

## Annual General Meeting 2024 Shareholder questions and statements

A summary of the questions submitted at the 2024 Annual General Meeting, together with the responses provided, are set out below.

### Questions & Answers

#### **Question 1 - ShareAction**

**For the last two years, ShareAction has been attending your AGMs to ask what the Board's position is on ethnicity pay gap reporting. We were delighted to hear that you reported your ethnicity pay gap for the first time ever in November 2023, and we were also really pleased to see that you increased your ethnicity representation targets to reflect greater ambition, after having met your initial targets last year. We commend Schroders for joining its peers in reporting its ethnicity pay gap. Last year, 14 FTSE 100 financial sector companies reported their ethnicity pay gap data, which is up from seven in 2022, and we expect this trend to continue. Studies show this not only makes moral sense, but also business sense.**

**Can I ask the Board if it plans to publish its ethnicity pay gaps per quartile? We would like to thank the Board for meeting with ShareAction this month, and to discuss this issue further. Once again, congratulations for taking a vital step forwards in reporting your ethnicity pay gap. Thank you.**

#### **Elizabeth Corley**

Thank you very much. As you know from our engagements over several years, we were very determined that, before we reported the pay gap, we got to a statistically relevant number of our employees who would self-declare their ethnicity, and we were delighted as well, after a lot of work, that we reached that threshold and were able to publish last year. We are very committed to reaching the targets, which we think are a very helpful way of catalysing a focus on an important area of business performance.

As you will understand, November was relatively recently, and what we're focused on at the moment is engaging with our colleagues around the world, both within those ethnicity groups but also, more broadly, in an inclusive way, to make sure that the data and what it represents is fully understood, because sometimes the data can be quite confusing. We are spending a lot of time on education and also engagement and, most importantly, on the actions that flow.

In due course, we are going to consider whether more detailed reporting would be appropriate, including, for example, quartiles. Our focus right now is absolutely on making sure that the information is transparently shared and understood, and that our commitments to action are very well understood by our employees. I do think the way you've engaged with us so constructively but determinedly has really helped us in taking that forward, so thank you for that very constructive approach.

We remain very committed to inclusion and diversity in its broadest sense, as you know, and the ethnicity aspect of it is crucially important, but that doesn't take our eye off the ball on other aspects of inclusion, including all those we have talked about before with yourselves and other shareholders around gender, socioeconomic and other wellbeing factors, but thank you. I hope that answered your question fully for you.

## **Question 2 - Private Shareholder**

**I want to ask you to confirm whether or not Schroders Greencoat is involved in the Sizewell C capital raise. I do wish to point out that other entities have been very happy to deny this when asked, so if you're not able to give an answer, I will take that as an affirmative. Depending on your answer, I can go on to read the rest of my question.**

### **Elizabeth Corley**

Thank you for the very constructive way you've engaged with us over the last couple of years. We really appreciate that. What I would like to do is ask our chief executive, Peter, to talk about that, given that it's a very closely focused business matter.

### **Peter Harrison**

Thank you. You will be well aware that Schroders Greencoat is, I think, possibly the largest UK wind business in the UK, and certainly by some margin the largest UK solar business in the UK, so we are very close to what's going on in the renewables space, and our clients take a very close and careful interest in what's going on. I think it's absolutely right that we need to understand their views, so we haven't made a determination one way or the other as to whether or not we will invest on behalf of clients.

### **Private Shareholder**

**Thank you. That's helpful, and I do commend Greencoat for their investment in renewable energy, I think it's admirable, but bearing in mind the reputational risks associated with investing in Sizewell C, and also reports of investor nerves linked to Thames Water and regulated debt as reported a couple of days ago by the Financial Times - and I quote, that, 'Thames Water's woes are making investors nervous at the debt underpinning the funding model, which the UK government is relying on for building new critical infrastructure such as Sizewell C, could be more vulnerable to losses than previously thought' - and the fact that significant contracts and pre-orders have already been made by Sizewell C, which would lock potential investors into major commitments even though a final investment decision has not been made, I would ask Schroders to advise Schroders Greencoat to withdraw from the capital raise.**

### **Elizabeth Corley**

Thank you. I think the first thing I would say is that, in any investment we make in any sector, we look holistically at the opportunities and the risks, and we do take into account our wider considerations from client interests and client thoughts. That is an absolute rule in anything we do. Peter, do you want to respond slightly more specifically?

### **Peter Harrison**

I think your point is very well made. When we make any investment on behalf of clients, and particularly in bonds, where the returns are always very asymmetric, it is absolutely critical that we assess the risks very carefully, and the risks you point out, I think, are valid risks that we need to understand and get into. I think the fund raise is at a very early stage, and we have yet to unpack the full extent of exactly what is being offered for what risk, and we will understand that process very clearly. Your point is very well made.