

## Annual General Meeting 2020

### Shareholder questions and statements

Two questions were asked at our Annual General Meeting and a summary of the questions and the responses given at the meeting are set out below.

#### **ShareAction**

I'm asking a question on behalf of ShareAction. We are shareholders in Schroders. I'd like to start by thanking Schroders for holding this AGM as a virtual event at a time when most companies are holding their AGMs behind closed doors.

Schroders came seventh in our recent ranking of 75 of the world's largest asset managers in their approach to responsible investment, but climate change is an important part of responsible investment, and it continues to present material financial risks.

As Schroders' own head of sustainability research has said, failure to make significant moves away from fossil fuel will tie the world into escalating physical damage, rising sea levels, less agricultural land, and more volatile weather.

Meanwhile, the banking sector continues to finance high carbon activities, undermining efforts to keep global warming to well below 2 degrees Celsius. Barclays in particular is the largest financier of fossil fuels in Europe and the sixth largest in the world. ShareAction has led a shareholder resolution calling on Barclays to phase out its financing of fossil fuel companies that are active agents in driving the climate crisis.

Will Schroders publish its stewardship strategy for the banking sector and join the many investors that have already committed to vote for ShareAction's resolution at Barclays AGM?

#### **Peter Harrison**

It's an important area. Thank you. We have a long history of engaging with the banking sector on ESG, particular on fossil fuel exposure. For example, last year we supported ShareAction's engagement with HSBC on their lending to coal projects, and we've been continuing this specific dialogue with HSBC and widening that conversation to include their approach to climate change more generally.

In 2019, we also endorsed the principles of responsible banking and we're pleased to be one of the first asset managers to do so. Our in-house research tool, which we call Context, looks at the fossil fuel exposure of banks, insurers, drawing on NGO data and we will obviously update that with your recently-published assessment of the sector.

Now, as you would expect we've been engaging actively with Barclays around climate change ahead of their AGM. It is not our policy to pre-announce voting decisions, but we will be publishing some details of our engagement with banks in our future sustainable investing report.

### **Private Shareholder**

I just wanted to congratulate you on the excellent performance of the firm over many years, and in particular since 2000 when Schroders was split in two, the performance really has been absolutely spectacular over the last 20 years. We live in very difficult circumstances now, but I wanted also to commend Mr Harrison, and all the other Board members and executives for ceding some of their remuneration for the COVID-19 charities, I think that's very commendable. I hope you may be able to get some good publicity from that because I think that's a very generous gesture. And also perhaps you might be able to get a decent report because the papers tend to publish bad news and not so much of the good. So, will you try and do something to redress that?

### **Michael Dobson**

Well, first of all, thank you very much for your supportive comments. We took this decision about sacrificing some fees and salary and Long Term Incentive Plan not for press coverage but because we thought it was the right thing to do. In fact, there has been some notice of this in the press, including in The Times. It has been picked up and I think it's been picked up by a number of people.

I think it was the right thing to do and I think it's consistent with what we try to do at Schroders.