

Schroders

**Schroder & Co. Limited**  
**TCFD AM entity-level disclosures**



## 1. Introduction

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In 2017, the Task Force on Climate-Related Disclosures (TCFD) released a framework of climate-related financial disclosure recommendations to help public companies and other organisations disclose climate-related risks and opportunities.

These disclosure recommendations are structured around four thematic areas that represent core elements of how companies operate: governance, strategy, risk management, and metrics and targets. The four recommendations are interrelated and are supported by 11 recommended disclosures that build out the framework with information that should help investors, and others, understand how reporting organisations think about and assess climate-related risks and opportunities.

This TCFD report is published by Schroder & Co. Limited (**'S&Co'**) who have elected to voluntarily make the entity level disclosures in advance of the prescribed publication date in 2024. We make these disclosures to demonstrate our part in Schroders' commitment to action.

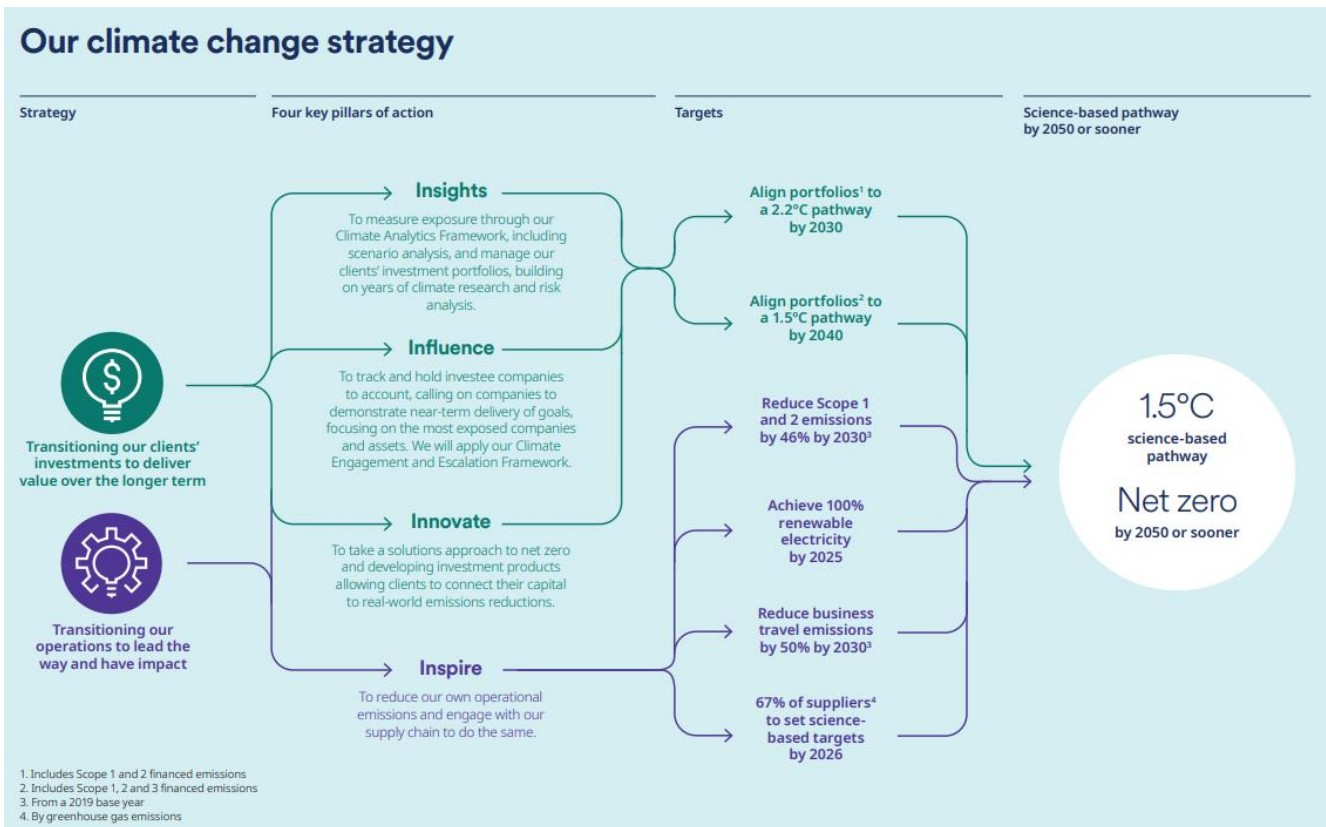
S&Co is a UK based business, servicing the needs of domestic and international clients, operating under the Cazenove Capital brand. S&Co, which is authorised and regulated by the Prudential Regulation Authority (**'PRA'**) and regulated by the Financial Conduct Authority (**'FCA'**), offers investment management, financial planning and specialist banking services through its four business areas (Private Wealth Management, Wealth Planning, Charities and Banking and Treasury) to high-net-worth individuals, trusts, corporates, family offices and charities. Full details of the permissions held by S&Co can be found on the Financial Services Register at <https://register.fca.org.uk/> (Firm Reference Number 144206).

As S&Co's approach towards climate risks and opportunities is aligned with the broader Schroders plc Group (the **'Group'**) approach, where relevant this report relies on and cross-refers to the group level disclosure in the Task Force on Climate-Related Financial Disclosures report published by Schroders plc (which is the parent company of S&Co (**'Group Climate Report'**), available [here](#)). A summary of the Group response to the 11 recommended disclosures can be found on page 71 of the report [here](#).

The Schroders plc Climate Report 2022 aims to give our stakeholders a better understanding of our climate transition plan. We believe that in time, every economy, industry and company will need to plot a net zero path to remain competitive. As a global investment manager, we can be a catalyst for change, using our expertise and influence to encourage businesses in their transition towards a net zero, nature positive operating model. This position is consistent with our over arching purpose to deliver excellent performance for our clients.

The Group have made significant progress in 2022 including a formal validation of our greenhouse gas emission targets by the Science Based Targets Initiatives and encouraging results of our climate engagement action - with companies engaged on climate almost twice as likely to set a below 2 C target (since 2021) than other companies. You can also see a specific case study for wealth management on p42 of the Group Climate Report.

The Group Climate Report also shows how we are transitioning both our operations and the investments we manage.



Finally this report, published by S&Co, also summarises certain material differences between the group-level approach to climate risks and opportunities described in the Group TCFD Report and the approach taken by S&Co and explains that further information regarding those differences will be provided in S&Co's Climate Transition Action Plan to be published later this year.

**Mary-Anne Daly**  
Chief Executive and Global Head of Wealth Management

## 2. Governance

As S&Co's governance framework for climate risks and opportunities is consistent with the Group-level governance framework, please see the Governance section of the Schroders plc Climate Report 2022.

## 3. Strategy

The S&Co strategy for climate risks and opportunities is aligned with the Group-level strategy, as set out in the Strategy section of the Group Climate Change Report 2022, however our implementation of that strategy differs due to the following:

- We primarily invest in third-party funds and investments, whereas the majority of Group's AUM is in direct listed equities and credit. As a result, how we assess net zero alignment for these assets will differ
- We engage with fund managers and strategies, alongside individual companies. For these indirect assets, engagement priorities and expectations will differ from Group
- Our flagship climate-positive products are multi-asset and multi-manager, meaning they invest in a wide range of decarbonisation and environmental solutions across different funds and different asset classes

Further information on how our approach differs will be given in S&Co's Climate Transition Action Plan, which will be published shortly.

The Group level strategy is set by the Group Sustainability and Impact Committee and implementation at a business area level is discussed at the Climate Change Working Group.

## 4. Risk Management

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As S&Co's approach to identifying, monitoring and managing climate risks is consistent with the group level risk framework described in the Risk Management section of the Schroders plc Climate Report 2022.

## 5. Metrics and Targets

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S&Co uses the same metrics to assess climate-related risks and opportunities at an entity level as the broader Schroders group.

S&Co has not set any climate related targets at an entity level but rather is subject to the targets set at group level. These metrics and targets will be applied across the products managed and services provided by S&Co, where possible – notably where data gaps exist (see below). However it is not, for example, possible to apply the targets set at the group level to a portfolio of assets that S&Co manages for a client that are transferred directly from another manager in specie. Likewise, where S&Co only provides advisory services to a client that client may not follow our advice and may make investment decisions that prevents its portfolio from meeting those targets.

S&Co held total assets under management of £45.4 billion as at 31 December 2022.

## 6. Data Gaps, Estimates and Assumptions

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Given the majority of our AUM is held via third-party funds, look-through ability across these assets remains challenging. Work is currently underway to close this data gap, which we expect will enable us to perform comparable analysis to Group. Where the data is available, estimates and assumptions are in line with Group.

While S&Co will be subject to the requirement to prepare a report in compliance with the requirements set out in chapter 2 of the Environmental, Social and Governance sourcebook ("ESG Sourcebook") of the FCA Handbook that require certain UK asset managers and insurers to publish entity level disclosures consistent with the TCFD in 2024, it is not currently subject to that requirement. As such, this report does not fully comply with the ESG Sourcebook requirements.