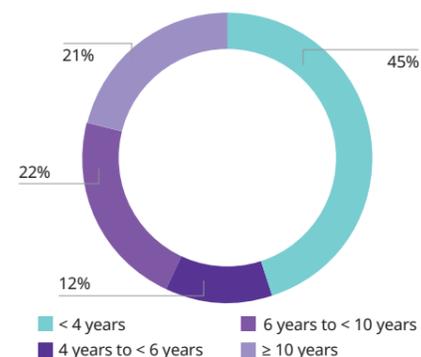


# Our people

## An employer of choice

We are proud of our reputation as an employer of choice. We encourage an open, collaborative and meritocratic working environment in which everyone has the opportunity to fulfil their potential. We engage employees over the long term by providing challenging work and supporting development opportunities.

### Employees by length of service



Our people strategy is aimed at developing an agile workforce as we continue to attract, retain, develop and motivate the right people for our current and future business needs. We encourage diversity and an inclusive workplace to create a positive environment for our people. Our approach to business is defined in our guiding principles, which we share with all employees, and includes our values of excellence, innovation, teamwork, passion and integrity. Our values are a key part of the Schroders culture – they define the high standards of behaviour that we expect from our people and are embedded in our appraisal process.



## Diversity of thought

Talented people who can understand and embrace different perspectives are crucial to our continued success. This means attracting, retaining and developing a diverse team regardless of age, gender, sexual orientation, disability, religious beliefs or other characteristics. Our Group Chief Executive is committed to ensuring we foster an inclusive culture of diversity across our global workforce. As we look to expand our diverse talent pool, we have taken a number of key measures, including:

- Ensuring that our entry level assessment centres are gender balanced;
- Providing training to managers on diversity issues and unconscious bias;
- Providing internal and external mentoring programmes to encourage diversity; and
- Offering maternity and paternity coaching, shared parental leave and flexible working policies to help support employees with children.

A series of employee resource groups have been established, which are an important part of our approach to diversity and inclusion. They include gender and sexual orientation, disability, mental health, carer and multi-cultural groups that are a key feature of our identity as an inclusive place to work.

We are committed to providing equal employment opportunities and combating discrimination. Where possible, we monitor the ethnicity, age and gender composition of our workforce and those applying for jobs.

We were amongst the first signatories to the 2016 Women in Finance Charter. We achieved our initial target of 30% women within senior management during the first quarter of 2017, though at year end the figure had fallen back to 29% as a result of minor restructurings within the firm. We are now targeting 33% by the end of 2019. More information on female representation and our gender pay gap can be found on page 78 of our Annual Report.

In line with our equal opportunities policy, we give fair consideration to all employment applications, including from disabled people, considering particular aptitudes and abilities. If employees become disabled, employment continues wherever possible, with retraining given if necessary. For the purposes of training, career development and progression, all employees are treated equally as part of our commitment to making Schroders an inclusive place to work. More on our approach to diversity and inclusion can be found at [schroders.com/inclusion](http://schroders.com/inclusion).

We are proud to be an accredited London Living Wage employer. All of our London-based employees, including contractors, are paid above the London Living Wage.

## Gender diversity

	2017	Female	Male
<b>Directors of Schroders plc</b>	2017	3	8
	2016	(2)	(7)
<b>Senior managers<sup>1</sup></b>	2017	238	580
	2016	(220)	(541)
<b>Subsidiary directors<sup>2</sup></b>	2017	9	37
	2016	(8)	(34)
<b>Total senior management</b>	2017	247	617
	2016	(228)	(575)
<b>All employees</b>	2017	1,876	2,743
	2016	(1,634)	(2,386)

1. Senior managers excludes the executive Directors of Schroders plc and includes some individuals who are also subsidiary directors.

2. Subsidiary directors comprises directors of subsidiaries who are not classified above as senior managers or Directors.

## Board policy on diversity

The Board recognises the importance of diversity and that it is a wider issue than gender. We believe that members of the Board should collectively possess a diverse range of skills, expertise, industry knowledge, business and other experience necessary for the effective oversight of the Group. The Nominations Committee considers diversity as one of many factors when recommending new appointments to the Board. Whilst we currently have three female Directors representing 27% of the Board, the Board aims to have a minimum of 33% of Board positions held by women by 2020. We also endeavour to only use the services of executive search firms who have signed up to the Voluntary Code of Conduct on Gender Diversity.

## Wellbeing

We have a multi-generational workforce and it is vital that our people are provided with the support and opportunities they need to optimise their health and wellbeing.

As well as being members of several thought leadership networks, we provide a comprehensive calendar of wellbeing events for our people across five key areas: mind, workplace, body, financial and work-life balance. There is also extensive resilience and mental health training embedded within our learning and development programmes.

## Engaged and highly motivated employees

The results of our 2017 firm-wide Employee Opinion Survey demonstrate that our employees are engaged with their roles, understand our values and believe that we behave responsibly towards our clients.

We have continued to invest in our corporate communications during 2017, as we recognise that good communication is key to delivering high levels of engagement. It helps employees to understand and deliver our strategic objectives. We communicate regularly through a variety of channels, including management briefings, videos, an internal magazine and a social intranet. Annual 'Inside Schroders Live' meetings are held with the Group Chief Executive to discuss the progress made by the business and future objectives and challenges. Similar events are held across our offices globally.

**94%** proud to be associated with Schroders

**90%** recommend Schroders as a good place to work

**93%** believe Schroders behaves responsibly towards its clients

## Highest ethical standards

We promote high ethical standards and have a strong culture of doing the right thing for our clients, our employees, our shareholders and other stakeholders. If an employee does have any ethical concerns, we have a whistleblowing policy, through which they can raise them. A widely publicised 24-hour hotline is available for employees to report any concerns anonymously. Personal securities trading by employees is subject to clearly defined internal policies.

Employees are not permitted to solicit or accept any inducements that are likely to conflict with their duties. We have policies in place and train employees on identifying potential tax evasion, gifts and entertainment, anti-money laundering, awareness of terrorist financing, anti bribery, market integrity and data protection. Due diligence is undertaken before entering any material new client relationship and this is enhanced for higher risk countries, entities or individuals.

## Retaining our talented people

We have a highly engaged, experienced and stable workforce, with 43% of employees having been with the firm for six years or more. Overall turnover in 2017 was 9% (2016: 9%). We focus on retaining our most talented employees and our retention of high performing employees remains high at 94% (2016: 95%).

Over 23% of roles across the Group were filled with internally developed talent (31% in the UK), as we provide our employees with the opportunities and experience they need to achieve their full potential. We invest heavily in developing their knowledge, skills and capabilities. Employees have access to a range of learning and development programmes in order to maintain and increase technical competence in their roles and align behaviours with our values.

As part of the Investment 2020 programme, Schroders provides opportunities for school leavers and graduates across the business. More than half of our 2016 trainees progressed to full time roles and the majority of those that did not stay at Schroders went on to attend university. In 2017 we also introduced our inaugural apprenticeship programme, which provides permanent roles for school leavers, with tailored training.

Competitive remuneration that reflects the performance of each employee and of the firm is important in retaining our people. Our approach is explained in the Remuneration report on pages 62 to 90 of our Annual Report.



## Case study: This is Me campaign

Providing employees with the right mental health and wellbeing support is a priority for Schroders.

We looked at our approach to mental health and wellbeing as part of a strategic review in 2015, and launched our new strategy last year. It focuses on the promotion of wellbeing, education and intervention, raising awareness and removing stigma surrounding mental health.

We've already rolled out a series of initiatives around the world, and our strategy has won recognition from experts in the UK, including being shortlisted for an award for the best mental health strategy for employees.

We had five employees come forward for World Mental Health Day to start the conversation about mental health at Schroders by sharing their personal experiences, as part of our 'This is Me' campaign.



Lucy, from our Marketing team said:  
**"It affects so many people in a variety of different ways, no two people will have the same experience."**



Sarah from our Corporate Communications team followed:

**"The stigma around talking about our mental health struggles is still quite strong. We remain reluctant to address the issues we face and to go seek help from a mental health professional. It shouldn't be like that."**



## Our Community

Supporting and developing our local communities is at the heart of what we do.

**£2m**

Charitable donations  
(2016: £1.5m)

**£923,000**

Matched funding  
(2016: £839,000)

\*At least.

Following a review of the United Nations' (UN) 2030 Agenda, we are supportive of the aims of the 17 Sustainable Development Goals which represent a comprehensive agenda for addressing the world's societal challenges. In 2017, our impact and

**999hrs\***

of volunteering undertaken by  
employees in the firms time

**1,657hrs\***

of volunteering undertaken  
employees outside of the firms  
time (2016: 1,476hrs UK only)

commitment across a number of these areas has been demonstrated through work with our communities, our clients and the environment. Further information on our approach can be found in our Sustainability Annual Report at [schroders.com/sustainability](http://schroders.com/sustainability).



## Our communities

Social mobility was a key theme for us in 2017. We achieved a top 50 ranking in the UK's first Social Mobility Employer Index for our work supporting high achievers from non-privileged backgrounds. We partnered with the Social Mobility Foundation and disability charity Action For Kids to deliver three successful 'Futures Days'. These provided insight into the asset management industry and world of work for high-achieving students from low income backgrounds and young adults with physical or learning disabilities. We also worked with both charities to launch internal work placement programmes across the business, and Action For Kids awarded Schroders an 'Inclusive Gold Partner' award at its annual recognition event.

## Charitable giving

We are proud to support the communities in which we operate and actively encourage our employees to do the same. We have a long history of positively contributing to local communities through donations and employee time. In 2017 we donated £2.0 million to charitable causes around the world (2016: £1.5 million), £783,000 of which was outside the UK (2016: £464,000). Our emphasis remains on supporting our employees through Give As You Earn payroll giving and in the UK 29% of our employees donated to charitable causes in this way (2016: 29%). We also offer fundraising matching to support employee fundraising efforts.

In addition to financial donations, we have provided gifts in kind, organised frequent charitable collections and encouraged our employees to share their knowledge, skills and capabilities with charitable organisations through volunteering. To support our employees giving back to communities, we offer time matching for volunteering hours completed outside of working hours, and up to 15 hours of volunteering leave a year. Last year employees globally volunteered over 1,000 working hours.

## Our approach to tax

We aim to comply with both the spirit and letter of the law and are committed to conducting our tax affairs in an open and transparent way.

This means that we comply with our tax filing, reporting and payment obligations globally. We also seek to maintain good relationships with the tax authorities in the jurisdictions in which we operate. This may take the form of discussing key developments in our business and the potential impact of those developments on the amount of tax we pay.

From time to time, our views on the appropriate tax treatment in any given situation may differ from those of the tax authorities. Where this occurs, we work constructively and proactively to achieve an early resolution. We comply with the UK's Code of Practice on Taxation for Banks and are treated as 'low risk' by HM Revenue & Customs.

We believe it is important that businesses behave responsibly and build trust within society regarding their role and contribution on tax. With this in mind, we support initiatives to improve international transparency on taxation matters, including the Organisation for Economic Co-operation and Development measures on country-by-country reporting and automatic exchange of information.

Our tax strategy, available at [schroders.com/taxstrategy](http://schroders.com/taxstrategy), sets out our approach to tax matters across the Group more generally. This strategy is reviewed and approved annually by the Audit and Risk Committee.

For information on the taxes borne and collected can be found at [schroders.com/taxtransparency](http://schroders.com/taxtransparency).

## Human rights

We aim for high standards of governance throughout the firm. We recognise the responsibility we have towards our stakeholders, including our employees and society as a whole, as well as the expectations of our clients and regulators. Our business model is intended to fully comply with applicable human rights legislation in the countries in which we operate.

Schroders is strongly opposed to slavery and human trafficking and will not knowingly support or conduct business with any organisation involved in such activities. Our business is undertaken predominantly in countries with a clear commitment in this area and the vast majority of our major

suppliers are headquartered in low risk countries. As a responsible investor we have examined modern slavery risks across our holdings in high risk sectors.

As an asset management firm with relatively simple supply chains, predominantly comprising business and professional services organisations, we believe that there is low risk of slavery or human trafficking taking place within our supply chain. Nevertheless, we use a combination of supplier due diligence, employment policies and employee training to support this. More information can be found in our Slavery and Human Trafficking Statement at [schroders.com/slavery](http://schroders.com/slavery).

# 29%

Of our UK employees donate through the Give As You Earn (GAYE) scheme.

## Working with our industry

In 2017, we collaborated with the asset management community on two charitable initiatives.

CASCAID was a new initiative created to raise £1 million for Cancer Research UK in 2017. Our London offices joined colleagues from around the industry, to support the appeal and raise money for the cause.

From a Marketing Monopoly Challenge, to a 14km Thames Battle swim and a Transatlantic Tour. These were just some of the far-from-traditional fundraising events which took place under the lead of our Schroders fundraising ambassadors. In June, our own Group Chief Executive, Peter Harrison, joined the fundraising efforts by abseiling down Broadgate Tower in the City of London along with nine other brave employees. After generous matching, we contributed over £200,000 of the total £2.4 million raised. Helen Wagstaff, creator of CASCAID said: "Schroders was incremental in getting CASCAID off the ground and has made a massive contribution to making it such a successful fundraising campaign". Speaking about the initiative, Phil Middleton, Co-Head of UK Intermediary



and CASCAID Ambassador, said: "It has been a fantastic initiative getting the whole industry together, clients and competitors alike." We joined twenty leading financial services firms to launch a ground-breaking project, KickStart Money, which aims to take financial education to over 18,000 primary school children in the UK, to create a generation of savers. We are a founding member of the project and have made a financial commitment over three years to support the initiative. We have had a number of our employees volunteer at the satellite London primary schools to offer support at the Money Twist workshops led by educational charity, MyBnk.

**"It has been a fantastic initiative getting the whole industry together, clients and competitors alike."**



Peter Harrison Group Chief Executive

## Our global activity and impact demonstrating our community spirit

### North America → STEM volunteer day

Our US digital team organised a STEM (science, technology, engineering and mathematics) volunteer day at a lab built for children with special educational needs. The team spent a day working with children on new technology including 3D printers and robotic arms. Josh Draper, Developer, said: "Spending time volunteering in an area outside your normal routine enriches our lives beyond anything we can imagine. Using our volunteer days gives a real example of how employees can leverage this great benefit to help others."

### Taiwan → Financial roadshows

In partnership with Hondao Senior Citizen's Welfare Foundation, employees in our Taipei office ran a series of free financial fraud education seminars for senior citizens. To make their sessions more engaging, the team partnered with a local opera group and produced their own performance to encourage audience participation. A Hondao employee said: "The senior citizens were so involved and enjoyed the experience - it really attracted their attention."

### Switzerland → Gigathlon

Five colleagues from Swiss office took part in the 2017 Gigathlon, a multi-sport two-day event covering 361km of alpine terrain. After biking, swimming and running, the team finished in an impressive 32nd place out of 430 teams. They raised CHF 2,250 (£1,800) for Special Olympics, the world's largest sports organisation for people with intellectual disabilities.



### Korea → Love coal

In Seoul, many elderly people live in older neighbourhoods and must rely on coal briquettes to provide warmth, at a cost of 2,000 KRW (£1.40) each day.

Our Korean office donated 3 million KRW (£2,100) to the Love Coal Sharing charity which provides the much-needed briquettes. Kil Soo Jeon, Country Head of Korea, and 11 employees visited one of the neighbourhoods to deliver the briquettes. Although it was messy work, despite aprons and gloves, everyone was delighted when the briquettes were safely moved to the storage areas.

### Australia → One sock, one goal

Our Australian office soccer team members have joined the 'One Sock One Goal' campaign, run by the young people's mental health charity, Batyr. By donning their unique and colourful socks each week they set out to raise awareness of mental health issues with the socks acting as a positive conversation starter. Sam Crichton, Client Services, said: "It's great to get behind such a great cause and smash the stigma behind mental illness." In total \$800 (£500) was donated by Schroders employees.





# Our environment

As part of our commitment to responsible consumption and production, we aim to minimise the impact that our own business has on the environment. We constantly review opportunities to minimise the environmental impact of our operations and to deliver continuous improvements in our environmental performance.

In 2015, we set renewable energy targets for the first time. We achieved our target of sourcing over 60% of our global electricity supply from renewable sources by the end of 2016. We have recently signed up to the Climate Group and CDP's RE100 initiative, which brings together more than 100 businesses globally. As part of this commitment, we are aiming to increase our use of renewable energy to 75% by 2020 and 100% by 2025. By the end of 2017 we had reached a total of 70% renewable energy globally and we anticipate our membership of RE100 will help us towards our final goal.

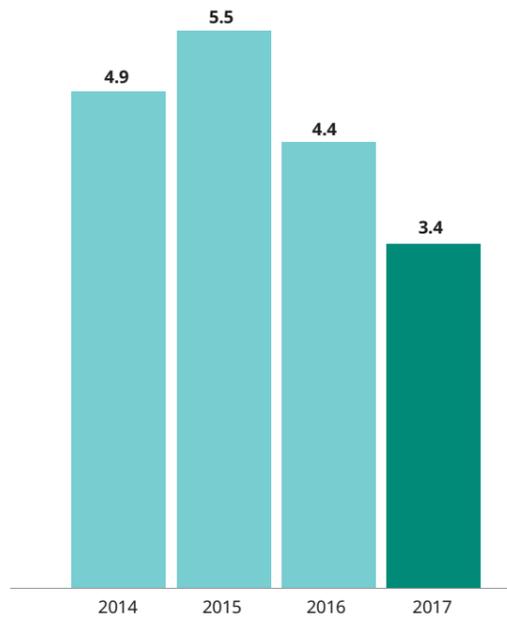
We continue to participate in the Dow Jones Sustainability Index and the CDP climate change program and have demonstrated a continual reduction of our electricity consumption, achieving the Carbon Saver Gold standard for the last 10 years.

We use DEFRA's conversion factors to calculate our CO<sub>2</sub>e emissions for all consumption apart from overseas electricity, for which we use the International Energy Agency's conversion factors as recommended by DEFRA. Our data has been verified and further information is disclosed in our CDP submission. Our total carbon output in 2017 has reduced by 9.6%.

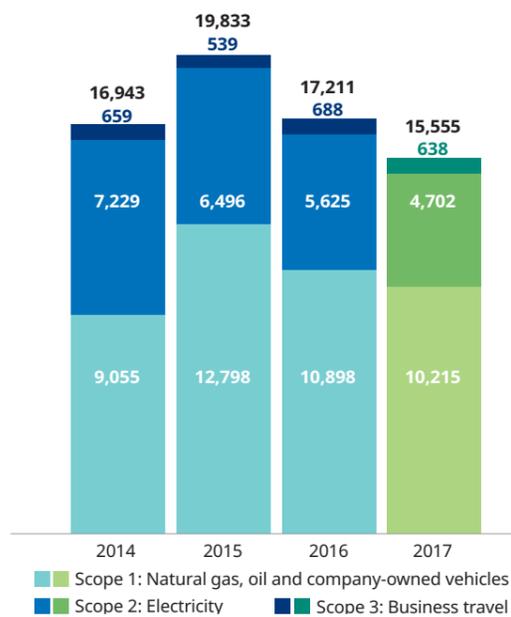
For the last three years, we have used the internationally accepted GHG Protocol Corporate Standard for reporting.

We continue to prepare for the transition to our new UK headquarters at 1 London Wall Place, which provides opportunities for some notable improvements in energy and water usage and access to high quality green spaces.

**CO<sub>2</sub>e emissions per employee (tonnes)**



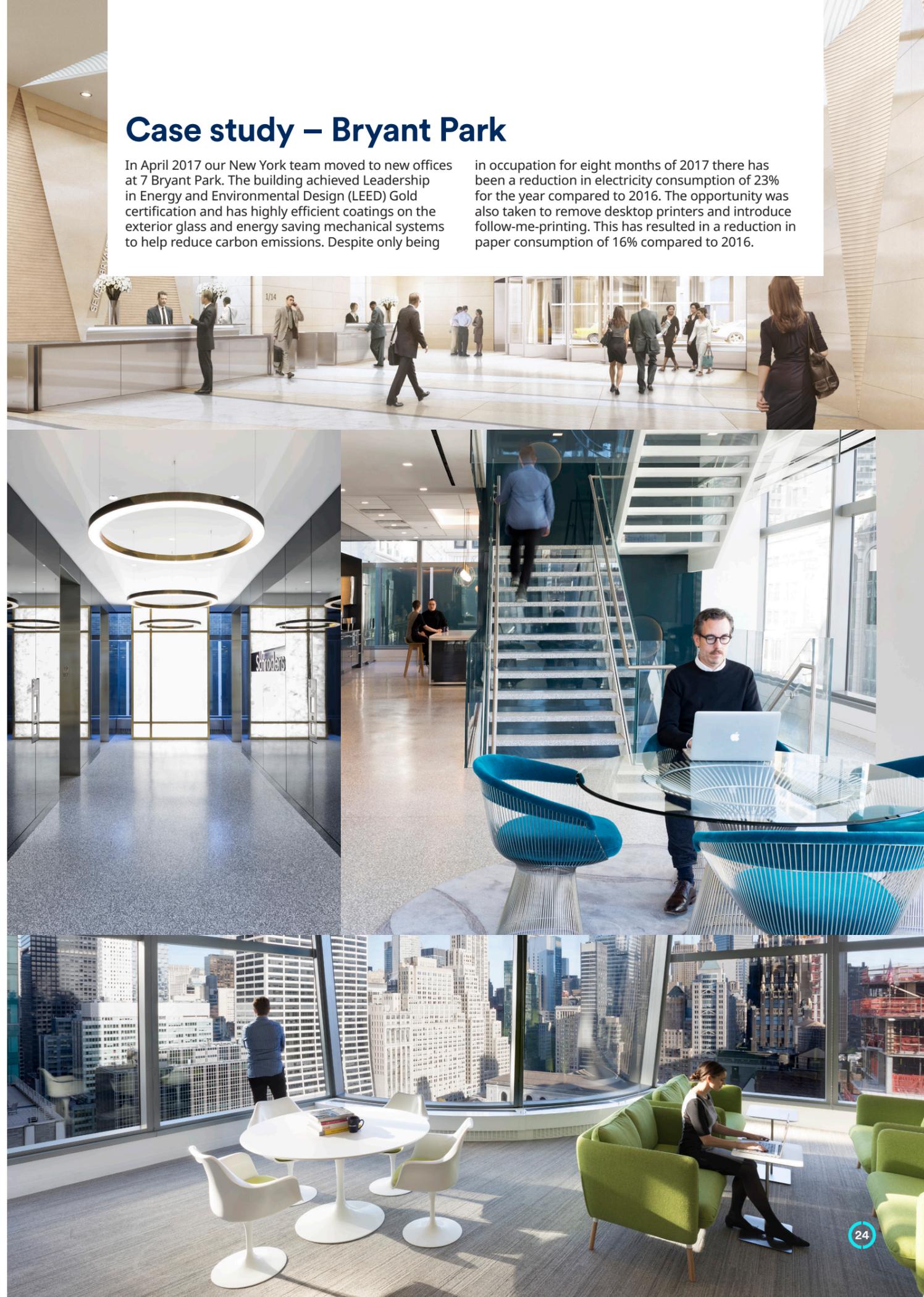
**Total CO<sub>2</sub>e emissions (tonnes)**



## Case study – Bryant Park

In April 2017 our New York team moved to new offices at 7 Bryant Park. The building achieved Leadership in Energy and Environmental Design (LEED) Gold certification and has highly efficient coatings on the exterior glass and energy saving mechanical systems to help reduce carbon emissions. Despite only being

in occupation for eight months of 2017 there has been a reduction in electricity consumption of 23% for the year compared to 2016. The opportunity was also taken to remove desktop printers and introduce follow-me-printing. This has resulted in a reduction in paper consumption of 16% compared to 2016.



## Memberships & Awards



We received the Payroll Giving Quality Mark Platinum Award.



We are a member of OUTstanding, the professional network for LGBT+ executives and future leaders and their allies.



We signed the Women in Finance Charter in May 2016, a pledge for gender balance across financial services.



We are a member of The Business Disability Forum.



We are an accredited London Living Wage Employer.



We are a member of the City Mental Health Alliance (CMHA).



We received an East London Business Academy Long Service Company Award for our mentoring contributions over 10 years.



We are a member of Working Families, the UK's leading work-life balance organisation.



We are a member of the London Benchmarking Group (LBG).



We are included in the FTSE4Good Index series.



We participate in the Carbon Disclosure Project (CDP) climate change program.



We are included in the Dow Jones Sustainability Indices (DJSI).



We have signed up to the RE100 initiative, committing to increase our use of renewable energy to 100% in 2025.



We are a signatory and association member of UN PRI.

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Please be aware that we do not respond to unsolicited requests for funding from charities or community organisations.

