

Schroders

ANNUAL SUSTAINABILITY REPORT 2022

MARKETING MATERIAL. ENVIRONMENTAL, SOCIAL AND GOVERNANCE IS REFERRED TO AS ESG THROUGHOUT.

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ABOUT SCHRODERS

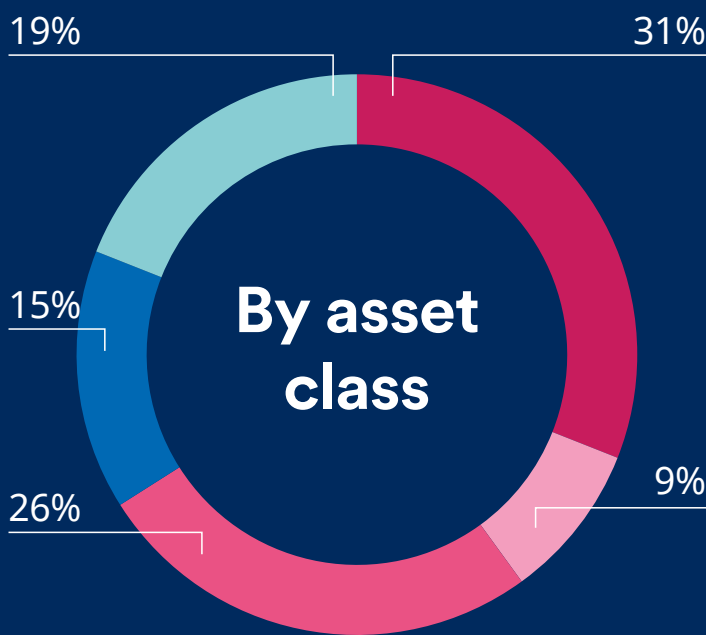
Our purpose is to provide excellent investment performance to clients through active management.

By serving clients, we serve wider society. Channelling capital into sustainable and durable businesses accelerates positive change in the world.

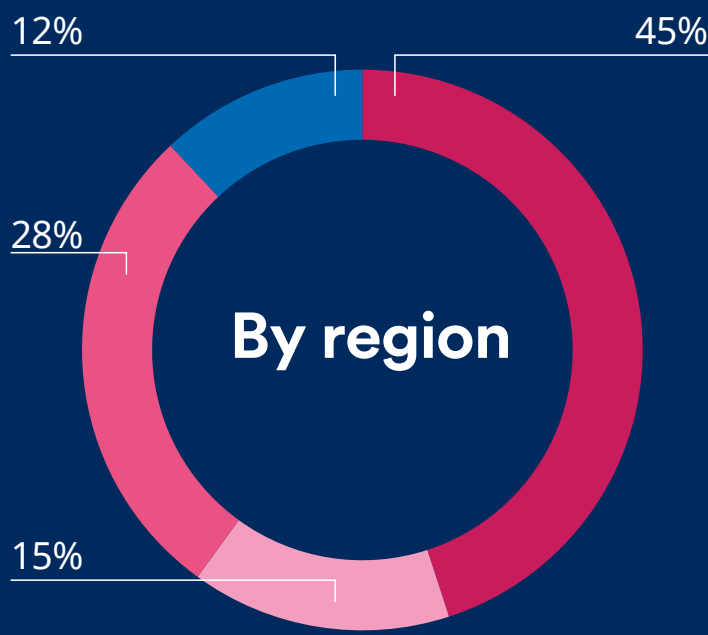
Funding the future is a privilege; we use it wisely and responsibly. We recognised external forces that are disrupting traditional asset management. In response, we sought to expand our business into areas with greater client longevity, higher margins and where we believe we can deliver the best returns for clients.

We have succeeded in reshaping our business and are one of only a few investment managers with a truly global reach, distinctive set of advice and investment capabilities, and recognised leadership in sustainability.

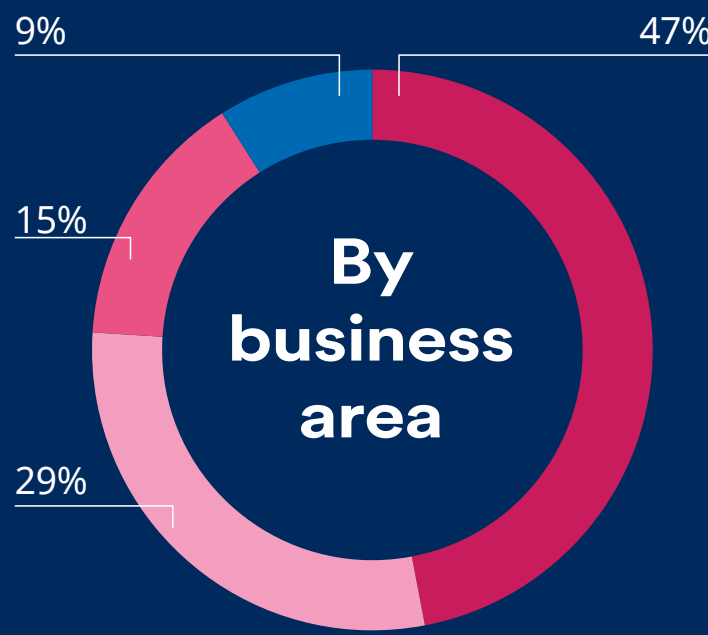
To achieve this, we have built a complete private asset business, continued to grow our public asset offering with an increasing focus on delivering solutions for our clients, expanded our wealth management offering across the wealth spectrum and developed our network of global partnerships.



- Equities
- Multi-asset
- Fixed Income
- Private Assets & Alternatives
- Wealth Management



- UK
- Europe, Middle East and Africa
- Asia Pacific
- Americas



- Investment Management
- Wealth Management
- Solutions
- Schroders Capital

Source: Schroders, December 2022.



A MESSAGE FROM OUR GROUP CHIEF EXECUTIVE

Peter Harrison
Group Chief Executive

Since publishing our first Engagement Blueprint, which lays out our priorities and expectations of companies across six thematic areas, in early 2022, we have continued to make progress on a number of fronts.

The climate crisis epitomises why investor questioning is so important and finding answers is not easy.

One year into Russia's invasion of Ukraine, which has disrupted the global supply of energy, power cuts have been avoided in Europe so far.

But the energy crisis is not over, and the International Energy Agency's Coal Market Report shows some nations, such as India and Indonesia, have resorted to burning more coal.

Meanwhile Bangladesh, Pakistan and Sri Lanka have faced power outages due to fuel shortages in the past 12 months.

Here in the UK, as I write this, it has been reported old coal-fired power plants have started generating again amid a cold snap.

Whether through new insights, influence or innovation, against this challenging backdrop it is more important than ever to invest in finding answers to the complex problem of climate change.

And it is not just about finding ways of transitioning to net zero and tackling the growing threat, it is – importantly – a question of maximising the potential benefits for investors.

“Views on sustainability will differ, but our teams are not afraid to ask the difficult questions necessary to help our clients reach their goals.”

Against a backdrop of rising inflation rates, the Ukraine war and some anti-ESG rhetoric, our investment specialists have been tackling difficult sustainability issues with thousands of companies across 73 countries over the past year.

A continued commitment to active ownership as a sustainable investment strategy is at the heart of this. We recognise the wisdom of having those closest to the holdings – fund managers and analysts – leading on engagement. This is happening: one fifth of sustainability-focused engagements with holdings were investor-led in 2022. That's 1,112 of 5,300 in total that were driven by investment desks – up from 345 in 2021, an increase of 222%.

The numbers also illustrate the importance of the sustainable investment team – around 50 ESG and impact specialists – to a much bigger company-wide effort. This team also provides the connectivity across investment desks. It works closely with fund managers to analyse global risks and opportunities, to use our influence to encourage companies to change and to help channel capital into innovative new solutions around the world.

It's not a siloed team, and the culture across our business is one of constant curiosity.

A MESSAGE FROM OUR GLOBAL HEAD OF SUSTAINABLE INVESTMENT



Andy Howard
Global Head of Sustainable Investment

“If 2006 was the year sustainable investment was “born” as a serious participant in the investment industry, 2022 was the year it turned 16 and was confronted with the difficult realities of adjusting to maturity.”

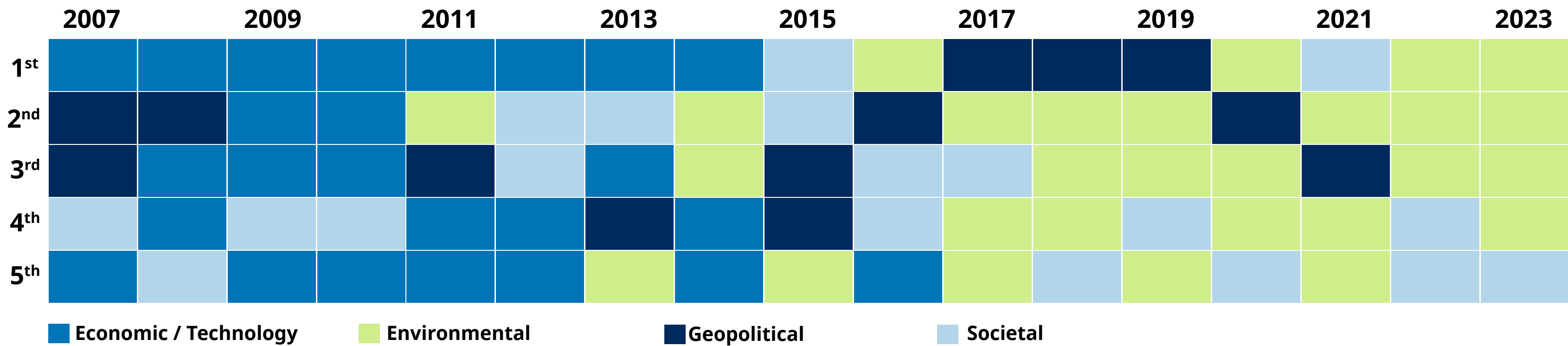
As a marker of that growth, the UN Principles for Responsible Investment was launched in 2006 and had 77 signatories by the end of that year. By the end of 2022, it had over 5,000 signatories¹ controlling over \$120 trillion of assets, and comprising the large majority of the global asset management industry.²

Sustainable investment has become more complicated over the last 12 months. The invasion of Ukraine prompted market rotations that led to underperformance by most ESG focused funds. Political divides in the US gave

rise to an “anti ESG” backlash against the finance industry’s growing focus on sustainability, which in turn led to its own backlash against efforts to disconnect investment from the social and environmental challenges shaping social and political agendas. Those tensions come against a backdrop of an intensifying regulatory agenda, which is quickly becoming more complex, demanding and global.

Amid that complexity, it would be easy to just focus on meeting the requirements imposed on us, fine-tuning narratives or bending investment principles. We haven’t.

Changing shape of business risks; environmental & social issues now dominate corporate agenda



Source: World Economic Forum annual Global Risks Reports, Schroders.

1. Based on our analysis of the [PRI signatories](#).
2. <https://www.unpri.org/annual-report-2022>.
3. [World Economic Forum](#).



That picture of change underlines our conviction that the forces that have driven business success and outperformance in the past will not be the same as those which define future leadership. Our path to navigating the changing world and the impacts of growing social and environmental pressures lies in both the analysis we apply to investment decisions and the influence we can bring to the investments we have made.

We have invested heavily in developing insights into social and environmental trends, bringing together specialist sustainability capabilities with the insights of hundreds of analysts and

fund managers around the world to develop proprietary research, models and tools to help inform investment decisions.

In 2022, we also recognised the efforts our investment teams make to engage with the management teams of investee companies by introducing a standard that analysts and fund managers in most fundamental teams undertake a minimum of 3 in-depth engagements annually⁴ covering the areas described in our Engagement Blueprint.⁵

Ultimately, the investment industry’s role is to steward our clients’ capital as effectively as we can, and to provide ways for them to connect their capital to the areas of structural need which will create opportunities for value and growth by providing solutions to those challenges. Our growing focus on private assets reflects our belief that new ways to connect capital to economic and social need will create value in the future, and that our clients will seek those opportunities. The group-wide impact framework we have developed is designed to bring rigour to strategies that connect investment to real world changes, recognised in our membership of the

Operating Principles for Impact Management.⁶ We have developed a range of sustainability-focused investment products across the group in recent years and will continue to do so in 2023 and beyond.

We are driven by the goal of helping our clients navigate the challenges they face, and there are few bigger challenges than those posed by social and environmental pressures. In this report, we describe the work we are doing in some key areas of our business to prepare for the uncertain world we are heading towards together.

4. Release [here](#).
5. The latest Engagement Blueprint is [here](#), updating the first version published in 2022.
6. [Operating Principles for Impact Management](#)

A MESSAGE FROM OUR GLOBAL HEAD OF CORPORATE SUSTAINABILITY



The same world view that drives our investment strategy, drives our view of our own business. We hold ourselves to the same standards we expect of the companies we invest in. Moreover, we want to lead by example through our ambition, be accountable for our actions and transparent about our progress. With scrutiny of how businesses are managing and performing on sustainability issues intensifying, we will maintain our focus on the authenticity of our actions.

As a signatory to the UN Global Compact, we support its ten principles on human rights, labour, environment and anti-corruption. We also play an active role in initiatives that drive change across and beyond our sector. We are proud to be founding members of the Net Zero Asset Managers initiative, and signatories of the Finance for Biodiversity Pledge, Change the Race Ratio, and Women in Finance Charter, and are also involved in many others industry groups. However, we're more than our ambitions and commitments. We're showing progress and impact.

Madeleine Cobb Global Head of Corporate Sustainability

In 2022, we were among the first 20 financial institutions to have our targets formally validated by the Science Based Targets initiative; the largest investment manager by assets under management to have done so. Our [2022 Climate Report](#) updates on our progress against our transition plan; including our portfolio temperature score and the encouraging impact of our largest ever company engagement programme. We're seeing really good progress in our own operations too; our Scope 1 and 2 emissions have reduced 34% against a 2019 base line and we are up to 95% renewable electricity use globally. We also reached the coveted CDP 'A list' awarded for progress and transparency, achieved by only 2% of the nearly 15,000 companies scored.

We want to create a culture in which everyone can thrive and we are pleased that 98% of our people are proud to work at Schroders. Our 2022 Inclusion Report (including our gender pay gap) provides a wealth of data about our people and describes the actions we are taking to become truly inclusive. It also describes how we are challenging and supporting others to accelerate change too.

We've already met our 2023 targets of 35% female senior management and 16% ethnic minority representation in the UK, and we've jumped 19 places in the Social Mobility Employer Index reflecting our commitment to promoting socio-economic diversity in the workplace. We recognise that there is more to do and plan to set new targets this year.

Beyond our own workforce, we recognise our influence and impact on wider society. For example, we have the responsibility to respect human rights and tackle modern slavery; whether in our role as an employer, as a buyer of goods and services, when carrying out our fiduciary duties as a provider of financial services or as an investor in companies. Our [Modern Slavery Statement](#) details our approach and progress.

We want to inspire our people to support and collaborate with the communities in which they live and work. We have established corporate programmes, as well as employee-led programmes, which support employees to volunteer, fundraise and donate. In 2022, we committed £5.2 million to charitable causes around the world. We provide grants to charities on the topics of inclusion, disability, social mobility and mental health. Each partnership provides employees with an opportunity to engage with our wider communities through volunteering, applying their knowledge and developing new skills and awareness. We also ran four emergency fundraising appeals to support children impacted by the famine in Afghanistan; the people of Ukraine; those affected by the floods in Pakistan; and those struggling to feed themselves due to food insecurity. We offer donation-matching schemes for employee fundraising across Asia, Europe, the UK and US. We were awarded the Diamond Quality Mark for our payroll giving by the Charities Aid Foundation with 22% of our UK employees using Give As You Earn. This scheme saw £1.2 million donated before the contributions were matched by Schroders, to over 1,300 charities across the globe.

"We're proud of our own achievements as a business in 2022 but we are not complacent. The expectations we have of our own actions continue to rise."



2022 SUSTAINABILITY MILESTONES

INSIGHTS

>50

Strong central sustainable investment resource

27

Sustainability and impact specialists in Schroders Capital

PLAN FOR NATURE

published in November

INFLUENCE

>5,300

Engagements with over 3,400 companies⁷



Pre-declared our voting intention for a number of shareholder resolutions



'Market leading Engagement Blueprint' wins engagement initiative of the year

INNOVATE

13

New Article 8 and Article 9 funds launched in 2022⁸



Schroders and Conservation International accelerate investment in nature with [Akaria Natural Capital](#)

1/3 AUM

in Schroders Capital in sustainable and impact strategies⁹

INSPIRE

35%

Female representation in senior management, up from 33% in 2021

34%

Decrease in operational Scope 1 and 2 emissions since 2019

£5.2 million

Committed to charitable causes around the world

EXTERNAL RECOGNITION

SBTi

Schroders' science-based targets formally validated by the initiative

CDP A rating

CDP leadership level score A – this top ranking was achieved by only 2% of the nearly 15,000 companies scored by CDP

MSCI ESG - AAA

MSCI ESG Rating – AAA – putting us in the top 13% of our sector with a consistent score for more than five years

Source: Schroders, December 2022 unless stated otherwise.

7. Figure combines our Sustainable Investment team-led, investor-led, thematic campaigns, collaborative and mass expectation-setting engagements around voting season. More detail can on the split can be found on page 49.

8. Including Schroders Capital.

9. Assets under management. As at June 2022.



SUSTAINABILITY IN PRACTICE

Our purpose is to provide excellent investment performance to our clients through active management and responsible stewardship. As investors, the way we direct capital not only shapes the financial returns we can deliver for our clients but also the impact we have on the world.

The way we invest is changing, driven by a fundamental shift in how companies are being viewed and valued. Where once we considered only risk and return, we now assess a third dimension – impact. We believe that considering these three pillars together can help us assess an asset’s real value and make better investment decisions for our clients. That is why we have been considering environmental, social and governance (ESG) factors for over 20 years and now fully integrate ESG across our managed assets – a goal we achieved at the end of 2020.¹⁰ We have a team of over 50 dedicated sustainability professionals, as well

as 27 sustainability and impact (S&I) professionals working to embed S&I throughout our private assets business, Schrodgers Capital. For us, sustainability is a core part of our firm-wide strategy; we were founding members of the Net Zero Asset Managers Initiative and were among the first financial institutions to have our science-based targets formally validated by the Science Based Targets initiative (SBTi) in 2022.

In this section we set out case studies to illustrate how ESG factors are being considered in different parts of our business. We also how outline how we’re progressing the climate commitments Schrodgers has made, our new Impact Framework, as well as our approach to reporting on our sustainable investment activities.

10. For certain businesses acquired more recently we have not yet accredited the integration of ESG factors into investment decision making. A small portion of our business for which the integration of ESG factors is not practicable or possible, for example, our legacy businesses or investments in the process of being liquidated, and certain joint venture businesses are excluded.

OUR JOURNEY TO NET ZERO



Andy Howard
Global Head of Sustainable Investment

Our ultimate aim is to provide excellent investment performance to our clients. We believe climate is an investment risk and therefore we have a duty to mitigate this in order to protect and enhance the value of our clients' investments. This is the basis for our climate commitments.




Madeleine Cobb
Global Head of Corporate Sustainability

Schroders was a founding signatory of the Net Zero Asset Managers initiative (NZAM), committing to transition all our assets under management to net zero by 2050 or sooner.

We followed this up by setting a science-based target to align 100% of our assets to 1.5 degrees by 2040. Our science-based target was formally validated by the Science Based Targets Initiative (SBTi) in February 2022 and we are the largest asset manager to date to have achieved this.

Across our investments, we are taking three key actions:


INSIGHTS



MEASURE EXPOSURE AND MANAGE PORTFOLIOS

Using our proprietary **climate tools** to understand climate risks and measure alignment
Leading **thematic research** to surface actionable insights for investors


INFLUENCE



TRACK AND HOLD COMPANIES TO ACCOUNT

Climate Engagement and Escalation Framework to influence companies and track their progress

INNOVATION



TAKE A SOLUTIONS APPROACH TO NET ZERO

Innovation to deliver climate positive solutions

Our commitments and targets

In 2021, Schroders committed to reduce its implied temperature score from transitioning the implied temperature rise of its in-scope managed portfolios toward a 1.5°C aligned pathway. Specifically, our targets are:

- 1 to reduce the baseline implied temperature rise of the portfolio from 2.9°C in 2019 to 2.2°C across financed Scope 1 and 2 emissions by 2030, and;
- 2 to reduce the baseline implied temperature rise of the portfolio from 3.2°C in 2019 to 1.5°C across financed Scope 1, 2 and 3 emissions by 2040.

At the point of validation in 2022, these figures included all mandatory asset classes, as required by the SBTi, which consists of our listed equity (common and preferred stock), corporate bond, REIT and ETF exposure. This amounts to over 60% of the assets we managed on behalf of our clients.

We plan to extend this commitment across our full range of managed assets. Our aim in 2023 will be to submit our methodology for the following asset classes to SBTi to be incorporated into our Group targets:

- Private equity
- Private debt and Credit Alternatives
- Infrastructure
- Real Estate
- Third-party funds with listed equity and corporate bond exposure

We also have ambitions to include sovereign bonds into this target and await the conclusion of the Partnership for Carbon Accounting Financials (PCAF) consultation and the SBTi on the methodology for calculating greenhouse gas (GHG) emissions in this asset class.

In the same way that we engage with investee companies on their sustainability and emissions targets, we aim to lead by example by delivering on our own ambitious science-based targets and actions. Our operational targets are to:

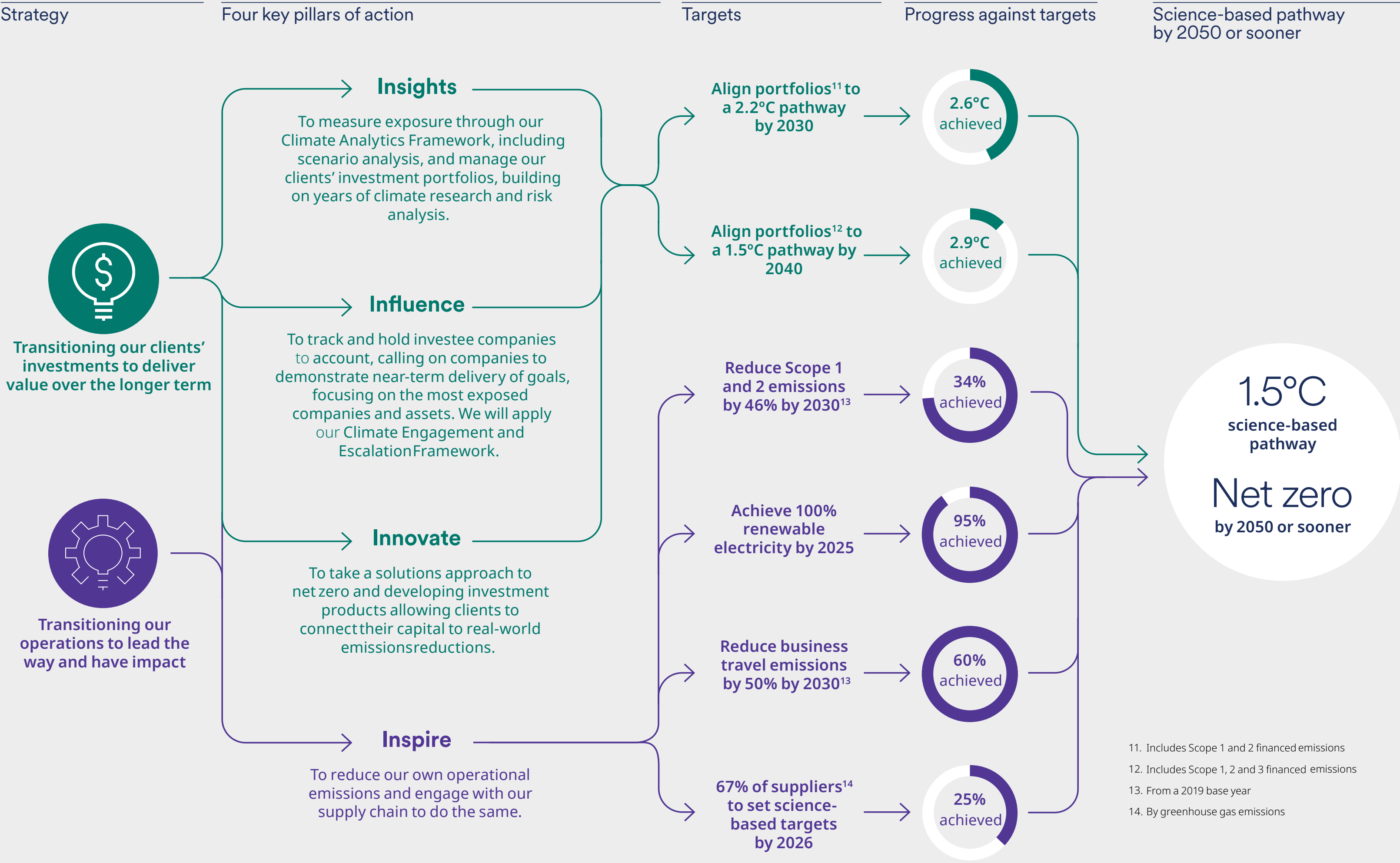
- Reduce absolute Scope 1 and 2 (location-based) GHG emissions by 46% by 2030 from a 2019 base year
- Increase annual sourcing of renewable electricity to 100% by 2025
- Reduce absolute Scope 3 business travel emissions by 50% by 2030 from a 2019 base year
- Work with our suppliers so that 67% of suppliers (by GHG emissions) will have science-based targets by 2026

Our action plan

Commitments are nothing without action. In 2021, we published our [Climate Transition Action Plan](#), which sets out how we are going to reach these commitments. This plan and our progress has been updated in our subsequent 2021 and 2022 Climate (TCFD-aligned) Reports.



Our climate change strategy and 2022 progress



Our progress

At the end of 2021, the implied temperature rise of our assets was 2.8°C. Since then, the implied rise for the same portfolio scope has reduced to a temperature score of 2.6°C at the end of 2022.

Approximately 85% of the reduction in the temperature score can be attributed to changes in the targets set by companies. A further 10% is attributable to changes in investment positioning, allocating away from higher emitting companies.

The vast majority of the progress has been made through companies setting targets. This aligns with our focus on engagement as a key lever to change. We have found that the companies engaged on climate since 2021 were almost twice as likely to set a target below 2°C than those that weren't engaged.

Looking ahead

- Into 2023, our priorities across our investments are:
- **Insights:** Continue to enhance our suite of climate models and research
 - **Influence:** Take our climate engagement and escalation framework to the next step by focusing on sector-specific outcomes and measuring progress
 - **Innovation:** Continue to evolve our suite of climate positive solutions, with a particular focus on nature-based solutions

Source: Schroders, 2022 Climate Report

Q&A: HOW WE'VE ENGAGED WITH EUROPEAN BANKS OVER CLIMATE CHANGE



Justin Bissek
Banks Analyst, Europe

Banks are major financiers of emissions, which is why engaging with the banks we invest in is so important.

The carbon footprint of a bank is relatively small in terms of operating its offices and branches. But as providers of finance, banks make a critical difference to the emissions of their clients, and the planet as a whole. Financed emissions are therefore the key metric to look at for banks.

If the world is to reach the Paris Agreement target of limiting temperature rises to 1.5 degrees above pre-industrial levels, banks will have to phase out the financing of activities that cause harmful emissions.

Justin Bissek, banks analyst in the European equities team, spent more than a month in 2022 engaging with nine European banks over climate issues. In this Q&A, he explains what this entailed. Carol Storey, climate engagement lead, discusses how these engagements fit into Schroders' broader climate engagement framework. And portfolio manager Nicholette MacDonald-Brown explains how this engagement helps her pick stocks.



Carol Storey
Climate Engagement Lead

What was the scope of this engagement?

Justin Bissek (JB): "I engaged with nine European banks where Schroders has a large equity position. My colleagues in the credit team took the lead on engaging with a further three European banks where Schroders currently has sizeable fixed income holdings.

"The purpose of the engagement was to understand how each bank stacks up against 33 different criteria. Within this, the most important areas of focus were: financed emissions; the setting of credible targets and time frames for climate transition plans; and disclosure of both financed emissions and plans for transition.

"All nine of the banks I engaged with are signatories of the UN's Net Zero Banking Alliance. This requires banks to align their lending and investment portfolios with pathways to net zero emissions by 2050. As part of this, the banks must set 2030 targets that focus on lending or investing in sectors that are the most greenhouse gas intensive. I wanted to find out what targets have been set already, and what we might expect to see over the coming months."



Nicholette MacDonald-Brown
Head of European Blend

What were some of the main challenges of the engagement?

JB: "The main challenge was that this is a very nascent area for banks. In several cases, this was the first time a fundamental equity analyst like me had asked them questions about their financed emissions or climate transition plans. It's a learning curve for many banks in realising that investors are becoming interested not just in profits, but in how those profits are made.

"A key challenge when it comes to measuring financed emissions is that not all banks use the same methodology to do so. Many, but not all, use PCAF (the Partnership for Carbon Accounting Financials). Then, when it comes to targets for reducing emissions, a number of banks have not yet had these validated by an independent body, like the Science-Based Targets initiative. Without this, it's impossible to gauge if the targets banks have set will actually result in a pathway to net zero emissions by 2050 or not.

"And probably the most frustrating challenge was simply sourcing all the information needed to carry out a proper analysis of each bank, and compare them to each other. As a banks'

analyst, I'm used to finding all relevant financial information in one place, but for most banks there is currently no 'single source of truth' for their climate risks and transition plans. So, for example, sometimes it wasn't clear whether a bank didn't have a policy, or they just hadn't disclosed that policy."

What conclusions could you draw from the engagements?

JB: "Engagements like this are not a one-off process. Part of the purpose is to follow up with each bank on the actions we'd like them to take, and then to check in regularly to see what progress is being made.

"What's very clear is that the goal posts are moving quickly. Targets or disclosures that seem reasonable one year may soon become out of date as the energy transition becomes increasingly urgent. But we do now know what 'good' looks like and are following up to ensure the banks we engage with are held to this standard.

"Despite the challenges I mentioned, European banks are genuinely in the vanguard here and that's very encouraging. Some of the UK banks in particular are leading the way. What's also encouraging is that the banks were keen to engage with us on this issue. Many are very interested in our view as to how they stand versus peers."



How do these engagements fit into Schroders’ broader active ownership activity?

Carol Storey (CS): “We published an Engagement Blueprint in early 2022 which set out our vision for active ownership. Climate is one of our six priority engagement themes and within that, climate finance is one of our top engagement topics.

“The purpose of engaging on this topic is to find out how a financial institution will align its loans or investments toward technologies that will grow quickly in a transition toward net zero emissions and which will require increased financial support. And at the same time, we want to know how it will move away from high emission activities that will face the greatest headwinds in future.

“Justin’s engagements with pan-European banks have been very detailed. I will be asking similar questions of US banks in a forthcoming round of engagements.

“These engagements help us identify the banks who are leaders on climate issues. But we’ve also identified hurdles around data collection, lack of internal resources available to support this issue, and concerns around the lack of an established portfolio measurement and target-setting methodology. In these cases, our engagement has helped us point banks towards good practice we have seen elsewhere.

“This kind of engagement is about working with banks to share knowledge, so that they can make better informed decisions.”

And how does this help with stock selection in portfolios?

Nichollette MacDonald-Brown: “As a portfolio manager specialising in sustainable European equities, I’m looking to invest in a way that delivers attractive returns for clients, and also has a positive impact on society and corporate behaviour.

“Banks’ policies and decisions around financed emissions matter because they affect the value of investments, as well as the wellbeing of the planet. Banks that are highly exposed to the fossil fuel industry face significant financial, regulatory and reputational risks as a result of the transition to a low-carbon economy.

“The kind of engagement Justin has carried out helps me to see which banks face the greatest downside risks, because they will have to give up many of their current financing activities. At the same time, it also helps uncover where individual banks might grow.

“And it’s also about working with banks to share knowledge, so that they can make better informed decisions. In turn, those informed decisions help strengthen our clients’ investments and contribute to building more sustainable business models and a more sustainable world”.



Source: Schroders, as at 31 October 2022.

INTRODUCING SCHRODERS' PLAN FOR NATURE



Andy Howard
Global Head of Sustainable Investment



Madeleine Cobb
Global Head of Corporate Sustainability

As an active investment manager, we make decisions every day on behalf of savers and investors around the world. We make these choices carefully and deliberately - because they affect the financial future of our clients and they impact the wider world.

Man-made pressures are undermining the biodiversity that supports life on land and below water. Ecosystem services delivered by nature, such as water purification, crop pollination, flood protection and carbon sequestration are vital to human wellbeing and effective, functioning societies. Protecting terrestrial and marine ecosystems is critical in our efforts to mitigate and adapt to climate change and fundamental to achieving food security, poverty reduction and more inclusive and equitable development.

Globally, the value of ecosystem services has been estimated at as much as USD 125-140 trillion annually, more than 1.5x global GDP.¹⁵ Nature risk is fast becoming an integral factor to investment risk. That's why action on nature and biodiversity goes to the heart of our fiduciary duty to our clients.

15. OECD - <https://www.oecd-ilibrary.org/sites/a3147942-en/index.html?itemId=/content/publication/a3147942-en#:~:text=Ecosystem%20services%20delivered%20by%20biodiversity,the%20size%20of%20global%20GDP.>



Peter Harrison
Group Chief Executive

“The reality is stark: nature risk is fast becoming an integral factor to investment risk and returns. As a leading active investment manager, Schroders has an important role to play. Accelerating a nature-positive future is a part of our fiduciary responsibility to our clients.

“In order to continue to deliver robust, long-term returns, it's critical we mitigate the nature risk embedded in portfolios. That's why we are setting out our ambition on nature; we want to harness the power of investment to accelerate a nature positive future, creating real investment potential for our clients.”

A whole-business approach

Schroders' [Plan for Nature](#) is our statement of intent in accelerating a nature positive future. We outline our whole-business approach to managing nature-related impacts and exposures, from research and analysis and engaging with companies, to developing nature-based investment solutions. It also covers our own operations and partnering with others to achieve this shared ambition. In 2022, we also released our [Group Nature and Biodiversity Position Statement](#) setting out our commitments in more detail.

We are also signatories to the [Finance for Biodiversity Pledge](#). Joining the Pledge is an external commitment of our ongoing focus on this important issue. It complements the existing commitments we have made on climate and deforestation.

Our commitments

We will use our influence to limit the pace of biodiversity loss with urgency this decade. We will also seek out innovative ways to accelerate capital deployment into restoring and protecting nature directly in order to maximise risk-adjusted returns for our clients.



We have committed to:

Eliminate exposure to commodity-driven deforestation in the companies held in the investment portfolios we manage by 2025.

This is codified in the Financial Sector Commitment on Eliminating Commodity-Driven Deforestation, through which over 30 institutions representing close to USD 9 trillion in assets committed to eliminate commodity-driven deforestation in a statement released during COP26.

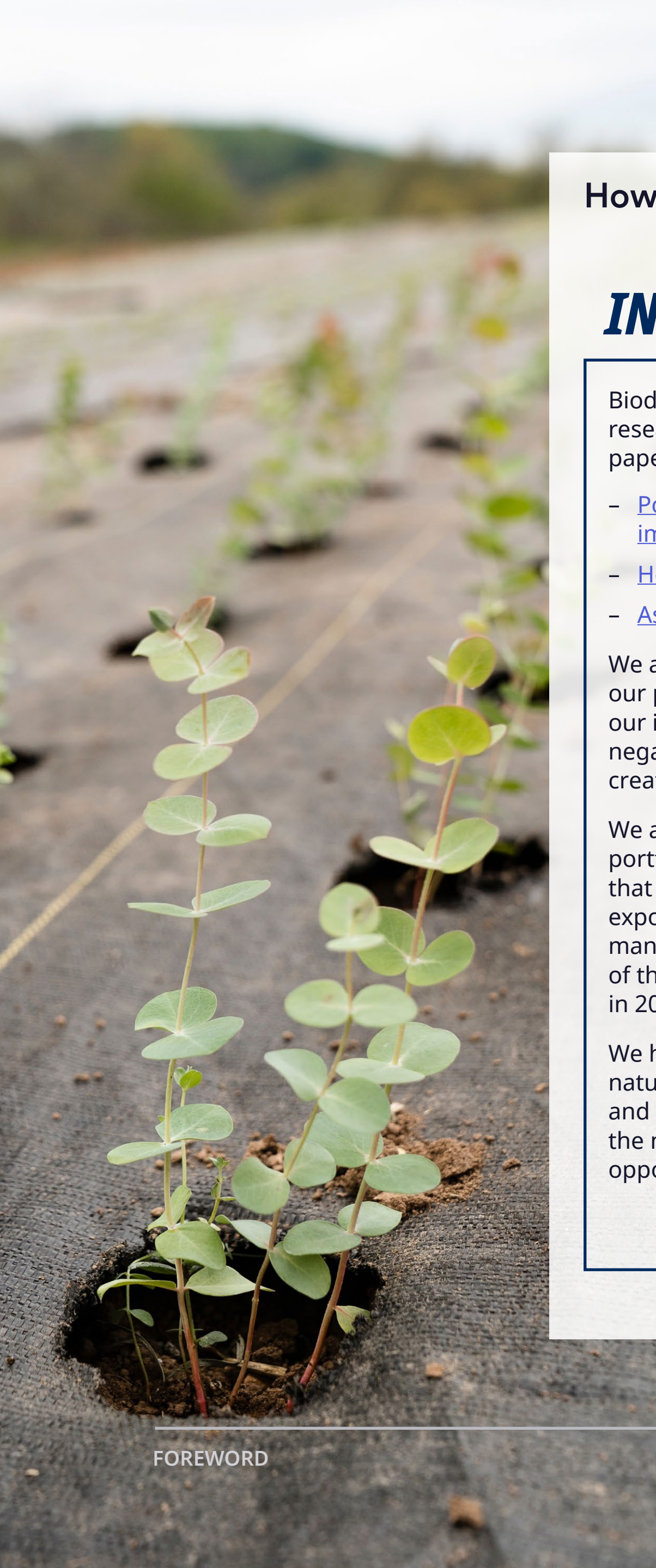
Transition our managed assets to net zero by 2050 or sooner. Climate change is one of the key drivers of biodiversity loss. For more detail, please see pages 9-10.

Develop investment strategies to support greater investment in natural capital protection and regeneration. This is reflected in our membership of the Natural Capital Investment Alliance, which comprises 15 investment firms working to mobilise USD10 billion investment in natural capital assets in 2022.

Manage and reduce the impact on biodiversity through our own business operations.

Our direct impact is through our resource consumption and waste management. We will continue to reduce our environmental impact according to the mitigation hierarchy, and where possible, enhance the environments in which we operate.





How will we achieve this?

INSIGHTS

Biodiversity and natural capital is one of our core research themes and we have published a number of papers on the topic:

- [Podcast: What is natural capital and why is it important for investment decisions?](#)
- [How can investors assess impact on nature](#)
- [Assessing our impact on nature - Deforestation](#)

We assess many of the drivers of biodiversity loss in our proprietary tool, [SustainEx™](#), which aims to provide our investment teams with an estimate of positive and negative externalities that companies and countries may create for society.

We assess our exposure to deforestation risk across our portfolios using a proprietary deforestation scorecard that assesses commodity exposure, geographic exposure and human rights risks as well as company management of these risks. We have published details of this scorecard [here](#) and updated this analysis in 2022.

We have also partnered with [natcap](#) research, a nature intelligence company that provides corporate and financial institutions insight and information on the nature related impacts, dependencies, risks and opportunities of their portfolios and supply chain.

READ OUR PRESS RELEASE



INFLUENCE

Earlier in 2022 we released our [Engagement Blueprint](#), which set out our ambitions for Active Ownership and our six priority themes. Biodiversity and natural capital was one of these themes and we have four areas of focus within this, relating to the materiality of these issues to our investee companies:

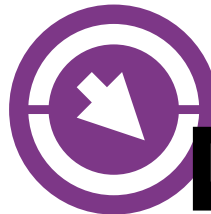
- 1 natural-related risk and management
- 2 circular economy, pollution and waste
- 3 sustainable food and water
- 4 deforestation

Deforestation has been a significant focus for us over the last few years. We undertook a groupwide analysis of all of our holdings in 2022 to understand where our highest exposure to deforestation risk is. This exposure analysis can be combined with the deforestation scorecard to understand risk exposure alongside risk management. We have developed a groupwide engagement plan to tackle this risk and have communicated our expectations to our highest priority companies, in addition to communicating them publicly through our Nature and Biodiversity Position Statement. We look forward to reporting on progress going forward.

INNOVATION

We are committed to providing innovative solutions for our clients who want to invest in natural capital and this is an area of future focus for us. This is reflected in our membership of the [Natural Capital Investment Alliance](#), which comprises 15 investment firms working to mobilise USD 10bn investment in natural capital assets in 2022. In 2022, Schrodgers and Conservation International announced a ground-breaking partnership with [Akaria Natural Capital](#), one of the first dedicated natural capital impact investment managers in Singapore.

We recognise that there is a critical need for rigorous due diligence when investing in nature-based solutions. They have the potential to be a huge force for good across climate, nature and communities – but without rigour and standards they can be damaging to people and planet. To ensure that the projects we invest in are high quality and deliver tangible climate benefits as well as meaningful positive change to the local environment and community, we have developed an assessment framework to ensure that the highest environmental and social standards are upheld.



READ MORE:
About our ambitions to make
natural investible

HOW WE'RE APPROACHING THE JUST TRANSITION

We recognise that in transitioning to a sustainable economy we must ensure that the benefits are shared widely, reducing inequality and ensuring we protect those people at risk of being left behind.

At Schroders, that means we will:

INSIGHTS: ensure our investment analysis includes the impact of the transition on key stakeholders, including employees, suppliers, customers and wider society.

INFLUENCE: encourage companies to adequately consider and mitigate the impact of their transition plans on stakeholders and wider society.

INNOVATION: create new products that help move capital towards areas that need the most support.



READ MORE
What is the Just Transition and why does it matter for investors?

A just transition is typically used in the context of climate change but this is much broader. Society, in particular indigenous communities, have an important role to play both in the protection and maintenance of nature, as well as often depending on nature for their livelihoods. Ensuring we consider social implications of all aspects of our transition to a more sustainable future is key.





Stephanie Williams
Sustainable Investment Analyst

INSIGHTS: Indigenous rights and the Just Transition

Discussion around the just transition tends to focus more heavily on the labour impacts of moving toward a greener economy – for example the need for reskilling workforces in traditional industries lest they be excluded from job opportunities going forward. Even the nod to the just transition in the Paris Agreement explicitly focuses on the creation of decent work. However, there is a much broader range of social impacts that need to be considered. Our recent research has explored the interaction between human rights, in particular indigenous rights, and renewable energy generation.

It is now broadly understood that the extraction and transportation of fossil fuels has had a profound impact on community rights – especially indigenous groups. However, it is lesser acknowledged that there is also a notable interplay between renewable energy projects and respect for community and indigenous rights, predominantly due to the land-intensive nature of such projects. Research estimates that wind and solar generation require at least 10 times as much land per unit of power produced than coal- or natural gas-fired power plants, including land used to produce and transport the fossil fuels.¹⁶

This interplay can present material risks for renewable energy companies, including:

Revoked licenses: In order to gain access to land for a designated project, a renewable energy company will likely require a permit or license for operation from relevant state entities. These licenses will often be tied to conducting business in line with international conventions, such as the United Nations Guiding Principles on Business and Human Rights or the United Nations Declaration on the Rights of Indigenous Peoples. If inadequate action is taken to behave in line with such requirements, there is a risk that licenses can be revoked – halting development or operation, and disrupting associated revenue.

Disruption to project financing and investment: There have been several cases where funding has been revoked from projects given breaches of indigenous rights. This is in the context of increased requirements for investors to assess and manage environmental and social risks. For instance, within project financing, the Equator Principles – which are based on Environmental and Social Sustainability standards from the IFC – have become the global norm for risk management among banks and financial institutions. Conflict

with investors' values and commitments, and associated reputational damage often leads to exit in the wake of indigenous rights controversies. This can cause extensive disruption to projects.

Community protests and disruption: In cases where indigenous peoples have not been adequately engaged, and FPIC has not been legitimately gained, projects have experienced extensive backlash. This can manifest in protests from locals and the wider international community, including NGOs. This has the capacity to cause physical disruption to the construction and operation of a project, as well as derail existing financing and support for the project due to raised international attention. A study of company-community conflict in the extractives sector by the Harvard Corporate Social Responsibility Initiative found that company cost of preventable conflicts could amount to US\$379 million in asset write-offs.¹⁷

Indigenous Peoples and their rights

There is no one definition of indigenous peoples, however a principal component is usually 'self-identification'.

Free, prior and informed consent [FPIC] has been a central concept related to indigenous rights:

Free: no coercion, intimidation, manipulation, or undue influence or pressure.

Prior: consent is to be sought sufficiently in advance of any authorisation or commencement of activities and respect is shown to time requirements of indigenous consultation processes.

Informed: information is provided that covers a range of aspects, including the nature, size, pace, reversibility and scope of any proposed project or activity; the purpose of the project as well as its duration; locality and areas affected; a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks; personnel likely to be involved in the execution of the project; and procedures the project may entail.¹⁸

16. S. Gross, "Renewables, land use, and local opposition in the United States," January 2020. [Online]. Available: <https://www.brookings.edu/research/renewables-land-use-and-local-opposition-in-the-united-states/>. [Accessed October 2022].

17. FMO, "Agua Zarca hydroelectric project: An overview of the key events and themes," 2018. [Online]. Available: <https://www.fmo.nl/agua-zarca>. [Accessed October 2022].

18. ILO, "C169 - Indigenous and Tribal Peoples Convention, 1989 (No. 169)," 1989.



Carol Storey
Climate Engagement Lead

INFLUENCE: Engaging with companies on the Just Transition

Our [Engagement Blueprint](#) outlines our approach to engagement for our six key priority themes, one of which is climate. As part of our climate engagement activity, we seek to identify the social impacts of a company's transition plan (i.e. on workers, customers, communities, and suppliers) and how the company plans to consult and support impacted stakeholders.

For companies exposed to the social implications of climate change, there are several ways in which we may ask them to engage in the Just Transition:

Just Transition Planning

①

We encourage companies to identify potential adverse impacts on workers and affected stakeholders that may arise from their net zero transition plans and take steps to minimise these.

Stakeholder consultation and social dialogue

②

We encourage companies cover all elements related to the Just Transition in their stakeholder consultations, including consulting with climate and environmental justice groups in the local community and establish on-going dialogue.

Access to decent jobs and developing an inclusive workforce

③

We encourage companies to minimise any job losses or employment dislocation by supporting workers to access high-quality green jobs, aligned with ILO's four pillars of decent work.

Social protection

④

We encourage companies to understand the social protection policies in each country in which they operate, and work with governments to develop robust social protections that meet the needs of vulnerable workers.

INNOVATION: Why climate investors need to prioritise those who are most affected

If we are to achieve a just transition to a lower carbon, more resource-efficient, and more socially inclusive economy, governments and businesses need to take more action to realise their commitments. And not only build a green economy, but also put people and human rights at the centre. They must help ensure that the people who are most impacted by climate change are equipped to protect themselves.

Innovative climate adaptation strategies can manifest in many ways. One effective strategy is the creation of a new climate insurance market. Impact investing specialising in emerging markets provides access to tailored climate insurance for micro, small, and medium enterprises, as well as low-income households, that covers extreme weather events. Insurance is key to the livelihood and resilience of many smallholder farmers, as the crop or cattle they insure is their only source of household income. Climate adaptation strategies are now a pillar of most of many climate finance offerings.

BlueOrchard, impact pioneers and member of the Schroders Group, has focused on the protection of low-income communities through climate insurance for eight years. During that time, we've supported the distribution of climate insurance via local financial institutions that have an end-client base of entrepreneurs. We've also invested along the value chain of insurance companies



Maria Teresa Zappia,
Schroders Capital Head of Sustainability
and Impact and BlueOrchard Deputy CEO

and brokers, as well as insurtech companies, which create new technologies for the insurance sector, including weather data forecasting tools that better assess climate-related risks.

Integrating the views of all stakeholders into product design, monitoring, and evaluation is important to achieving a just transition. Overall, feedback to surveys we developed at BlueOrchard to ensure we deliver on our intentions showed that communities benefited from climate insurance. Of all those surveyed (some insured, some not) two-thirds had suffered a climate shock. Of those covered by insurance, 45% were able to rely on savings after the climate event. Meanwhile, only 18% of people not covered by insurance were able to rely on savings. Similarly, insured respondents were 10% more likely to recover from the shock without selling an asset.



READ MORE

**Why climate investors need to
prioritise those who are most affected?**

ESG INTEGRATION IN 2022

We launched Schroders’ integration accreditation framework in 2017 to drive and monitor ESG integration across our investment processes. We achieved full ESG integration¹⁹ across our managed assets at the end of 2020, thanks to the collective efforts of our fund managers and analysts.

This year, we launched Integration 2.0, our updated accreditation framework which sets a higher bar for what ESG integration means for our firm. We have included new criteria in relation to climate change, for example, by requiring analysis of portfolio carbon footprints as well as monitoring the temperature alignment of portfolios, in line with the firm’s net zero commitments.

Additionally, we introduced more specific criteria for investment teams around active ownership. For example, we now ask that investment desks develop a structured approach to active ownership, including an engagement focus list to prioritise their engagement activity. This aligns our actions with the priorities set out in our award winning Engagement Blueprint.

With exposure to a wide range of asset classes as well as different investment philosophies, how each investment team meets the higher bar may look slightly different. However, it’s underpinned by a consistent level of ESG capability and application of the resources the Sustainable Investment team has to offer. Throughout 2022, we have been working with individual investment teams to develop suitable ways for them to showcase these higher standards of ESG integration.

We’ve included case studies showing how some of our teams have started to meet these requirements. By the end of 2023, we expect all of our investment teams to meet the requirements of the updated Integration 2.0 framework.

Japanese Equities Team

Our team have been signatories to the Japanese Stewardship Code since 2014. We have established a Stewardship Committee which is responsible for engagement with investee companies on ESG issues, with the aim of encouraging best practice and influencing change over time.

An engagement focus list is maintained, currently comprising 17 companies with engagement topics such as climate change, board diversity and corporate governance. Companies are identified as engagement targets based on several factors including recommendations from fund managers and analysts, our holding size, and potential effectiveness of engagement. Companies on the focus list are engaged with on a periodic basis until the engagement objective is achieved. At that point, the company is then removed from the focus list. Engagements are attended by the research analyst responsible for that stock alongside a member of the Stewardship Committee. We also consult and collaborate with the central Sustainable Investment team when it is needed. We log all our engagements in the firm’s new ActiveIQ engagement database and progress is monitored through a milestone-based approach.

In 2022, we engaged with 17 companies including Toyota Industries on a variety of ESG-related issues including climate change, board diversity, and cross shareholding. On climate change, we identified the opportunity for improvement, and we asked the company for more active disclosure and policy setting. While we continue to engage with the company, we note gradual improvement in their disclosure and practices.

19. For certain businesses acquired more recently we have not yet accredited the integration of ESG factors into investment decision making. A small portion of our business for which the integration of ESG factors is not practicable or possible, for example, our legacy businesses or investments in the process of being liquidated, and certain joint venture businesses are excluded.



Stephanie Chang
Head of ESG Advisory and Integration

Commodities Futures Team

To enable our Commodities funds to have carbon exposure, the team conducted extensive analysis of the world's carbon markets. We decided to focus on Europe as it is the largest and most established market, and so has better maturity, transparency and liquidity. Our analysis led us to believe that the market is now better structured for success; anticipated tightening of the supply of allowances, plus increasing attention to decarbonisation of the European economy will contribute to driving prices up despite a short term drop due to reduced energy usage due to the European energy crisis.

Following our in-depth analysis, our Commodities team has introduced the opportunity to invest in carbon futures (EU Emissions Allowances or EUAs) for the first time. Whilst we will not always have a position in carbon, the addition of this asset class enables us to capture additional return opportunities for our clients as Europe's low carbon transition accelerates.

Additionally in 2022, we analysed the International Council for Metal and Mining (which counts 28 mining companies and 35 commodities associations as members) emissions reduction plan. We assessed the likely implications for the long term demand and supply of these commodities and therefore how prices may move. By committing to long term net zero targets, we believe that miners are limiting their ability to respond to short term price signals in a purely market driven way. This reinforces our long term thesis and limits our willingness to express aggressive bearish views on a short term cyclical basis.

Real Estate Securities Team

We consider the risks presented by climate change in our investment process through our proprietary Long Term Index (LTI). The LTI is comprised of Environmental, Transport, Innovation and Economic pillars. Every company is assessed and scored using this approach. Factors assessed include physical risks such as wildfires and storms, social risks such as heat and water stress, and policy risks such as carbon regulation.

This year, we have created a focus list for climate engagement with the support of the central Sustainable Investment team. We targeted a number of companies and spoke to them on their plans for decarbonisation, meeting net zero targets, green building certifications as well as how management is compensated in relation to climate and sustainability objectives.

One example is our engagement with Extra Space Storage. Whilst the company is progressing with some actions such as its solar programme, retrofitting LED lighting and monitoring energy consumption at each site, we felt that the company could do more to align itself to a net zero pathway. We understood from our engagement that the company feels that significant technological advancement would be required in order for it to commit to a net zero pathway however the company agreed to consider advancing some of its commitments, in particular, setting a short term Scope 1 carbon emissions reduction target. Whilst this is not everything we would have liked, we consider this to be a positive development and will continue engaging with this company regularly in 2023.

Manager Solutions Team

Our team serves a variety of internal clients with their requirements around third party fund allocation. We recognise the challenges in integrating ESG directly into externally managed strategies given the indirect nature of our investment. Our approach is to focus on assessing the firm as well as the strategy that we are researching, through the use of ESG surveys. We are a part of Schroders' Multi Manager Working Group, which has developed a Firm ESG Survey and a Strategy ESG Survey for assessing external managers. This joint approach gives us greater leverage as a firm for engagement purposes and it enables the sharing of best practice and knowledge between working group members.

In 2022, we introduced a set of climate change related questions into our ESG questionnaires including asking managers for disclosure around their carbon footprint and implied temperature alignment, their voting records on climate-related issues as well as whether they have a climate transition action plan. These have helped us gain additional insight into the views and preparedness of the external managers we use which are inputs into our overall research and decision making process. Given Schroders' overall net zero commitments, it is important that we play a leadership role in advocating for progress in our industry.

The future of ESG integration

In 2023, we plan to do more 'blue sky' thinking to evolve our approach to ESG Integration. We will start by considering what ESG integration ultimately looks like in an ideal world. In addition, we will continue the work we have started around improving the robustness of our controls by further formalising and automating accreditation processes.

The companies and sectors mentioned are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

OUR APPROACH TO IMPACT INVESTING

Impact investing is about creating an investment process that enables financial returns to be achieved alongside and through measurable and quantifiable social and environmental impact.

Impact investing explicitly targets investments that make a measurable positive contribution to society and/or the environment and are expected to deliver positive financial returns to investors. Impact investing is not philanthropy, but nor is it simply investing with a Sustainable Development Goal (SDG) overlay. This is not about giving up financial returns, but about creating an investment process that enables financial returns to be achieved alongside and through intentional, measurable and quantifiable social and environmental impact.

In 2022, Schroders became a signatory to the Operating Principles for Impact Management (Impact Principles), committing us to robust impact management measurement and reporting across our impact-driven strategies.

What is impact investing?

Schroders' definition of impact investing is in line with the International Finance Corporation (IFC) and Global Impact Investing Network (GIIN): "Investing into companies and assets with the intent to contribute to measurable positive social or environmental impact alongside financial returns."

There are three core attributes to impact investing that set it apart from broader sustainable and thematic investment strategies:

1. INTENT

Defines the social and/or environmental goal(s) of the strategy.

2. CONTRIBUTION

Defines the difference that the strategy makes to the investee: financial contribution, active engagement with investee companies and assets.

3. MEASUREMENT

Measures improvements in investee outputs or processes, which results in improvements in environmental and social outcomes or "impacts".

Source: Schroders, October 2022. International Finance Corporation (IFC).

In addition to demonstrating intent, contribution and measurement, we believe impact strategies must also meet a high bar on sustainability. We are looking for companies and assets that are managed in the interests of all stakeholders and run for the long term. We are also looking for companies and assets that are attractive from an investment perspective and we believe that some of the best ideas can be found where profit meets purpose.



Andy Howard

Global Head of Sustainable Investment



Maria Teresa Zappia,

Global Head of Impact

Our ambition: scaling impact with integrity

The impact investment industry has historically been dominated by private market investors. The picture is not as clear cut in public markets, where transactions happen predominantly in the secondary market, with the exception of Initial Public Offerings (IPOs) and follow on issuances.

As companies mature, the transition to public markets and scaling as a public company is an important part of their life cycle. Companies that deliver environmental and social solutions within listed markets generally do so at a greater scale than companies operating in private markets, with scope to generate correspondingly larger impact. Scaling the impact market also plays an important role in democratizing impact investing, making it available to new types of investors.

However, scaling impact in line with best-practice impact principles is challenging. Our new impact framework aims to address this challenge.

Schroders' Impact Investing Framework

Building on the experience and expertise of BlueOrchard²⁰, a leading impact investor with over 20 years of experience in impact across private and listed assets, we have developed a framework that brings the rigour and robustness of a pure-play impact manager into our group-wide impact framework. While the Impact Principles underpin our impact framework at Schroders, our implementation of the framework goes beyond what is set out within the Principles.

This framework is consistent across asset classes in both public and private markets, enabling us to deliver scalable impact solutions to our clients.

20. Schroders plc holds a majority stake in BlueOrchard.

Our framework outlines five core attributes that every Schroders impact strategy must address:

- 1 **Intentionality** – strategies must have clear impact key performance indicators (KPIs). These are set out in a theory of change that identifies real-world problems and details how the strategy will seek to address these challenges
- 2 **Contribution** – strategies must demonstrate contribution at two levels: investee contribution (portfolio holdings contribute directly to the impact goals with investee companies demonstrating clear intention to contribute to the impact goals) and; investor contribution (the manager must aim to support and accelerate the impact that investees have, which may be through provision of new capital, active ownership, or supporting the share price)
- 3 **Measurement** – strategies must be able to measure and monitor impact performance indicators over time. Every holding (across asset classes) is put through our proprietary impact scorecard developed in close collaboration with BlueOrchard (Figure 1)
- 4 **Sustainability** – Additional analysis to ensure that each holding is well managed with fair treatment towards all stakeholders, including customers, employees, suppliers, investors, local communities, regulators, and the environment
- 5 **Financial Return** – the most powerful impact stories come from companies where impact is aligned with the growth strategy or financial performance of a company; we look for companies where profit and purpose align

Impact strategies focus on creating positive change in the real world in addition to financial return. This involves being able to measure and monitor impact performance indicators over time. We assess impact along five key dimensions using a proprietary scorecard that seeks to quantify the impact that a given company has today as well as targets for the future to enable us to monitor progress through time. We also assess our impact as active owners of the companies and assets we invest in.

Figure 1: The dimensions of impact assessment in the Schroders Impact Scorecard



Impact governance

To ensure consistent delivery of impact across our impact-driven range, we have created a firm-wide governance framework across all asset classes consisting of three bodies. A key strength of our governance structure is the independent oversight of impact and sustainability experts at the inception, transaction and portfolio level. This helps to ensure rigorous and consistent delivery of impact across strategies and asset classes. We outline the three bodies below:

Impact Incubator focuses on new strategies with a potential for the Impact Driven range and provides guidance on the portfolio strategy, theory of change and impact KPIs

Impact Assessment Group has three key responsibilities

- i) bottom-up evaluation – on an ongoing basis reviews and approves/challenges the impact scorecard of every holding in every strategy
- ii) top-down evaluation -regularly reviews the impact at portfolio level in line with impact objectives and theory of change, as well as monitoring controversies and engagement
- iii) supports on impact reporting.

Impact Executive Committee ensures consistency of the impact assessment principles, process and tool(s) for impact strategies

As part of our alignment with the Impact Principles, we have committed to an independent verification on our impact within the first year of being a signatory and we will publish disclosure statements on our impact activities annually. We welcome this independent verification, which brings much needed discipline, clarity, and accountability to the impact investing market.

The path ahead

As the impact market starts to scale across asset classes, larger investment managers have a responsibility to ensure that it scales with integrity. We have leveraged BlueOrchard's impact expertise and our established sustainability capability to build a robust impact framework that can be applied consistently across listed and private markets and is in line with industry best practice.

“As the impact market starts to scale across asset classes, larger investment managers have a responsibility to ensure that it scales with integrity.”

External independent verification

Independent verifiers in the market include Bluemark, Luminus, Steward RedQueen and BetterWay, and the Big Four audit firms. While some signatories have pursued verification through internal audit departments and risk committees, our view is that an external independent verification has significant value added for both the signatory and its investors, regulators, shareholders, and investees.

BlueOrchard became a signatory to the Impact Principles in 2019. Since then, its impact framework has already undergone two independent verifications by BlueMark. The two external independent verifications cover both BlueOrchard's private and public product offerings and the latest disclosure statement and independent verification summary are available [here](#).



REPORTING AND TRANSPARENCY: WHAT GETS MEASURED, GETS MANAGED

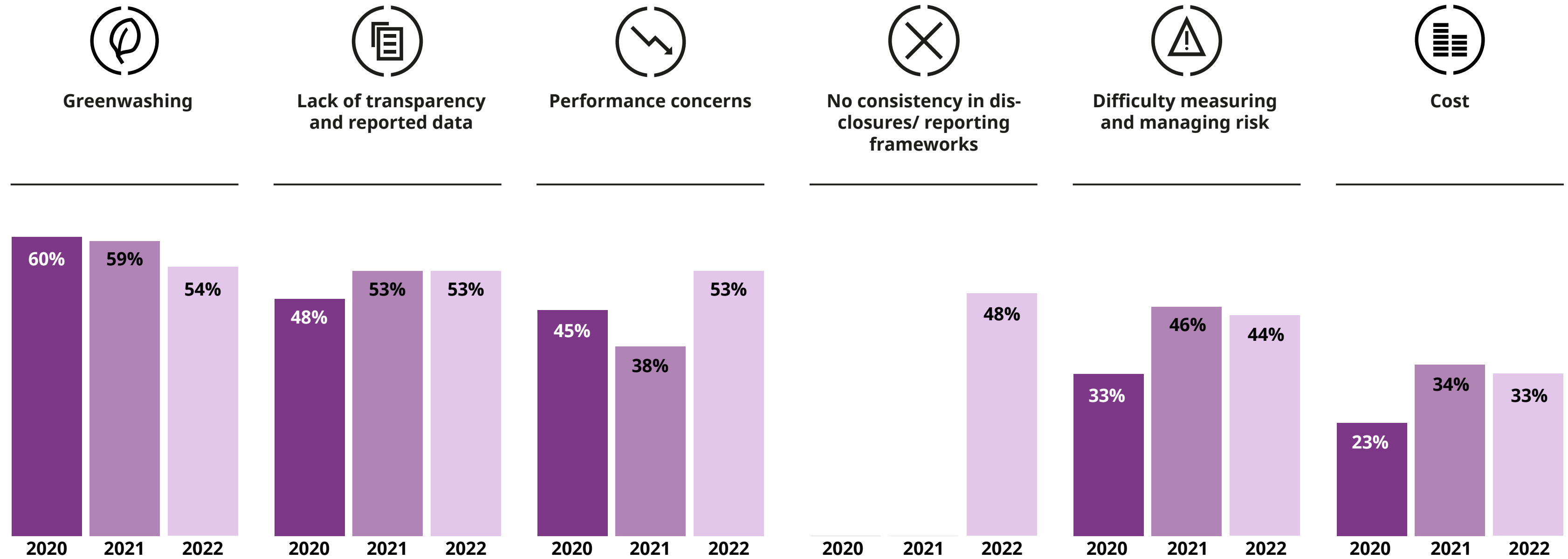
The objective of transparency underpins the number of reporting obligations being enacted by regulators globally. Concerns regarding greenwashing are focusing the mind on how sustainability factors are integrated into the investment process, with reporting and disclosure a key tool utilised to provide this insight.

In 2022, the regulatory developments around sustainable disclosures went global. Alongside the continued implementation of SFDR, ESMA progressed the development of the EU Taxonomy and CSRD, and TCFD principles have been adopted by global regulators, most notably in the UK, Hong Kong and Singapore. 2022 may also be considered the year of the ‘consultation,’ with many regulators seeking insight from the industry on how to implement new and far reaching sustainability disclosure regimes, ranging from SDR and the TPT in the UK, to climate disclosures in the US. As we move into 2023, there is a hope that global regulators will come together and assess how to improve interoperability...for now, the jury is out.

Regardless of the regulatory agenda, however, more advanced reporting is becoming a key differentiator for investment managers. Clients are demanding greater insight and transparency around how their investment managers are managing the impact of their investments. Schrodgers [2022 Global Institutional Investor Study \(GIIS\)](#) identified that ‘greenwashing’ and ‘lack of transparency and reported data’ were the two greatest challenges for institutional investors.

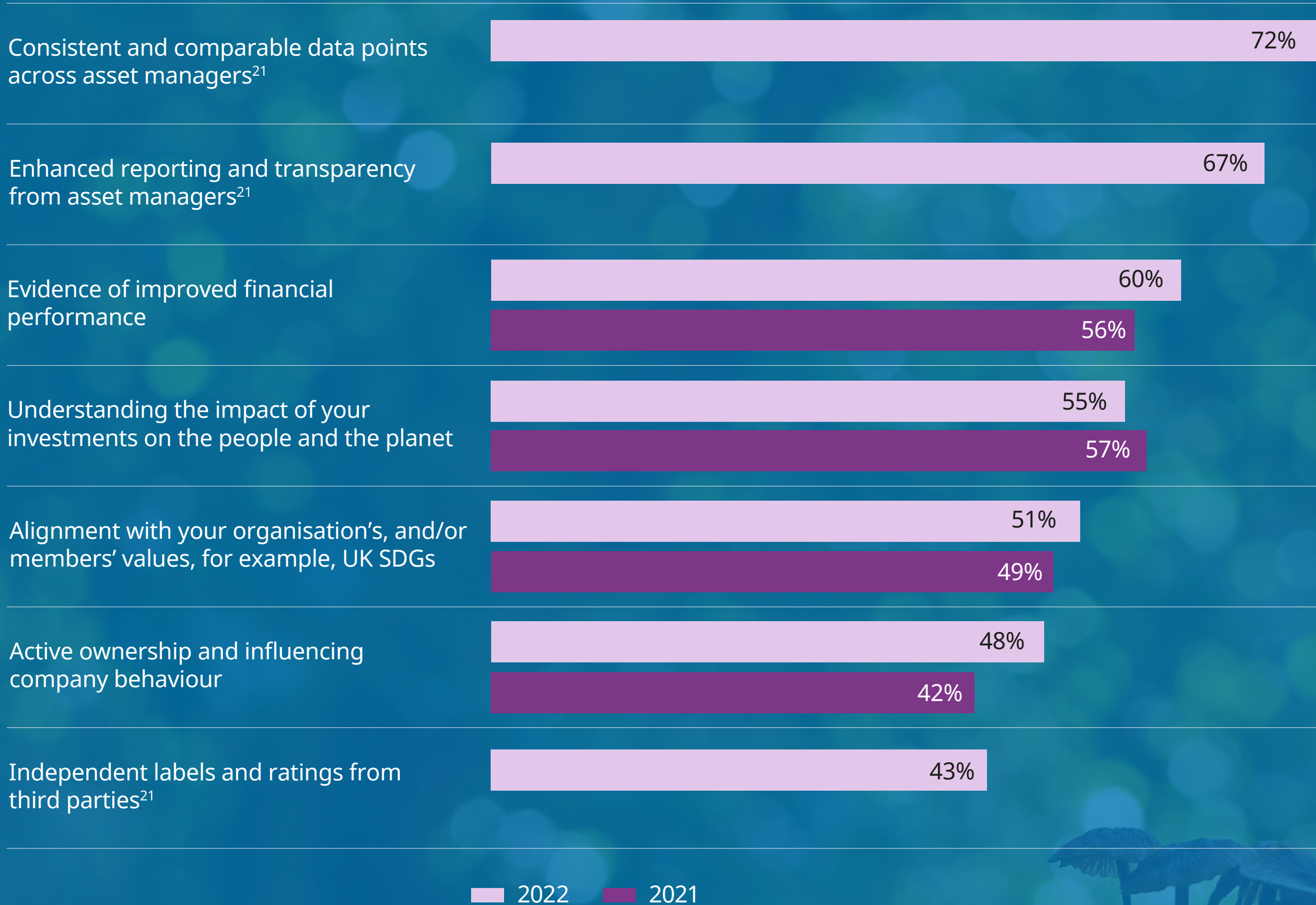


Q: Which, if any, of the following specific factors do you consider a challenge of investing in sustainable investments?



Source: Schrodgers Institutional Investor Study, 2022.

Q. When investing sustainably, how important are the following to you?



And when investing sustainably, 'consistent and comparable data', and 'enhanced reporting and transparency' were ranked with the greatest importance.

The challenges in 2023 and into the future will be how to encourage reporting standardisation in a highly subjective, and increasingly divergent market, whilst not stifling innovation. At Schroders, we aim to provide clients with transparency on the measures from our proprietary sustainable models, alongside third-party data. Through these two areas, we aim to provide insight into our investment process, whilst supporting portfolio comparability.

Source: Schroders Institutional Investor Study, 2022
Note: Please rate on a scale of 1-5 where 1 = not important at all and 5 = Very important. % Important (4+5).
21. These options were not asked in previous years.

SUSTAINABILITY AND IMPACT IN PRIVATE ASSETS

In private assets, our ambition is to continue developing innovative ways to capture sustainable and impact investing opportunities at scale across a comprehensive range of sustainability challenges. In doing so, we aim to deliver the entire spectrum of risk-reward and sustainable and impact investment opportunities across asset classes.

As long-term investors and private markets specialists, we want to turn sustainability risks and challenges into investment opportunities. As an investment business founded on performance, innovation, and integrity, we are acutely aware of our responsibility to put sustainable and impact investing practices at the heart of our activities.

As we do this, we work closely with our investment teams and the projects we invest in to deliver financial returns and sustainable outcomes. With sector, product, and sustainable and impact specific skills, a deep pool of investors and capital, and an appetite for long-horizon investing, we will continue to invest in opportunities that create long-term value for our stakeholders, society, and the environment.

In 2022, we achieved a number of milestones in our sustainability and impact journey:

- We concentrated our innovation efforts on products that focus on sustainable and impact outcomes with robust criteria, performance management, and monitoring and reporting processes.
- We can now create and execute bespoke investment solutions that integrate sustainable and impact across a range of multi-private

assets investment strategies tackling topics like energy transition, economic growth, and social inclusion.

- We launched an ambitious plan to ensure that the shared vision and values of Schroders Capital can be concretely transformed into a practical implementation roadmap for sustainable and impact investing.
- We have developed a [Sustainability and Impact policy](#) that embeds sustainability and impact in our investment process across all our business segments within Schroders Capital.
- We have significantly invested in our investment teams and sustainability experts to ensure we have a comprehensive toolkit and skill set to innovatively address sustainability and impact.

2022 also marks the publication of Schroders Capital's inaugural Sustainability & Impact report that encompasses, for the first time, Schroders' entire private assets division. This report presents a comprehensive overview of how our activities in private markets have performed in terms of delivering long-term sustainability characteristics and impact.



Maria Teresa Zappia,
Schroders Capital Head of Sustainability
and Impact and BlueOrchard Deputy CEO

It sets out to achieve 4 objectives:

- 1 Introduce our ambition for Schroders capital
- 2 Explain our approach to sustainable and impact investing
- 3 Lay out the sustainable and impact performance objectives we seek to deliver against, through case studies
- 4 Provide transparency on the challenges facing private markets participants

As at the end of 2022, our private assets teams can count on the expertise and support of:

- **27** dedicated sustainable and impact professionals including climate and net zero specialist, across our investment desks
- **60+** impact investing specialists across our impact team and investment desks

We have developed an innovative range of product and solutions focused on a range of societal and environmental positive sustainable and impact outcomes. As at June 2022:

- **>1/3** of Schroders Capital portfolio was in sustainable or impact investing strategies
- **~80%** of our product pipeline (conceptual or development stage) was in strategies with sustainable or impact investing characteristics

It is our responsibility to focus on what we see as key challenges in terms of sustainability and impact in private markets:



- 1 Sustainable and impact data;
- 2 Regulatory changes;
- 3 Know-how and resources;
- 4 Portfolio construction, engagement;
- 5 Performance;
- 6 Greenwashing.

We aim to address the challenges presented above by investing in the private assets ecosystem and pursuing our sustainability and impact objectives. As the complexity of our business grows, we are keen to enhance its relevance to the most pressing social and environmental challenges and take our responsibility to the next stage.



Our [Schroders Capital Sustainability & Impact Report 2022](#) is publicly available on our website.



ACTIVE OWNERSHIP

Influencing the practices and ensuring stakeholders are duly considered in our investments is what we call active ownership. We consider active ownership to be the influence we can apply to management teams to ensure sustainable practices in the assets in which we invest. We aim to drive change that will protect and enhance the value of our investments and we are committed to leveraging the weight of our firm to change how a company is operating for the better. We believe this is an important aspect of our role as stewards of our clients' capital and how we help clients meet their long-term financial goals in line with our fiduciary responsibilities. That is why we have a firm-wide commitment to active ownership, with every investor in our equity and credit teams required to undertake a minimum of three engagements every year.

Schroders has a long history of active ownership, spanning over 20 years. As an active manager, with hundreds of experienced and insightful analysts and fund managers around the world, we are well placed to engage

thoughtfully and constructively with the companies in which we invest. Our active ownership priorities reflect the combined perspectives of our fund managers, investment analysts and sustainability specialists across the firm, supported centrally by the Sustainable Investment team. As a result, we are able to take a common approach across investment desks. This is important in ensuring a common voice across equity and fixed income investments, and other asset classes that do not attract voting rights.

Our approach to active ownership is also similar across geographies and market capitalisation. Differences in expectations arise from country and regional contexts, which can sometimes provide additional complexities; for example, differing socio-cultural factors, regulatory maturity and resource constraints.

This section details our engagement activities on ESG-specific issues and our proxy voting activities.

ACTIVE OWNERSHIP AT SCHRODERS

As custodians of our clients’ assets, we have a duty to ensure that the companies we invest in are managed in a sustainable way. But what does that mean in practice?

Kimberley Lewis,
Head of Active Ownership



What do we mean by active ownership at Schroders?

We’re talking about three things – dialogue, engagement and voting.

Dialogue



These are fact-finding interactions where we are getting to know the companies. They are often led by the research teams or individual fund managers.

Engagement



This is where we aim to specifically influence change. It is important that we can articulate to clients the impact our engagement has had on companies and wider society, so we focus on setting robust SMART objectives (i.e. specific, measurable, achievable, relevant and time-bound).

Voting



Equity investments entitle shareholders to voting rights, which we exercise on behalf of many clients. Voting can be an effective engagement tool we can use strategically, tactically, and pragmatically to drive the change we want to see at companies.

How do we decide what to engage on?

Launched in February 2022, Schroders’ Engagement Blueprint outlines our ambitions, approach and expectations of companies for our priority engagement themes. We share these with companies ahead of voting season.

We focus our engagement on: climate change; natural capital and biodiversity; human rights; human capital management; diversity and inclusion; and corporate governance.

We are proud our Blueprint was [awarded ESG Engagement Initiative of the Year at Environmental Finance’s Sustainable Investment Awards 2022](#), and judges highlights its “successful focus on outcomes as an integral part of the engagement process”.

One of the rewarding parts of our job is collaborating with our investment teams and the wider sustainable investment team to assess material ESG risks facing an investment. We draw on the insights provided by our own proprietary tools, as well as external sources such as corporate reporting, research and the news agenda. Our goal is to identify and assess all material risks and opportunities in our investment processes, that may affect performance.

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Key definitions

ENGAGEMENT PLANS	ENGAGEMENTS	OBJECTIVES	MILESTONES AND MOMENTUM
Plans outline forward-looking engagement priorities for a company. Based on our top-down Blueprint priorities, combined with investor analysis on the most material issues .	A call meeting or communication with a company is logged as an engagement.	Engagement plans have a number of SMART objectives . Our investor toolkits provide investor guidance on objective-setting for themes and sub-themes.	The progress of objectives is measured through milestones. Milestones measure progress from objective setting to when changes are implemented. We measure the momentum of engagements , from accelerating, progressing, decelerating or stalling.

Source: Schroders, for illustrative purposes only.

How does it work in practice?

Firstly, active ownership is really investor-driven. Engagements are not conducted by a siloed team sitting in a corner. Secondly, we speak with companies not at companies.

The investors know their companies, have a relationship with the management team and usually speak to them regularly. They're in the best position to influence change, so we work with them to accelerate and coordinate their activity.

Another key element of our role is organising collaborative engagements, where we partner with external organisations and other investors to strengthen our collective voice on issues where we share a common goal. See page 50 for more information on our collaborative engagement efforts in 2022.

Ultimately, we will escalate our process where we have engaged repeatedly but are not seeing meaningful progress, which could mean voting against management or even divestment. See

page 32 for examples of where we escalated our concerns over 2022.

For our summary statistics on voting and engagement in 2022, please see page 47-49 in the Appendix.

How do we track and monitor progress?

Our approach to active ownership focuses on delivering real world outcomes. We aim to do this in five key ways:

- 1. Materiality:** focus on the most material sustainability risks & opportunities
 - Using our proprietary tools such as **SustainEx™** and **CONTEXT™**
- 2. Regional context:** materiality of issues and our expectations vary by country and region
 - We reference country or regional initiatives, regulations and leading practice from peers

- 3. Realistic outcomes:** consider both leading practice & what can realistically be achieved
- 4. Measurable:** use objective, measurable metrics to assess performance
- 5. Time-bound:** aim to set short- to mid-term objectives with a longer-term vision in mind

We aim to set pre-defined SMART (specific, measurable, achievable, realistic and time-bound) engagement objectives where possible. We regularly monitor progress against the engagement objectives, at least annually, and at a frequency that is appropriate for the priority of the engagement and materiality of the issue or holding. That said, we recognise that the length of time to achieve an objective will vary depending upon its nature, and that key strategic changes will take time to implement into a company's business processes.

What can outcomes look like?

A measurable outcome from our engagement upon completion of an objective could take a range of forms, including additional disclosure by a company, influencing the company strategy on a particular issue, or a change to the governance of an issue. We recognise that success factors may be subjective, and that Schroders' influence is rarely the sole driving force for change. Regardless, we believe it is critical to track companies' progress and measure the outcomes of our engagement, no matter how large or small our influence may be.

ActiveIQ

Being able to track the progress and effectiveness of active ownership activities is key. This year we launched ActiveIQ, our new proprietary tool for logging and tracking active ownership activity. ActiveIQ focuses on forward-looking engagement plans and tracking progress based on a milestone approach.

THE THEMES IN PRACTICE IN 2022

Climate Change

Climate Transition at Large North American Bank

Throughout the course of 2022, we engaged with the bank several times. This included a continuation of collaborative engagement with the IIGCC through a joint letter in February to convey our Net Zero expectations in line with the engagement in 2021. The letter was followed by a group call with the company in March, where the bank provided an update on their recent progress in setting scope 3 financed emissions targets. We had the opportunity during this call to encourage more robust fossil fuel policies and targets for financed emissions.

In April, ahead of the bank's Annual General Meeting (AGM), we met with the company to understand their progress on climate change. This engagement informed our approach to some key upcoming votes including, a "Say on Climate" resolution and a vote on the Board Chair's tenure.

Towards the end of the year, we held a meeting with the company to reflect on the AGM, the "Say on Climate" resolution, and the bank's progress on Net Zero. During the discussion, we shared our views on good practice in the European market and how the bank may approach implementing this in their own strategy and operations.

Overall, we are encouraged by the bank's initial progress on decarbonisation and will continue pushing the company for more ambitious climate action in the future.

Human Rights

Modern Slavery

We began engaging with a UK hospitality company on labour issues in 2019. This was part of a mass engagement of FTSE100 companies over their scoring in the Business & Human Rights Resource Centre's third annual assessment of transparency statements under the UK Modern Slavery Act. Over the last few years, the company has shown progress by providing more disclosure on modern slavery and we have continued to engage to shape this.

In 2022, we continued to engage in our role as lead investor for engagement as part of the 'Find It, Fix It, Prevent It' initiative. This is an investor-led project to identify modern slavery risk in investee companies, improve governance and policies to mitigate the risk, and report on modern slavery in line with best practice.

We acknowledged during a meeting in March that the company appears to have strong policies in place on modern slavery, aligned with international best practice, and is making progress to map its supply chain beyond Tier 1 suppliers. We encouraged the company to think about outcomes focused reporting as it reviews its ESG strategy moving forward, as well as increasing disclosure around purchasing practices. Finally, we sought to understand how the practices apply in the company's Middle Eastern joint venture.

We continued develop our engagement later in 2022, following the company publishing its annual Modern Slavery Statement. During a meeting with sustainability and investor relations, we took the opportunity to encourage the company to improve transparency around the effectiveness and outcomes of its work on modern slavery, as well as to improve its transparency for its international (German and Middle Eastern) operations.

We were encouraged to see the company's new modern slavery statement, which includes more in-depth information of the supply chain due diligence the company undertakes, such as a more detailed whistleblowing risk assessment policy. We will continue our engagement as part of the initiative in the future and will continue to develop our individual relationship with the company.



Diversity and Inclusion

Board gender diversity

We began engaging with this electronics manufacturing company in 2021 on the subject of gender diversity at the board level. We asked the company to complete a survey on its approach to target setting for gender diversity for the board and the wider business. The objective was to encourage the company and monitor progress towards meeting our expectation of at least 10% female representation on the board.

In September 2022, we had a call with the company to understand what steps it is taking to meet our gender diversity expectations. In the call, the company described what they are doing to address the lack of female representation on the board. This was an opportunity for us to gain a better understanding of some of the challenges the company is facing in this regard.

Over the course of this engagement, we were pleased to see the appointment of a female director to the board. We look forward to future dialogue with the company around continuing to improve diversity across the wider workforce.

The companies and sectors mentioned are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

Natural Capital and Biodiversity

Managing Nature-Related Risks

We began engaging with Nexa, a zinc producer, in September 2021. Our main objective was to understand how the company was managing nature-related risks at their production sites.

In 2022, we continued engaging with Nexa to understand their approach in managing nature-related risks. The company noted three sites required a biodiversity plan, yet they only had a plan for one of these. Schroders investors wanted to understand when the remaining plans would be developed and what actions have been taken as a result of the plan that was already published.

Furthermore, we asked whether the company had a no-net-biodiversity-loss commitment in line with International Council on Mining and Metals principles, and what plans were in place if not. We requested the publication of more detailed information on the biodiversity projects that had been tagged as preservation, reforestation, or biodiversity-related in expense claims.

To consider environmental impact more holistically, we also widened the scope of engagement to include climate change in 2022. In particular, we enquired about potential emissions reduction targets and the main barriers in their decarbonisation trajectory. This culminated in a call where the company explained their work on biodiversity and climate issues. This engagement was helpful in gaining a more detailed understanding of their biodiversity and climate strategy. However, we felt that there were still some information gaps remaining regarding the technological limits and trade-offs required for progress.

With Nexa updating its ESG program in its Q4 2022 report, the investment desk has increasing confidence in the company's evolving ability to manage material environmental issues. We look forward to monitoring the company's progress and providing further feedback on strategy and implementation.

Human Capital Management

Human Capital Management practises and improving disclosure

Health and safety issues are important to avoid employee injury, and other knock-on effects such as poor morale, high turn-over, and legal and reputational issues.

We have encouraged Amazon to increase its transparency around contractor data. In April 2022, we raised this point with the company in a meeting with Amazon's ESG engagement team and followed up with an email specifying our requests. Specifically, we asked to see increased analysis of the root cause of safety issues, and increased disclosure around the difference between part-time, seasonal and contract workers. We discussed these topics again with the company during a meeting in October 2022.

We wrote to the company ahead of the AGM in May 2022 and went public with our concerns by pre-declaring our voting intentions on their workforce issues ahead of the 2022 AGM. This led to us supporting three different shareholder proposals that were related to workers. We will continue to engage with Amazon to strive for more disclosure on workplace safety.

In addition to discussing worker health and safety, we met with Amazon to discuss their approach to paid sick and family leave for their US-based employees. They clarified their policies, which fall federal and state regulations, and allow employees to accrue paid time off on rates based on hours worked and tenure at the company which we view as good practice.

We have also sought to collaborate with other investors during 2022 to engage with Amazon. In November we signed a collaborative letter to the board, reiterating the investor requests for company action on freedom of association. We look forward to continued dialogue with Amazon on these important topics in 2023.



Corporate Governance

Executive Remuneration

Schroders has been engaging this processing and outsourcing company since 2016, when we started seeing some shortcomings around financial management. When we had first started engaging, there had been turnover in management and a push for a more strategic company vision.

The company had since made positive strides to improve the business, including becoming a Real Living Wage accredited employer in 2021 and maintaining its pay discipline during the pandemic with the CEO receiving no bonus in 2019 and 2020. In 2021, the CEO received the same percentage salary increase the company's workforce, which was his first salary increase since being appointed in 2017.

In 2021, the remuneration committee of the board approved a bonus payment to the CEO of 25%, which was lower than those to senior management. However, at the time, the company had not repaid the furlough payments from the government it had received in 2021.

After a series of meetings, emails, and calls, we agreed with the company to support the remuneration report after it agreed to publicly commit to rrepay its furlough support to the government by the end of the first half of 2023. We will continue to monitor this in 2023 and are planning future dialogue on material business issues.

The companies and sectors mentioned are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

OUR ESCALATION FRAMEWORK

We can pull a number of levers to escalate our engagement activity where we have repeatedly engaged and seen no meaningful progress.

Figure 2: Methods of escalation



We recognise that effective engagement requires continuous monitoring and ongoing dialogue. Where we have engaged repeatedly and seen no meaningful progress, we will escalate our concerns.

Decisions on whether and how to escalate are based on the materiality of each issue, its urgency, the extent of our concern and whether the company has demonstrated progress through previous engagements. We identify a number of methods to escalate our engagements above, which may take place in any order or frequency, depending on the nature of the engagement.

Throughout 2022, we utilised a number of the escalation methods outlined in Figure 2.

The companies and sectors mentioned are for illustrative purposes only and are not to be considered a recommendation to buy or sell.



Hannah Shoesmith,
Head of Engagement

Publicly stating our concerns:

In 2022, we pre-declared our voting intentions a number of times. As part of our ongoing engagement with major oil and gas companies on their transition to Net Zero, we [pre-declared our voting positions](#) relating to climate change at three oil & gas majors – Chevron, ExxonMobil and Shell – in an effort to encourage a faster shift towards net zero.

We also pre-declared that at [Meta and Alphabet's](#) AGMs in 2022, we would vote in support of shareholder resolutions aimed at improving their approach to digital rights – including exploitative content, misinformation and privacy. The pre-declarations were made alongside a number of engagements with the company, including a collaborative engagements.

Co-filing resolutions at general meetings:

After engaging a German carmaker on the topic of climate lobbying through a collaborative forum, and seeing that progress on disclosure had been slow, we decided to support the filing of a shareholder resolution on this issue.

The shareholder resolution embedded a commitment to annually disclosure their climate policy engagement and governance into their sustainability reporting cycle.



Tim Goodman,
Head of Corporate Governance

Unfortunately, the resolution did not make it to the AGM. We do recognise that the company has significantly improved its leadership capability on this issue. This is why we believed an escalation through a vote against management would have been counterproductive to finding a solution.

Voting against management or directors:

In 2022, we voted against more than 60 director proposals on the grounds of climate change concerns. We believe it is important to hold boards to account on climate issues, particularly in those sectors most exposed to climate-related risks, plus those that represent a disproportionate future impact on climate change. Our engagement with a large North American bank (page 30) is an example where we escalated our concerns by voting against a director, as we were not satisfied with their progress on the climate transition.



A background image showing several pairs of hands carefully planting small green seedlings into black plastic pots filled with dark soil. The scene is outdoors, with natural light filtering through, creating a sense of growth and sustainability.

SUSTAINABILITY INSIGHTS

Better investment insights come from creative and innovative research. At Schroders, we strive to be at the very forefront of thinking on existing and emerging sustainability topics. Our thematic research aims to enhance our understanding of the material ESG risks and opportunities that may impact a company's valuation and risk profile.

To fully understand a company's potential you need to look beyond the annual report. Analysis of how companies deal with all their stakeholders – such as customers, clients, and employees - are all vital clues to a company's long-term ability to grow and deliver consistent returns.

Schroders' Sustainable Investment team produces insightful thematic research on a range of ESG issues. During 2022, we examined topics such as:

- Cybersecurity
- Human Capital Management
- Climate Change

We also publish papers and podcasts to help educate clients and the broader public. During 2022, we published the following:

- [How can we tackle living wages? A sustainability conversation](#)
- [Why should investors care about waste management?](#)
- [Conflict and modern slavery: the investment perspective](#)
- [How we are engaging companies on their transition plans](#)
- [What is natural capital and why is it important for investment decisions?](#)
- [An environmental economist's take on COP27](#)
- [COP15: a first-hand account and our top three take aways](#)

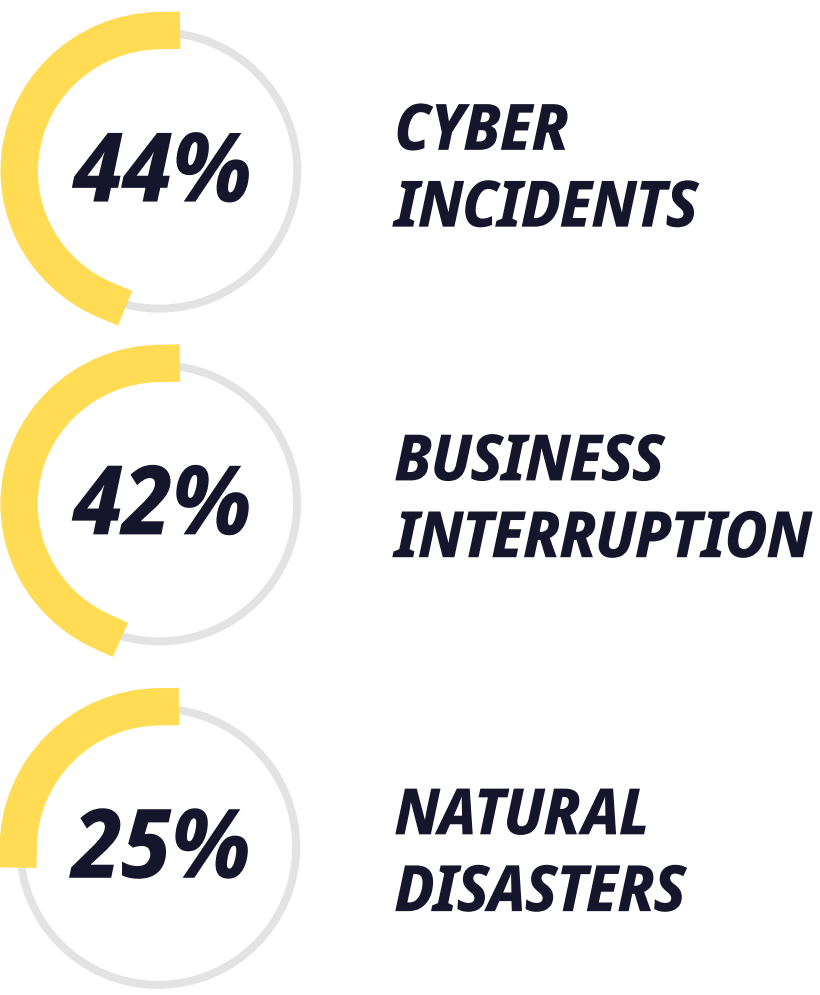
In the following section we look at how we are assessing cybersecurity risk, we introduce our new proprietary model, ThemEx, and finally we look at market cap biases in third party ratings.

CYBERSECURITY: SECTORS AND REGIONS MOST AT RISK

Cyber risk is one of the most immediate and financially material risks that organisations face today. Those that fail to implement robust management on cybersecurity may be less resilient in the long term.

It is well understood by the investment community and business leaders that the threat of cyber attacks to businesses is growing. In 2021 businesses suffered 50% more cyber attacks per week compared to 2020, according to data from leading cybersecurity vendor CheckPoint. Consequently, cyber risks have become the largest concern for companies globally. Indeed, in 2022, 44% of company respondents to the Allianz Risk Barometer Survey highlighted cyber incidents as the top concern, as show in figure below.

Top three concerns for companies globally 2022



Source: Allianz Risk Barometer.

As well as becoming more frequent, cyber attacks are also becoming more costly to businesses. In 2022, the average cost of a data breach increased 3% YoY to reach an all-time high of \$4.35m, representing a +13% increase since 2020. As shown on the right-hand side,, the rise in the average cost of a data breach was driven by increases in the notification, post breach response and detection & escalation cost segments.

The IBM Cost of a Data Breach Report also showed that the top five countries or regions with the highest average cost of data breach were the US (\$9.44m), the Middle East (\$7.46m), Canada (\$5.64m), the UK (\$5.05m) and Germany (\$4.85m), all of which faced year-on-year (YoY) increases in costs in 2022. Similarly, over 70% of industries surveyed experienced a YoY increase in the cost of cyber breaches in 2022.

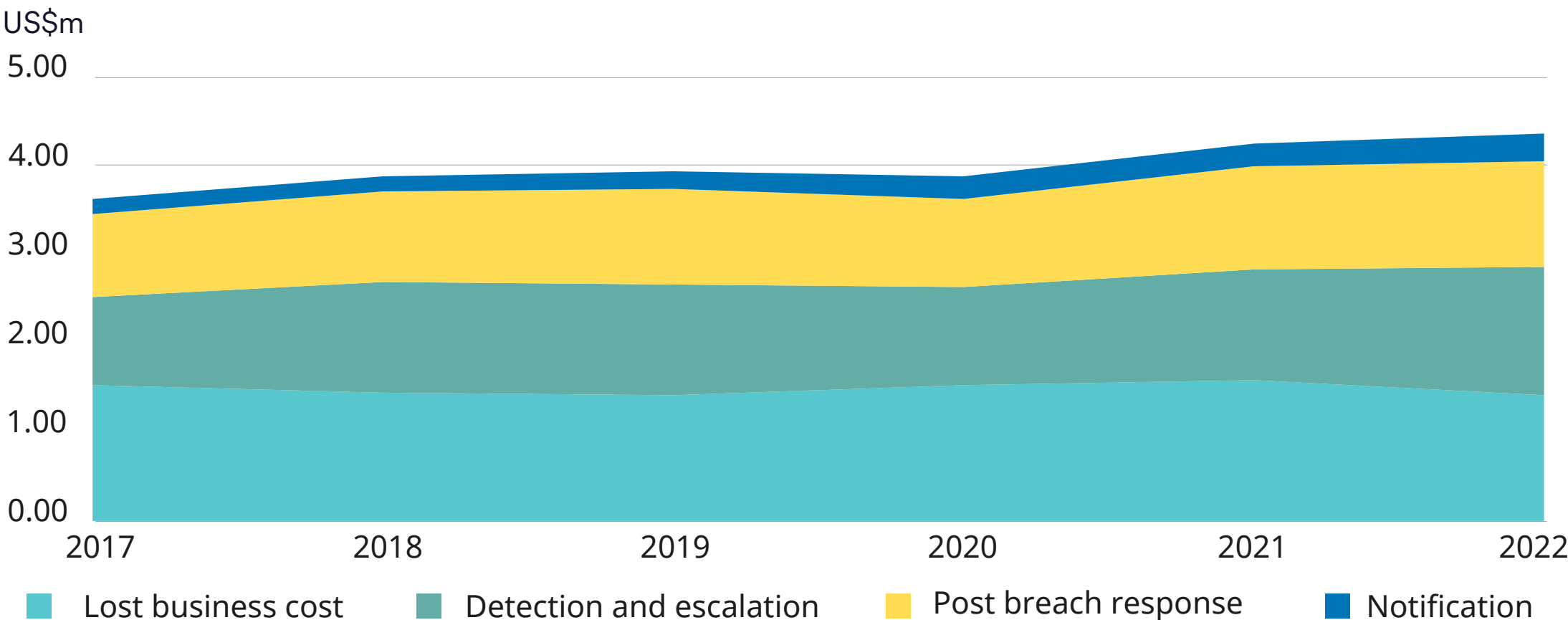
In 2021, the manufacturing industry took top place receiving 23% of attacks (IMB X-Force Threat Intelligence Index). Whilst the finance and insurance sector was the second most attacked sector in 2021, it was the number 1 most attacked sector in each of the previous four years. Professional & business services was the third most attacked sector in 2021, accounting for 13% of attacks.

In light of this, we have undertaken a deep dive into the world of cybersecurity with the aim of understanding which industries, regions and companies are most exposed to this risk. We outline our approach on the following pages.



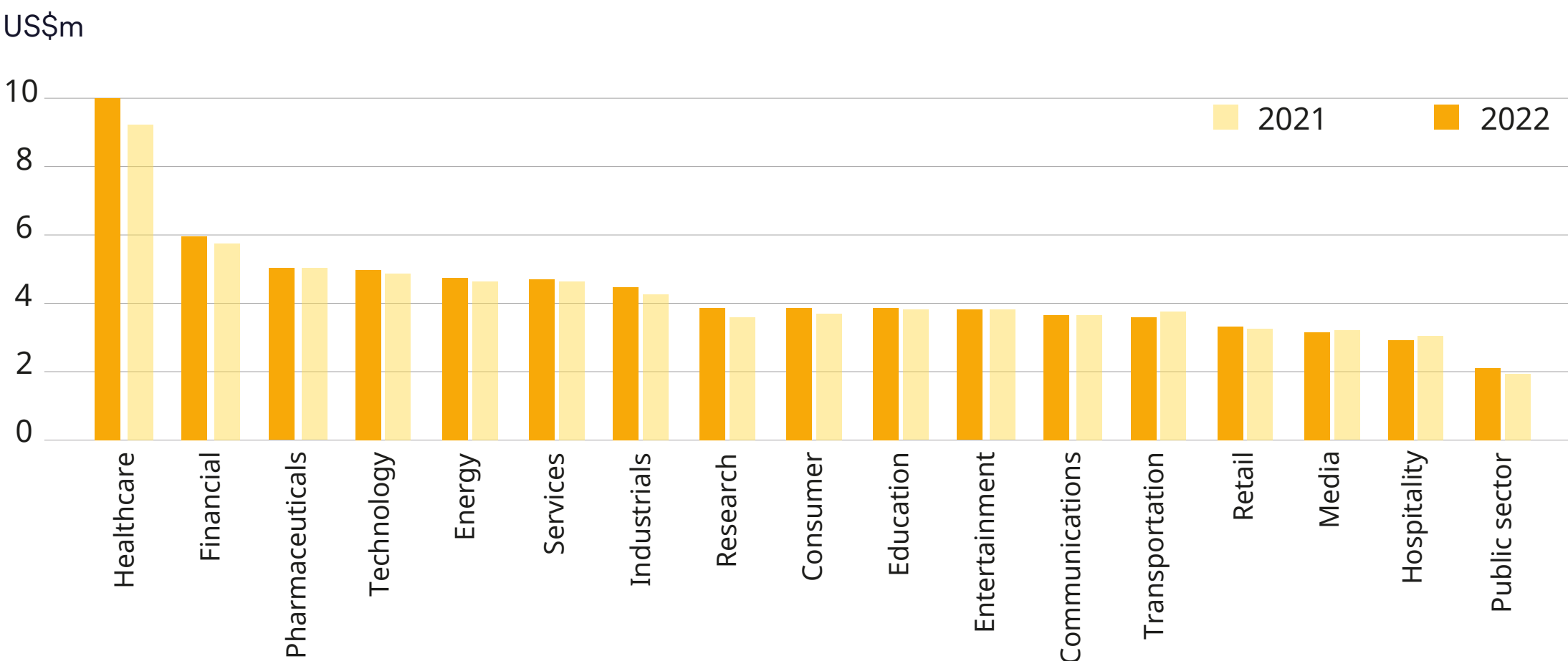
Sam Thomas,
Sustainable Investment Analyst

Average cost of a data breach



Source: : IMB, Cost of A Data Breach Report 2022.

Cost of a data breach by industry



Source: : IMB, Cost of A Data Breach Report 2022.

**CYBER SCORECARD –
ASSESSING COMPANIES**

Scorecard overview

Assessing corporate cybersecurity is a notoriously challenging exercise to undertake from an external standpoint. To truly understand what technical protection is in place, how well-equipped processes and employees are to handle a cyber breach and the full scope of incidence response plans, deep engagement will remain the best way to assess these cyber practices. To help with this, we have outlined some of the key tactical and strategic practices we would expect/suggest a company to adopt to bolster its cybersecurity management capabilities.

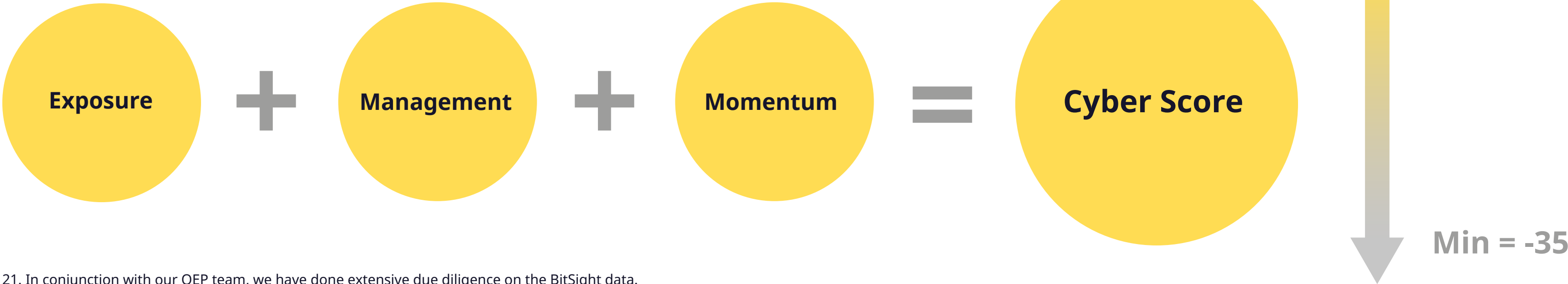
Whilst undertaking deep dive engagements with company Chief Executive Officers (CEOs) and Chief Information Security Officers (CISOs) is typically the best way to get “under the hood” of a company’s cyber defences, this can be time consuming, challenging to do at scale and relies on the good faith of answers being received.

We have therefore developed a proprietary cybersecurity scorecard as a way of externally measuring company cyber preparedness. Using a range of cybersecurity indicators, across 6,300 companies globally, this scorecard can provide a quick and objective view of the strength of a company’s cybersecurity practices. Through the scorecard, companies can be assessed relative to industry peers, geographic peers and by company size.

It is important to stress that the scorecard should be used as an initial indicator of how companies may be performing in the area of cybersecurity, after which further targeted analysis can be undertaken. The scorecard consists of nineteen metrics and assesses corporate cybersecurity across three dimensions:

- **Cybersecurity exposure** – this measures the extent to which a company may be exposed to cyber threats based on internet activity, the type of business activity it undertakes and the geographic regions in which it operates.
- **Cybersecurity management** – this measures the robustness of a company’s cybersecurity practices including management oversight, company policies, training and auditing practices.
- **Cybersecurity momentum** – this measures the recent trajectory of certain cybersecurity vulnerability metrics to determine whether the company’s threat level is worsening, improving or remains stable.

Cyber security scorecard



21. In conjunction with our QEP team, we have done extensive due diligence on the BitSight data. On a free-trial agreement BitSight provided data on a static basis as of August 2022.

Source: Schroders.

As we show below, companies can theoretically achieve a maximum score of 80, meaning a company has achieved the best exposure score, has extremely strong cyber management practices and has improving momentum in its cyber vulnerability indicators. Conversely, the minimum cyber score a company can achieve is -35.

Scorecard composition

The scorecard consists of company data, MSCI data and data from a specialised third-party vendor, BitSight & IHS.²²

Cybersecurity exposure score - a company’s cybersecurity exposure score is the summation of the seven indicators outlined in Table 1. Scores can range from range from -15 to 30, with a higher score indicating better cybersecurity performance.

Cybersecurity management score – management indicators look beyond how exposed a company may be to cyber threats and instead attempts to measure the company’s ability to manage these threats by examining the processes, policies and procedures they have in place to deal with such threats. A company’s management score is the summation of the metrics. Scores can range from 0 to 30, with a higher score indicating better cybersecurity management practices.

Momentum score – The momentum score highlights the extent to which a company’s exposure to cyberthreats has improved or deteriorated over the previous year. A company’s momentum score looks at the trends around their Bitsight ratings. Scores can range from -20 to 20, with a higher score indicating improving cybersecurity momentum.

SCORECARD RESULTS

As shown in Table 1, the **best performing region was Developed Europe** where, on average, companies had a cybersecurity score of 24.6. Despite having the worst cyber exposure metric, companies in Developed Europe showed very strong cyber management practices and it was this, in conjunction with a stable momentum metric, that underpinned the strong overall regional score.

Companies in the Developed Pacific region, on average, had the poorest cybersecurity performance, with a mean score of 22.4. This was driven by a combination of low scores in both the exposure and management metrics (albeit with neither actually being the worst metric scores individually), which was then further depreciated by incurring the lowest cyber security momentum score.

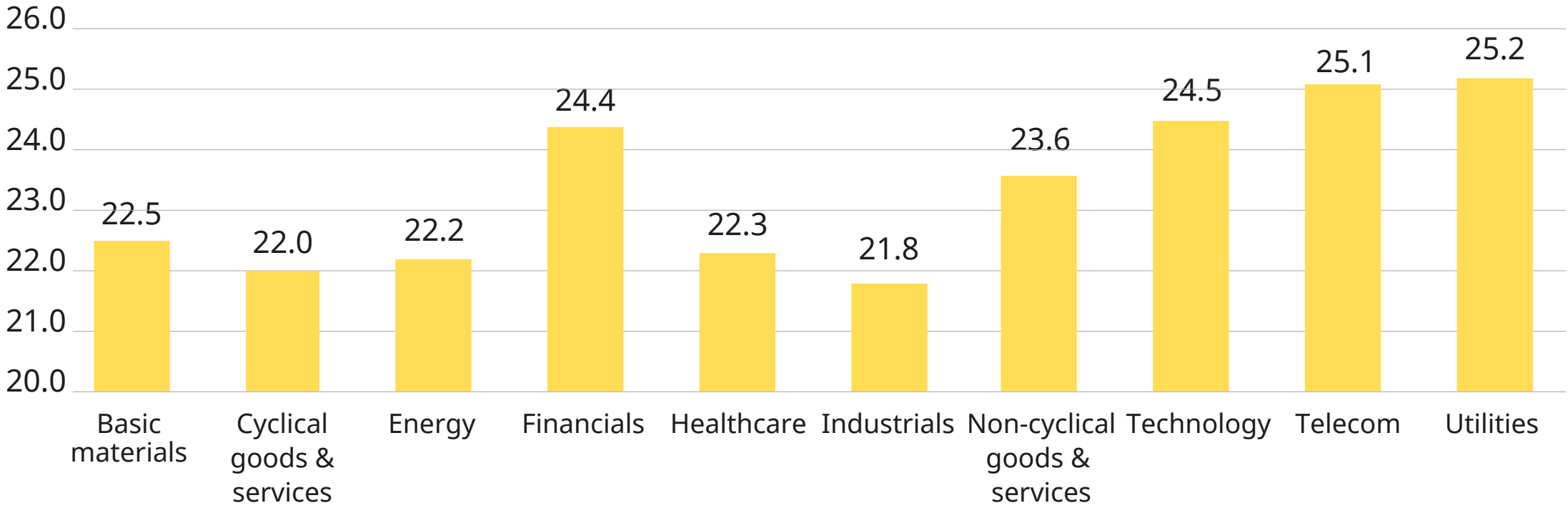
On a sectoral basis, as displayed in the chart, global cybersecurity scores by their sector, **the Industrials sector was the worst performing sector**, with a cyber security score of 21.8. The Industrials sector ranked either the worst or second worst sector in all the regions except the USA, where Healthcare and Energy were the worst performing sectors.

The **Utilities and Telecoms sectors had the strongest cybersecurity performance** with respective scores of 25.2 and 25.1. The Telecoms sector ranked first in both the Emerging Market and Developed Pacific regions. The Utility sector was the second best performing sector in both Developed Europe and the USA and had the third best cyber security performance with Emerging Market companies.

Table 1: Cybersecurity regional scores

Cyber Score	Developed Europe	USA	Emerging Markets	Developed Pacific
Momentum score	0.0	0.0	-0.2	-0.5
Exposure score	13.7	15.0	17.1	14.3
Management score	10.9	8.0	6.8	8.6
Total Cyber Score	24.6	23.0	23.6	22.4

Global cybersecurity scores by sector



Source: Company data, BitSight, MSCI.



When comparing the scorecard performance relative to the average cost of cyber breach data, we note that, despite having the highest cost of data breach, the healthcare sector is one of the worst performing sectors in the cybersecurity scorecard. Consequently, we would suggest that cyber due diligence on companies in the healthcare sector should be more thorough.

Additionally, the manufacturing/industrials sector became the top most attacked sector in 2021 (IBM Threat Intelligence) and is the worst performing sector in our cybersecurity sector, again suggesting that extra diligence needs to be given for companies in the industrials spaces as well.

SCORECARD IN PRACTICE – ANALYSING RECENT CYBERSECURITY BREACHES

Using systematically recorded global cyberattack data from KonBriefing Research, we have analysed a selection of the most recent cybersecurity breach events that have occurred within globally listed companies. On the right-hand side, we present recent case studies of companies that suffered a cyber attack within the past three months. (September – November 2022).




When analysing how the companies fared in the cybersecurity scorecard, there are three interesting observations we would draw investors’ attention to:

1. All companies had a **cybersecurity score below their respective sector averages**
2. 9 out of the 10 companies had a **cybersecurity score below their regional average**
3. 8 out of the 10 companies had a **negative cybersecurity momentum score**

The scorecard will clearly not discover weak cyber performance in every company and breach events will still occur even when a company appears to have a strong showing in the cybersecurity scorecard.

However, we propose that extra cybersecurity due diligence should be undertaken when a company’s cybersecurity score is i) significantly underperforming its sector peer group, ii) underperforming compared to its regional peer group and iii) contains a declining momentum score.

Table 2: Recent cyber breaches – case study examples

	Cyber breach	Sector relative cyber score	Regional relative cyber score	Momentum score
 Uber Technologies	September 2022 Sensitive customer data stolen	-20% (below sector average) Uber score = 20.9 US tech sector avg. = 26.2	-9% (below sector average) Uber score = 20.9 US regional avg. = 23.0	-7.7% ↓
 Starbucks	September 2022 Customer database was breached online	-12% (below sector average) Starbucks score = 19.3 Consumer cyclical sector avg. = 22.0	-16% (below sector average) Starbucks score = 19.3 US regional avg. = 23.0	-6.5% ↓
 Samsung Electronics	September 2022 Systems were hacked to steal customer data	-29% (below sector average) Samsung Elec. score = 17.8 Tech sector avg. = 24.9	-21% (below sector average) Samsung Elec. score = 17.8 Dev Pacific avg. = 22.4	-5.4% ↓

Source: Schroders, company data.

The companies and sectors mentioned are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

WHAT DOES THIS MEAN FOR COMPANIES?

The scorecard can be used as an initial indication of how a company may be performing in regard to its cybersecurity. Once a company has been found to be underperforming, however, it is often difficult to know how the company can improve its cybersecurity practices. Similarly, following reports of a cybersecurity breach at a company, it can be challenging to determine whether the remedial actions the company has committed to take will be sufficient to minimize the likelihood of a repeat breach in the future.

Consequently, in collaboration with the UK National Cyber Security Centre and the Department for Digital, Culture, Media & Sport, we outline a range of tactical suggestions and strategic recommendations to better understand company cybersecurity performance and provide a best practice guide when engaging with corporates.

Top five focus areas for cybersecurity company engagement

We believe these are the five most prominent areas for engaging a company on cybersecurity:

STAFF EDUCATION AND TRAINING (TACTICAL RECOMMENDATION)

It is important to remember that technology is not a panacea. Strong security-technology budgets do not mean a company is completely secure. The best systems in the world can still be undone by poor implementation. Employees are a first line of defence and should be accountable for information security, not just the CISO. Employee education and training is therefore a vital part of cybersecurity defence and something all companies should be undertaking frequently.

CHECK AND UPDATE INGRESS/EGRESS TRAFFIC CONTROL (TACTICAL RECOMMENDATION)

A company should be continuously monitoring the traffic of information that enters (ingress data) and leaves (egress data) its network. Similarly, the company should ensure that the ingress and egress controls are kept up to date (i.e. ensuring firewalls are updated, access control lists are reviewed etc). Often ingress restrictions will be strong but egress restrictions much weaker (one of the first things malware software does is “call home” once it has entered).

CISO REPORTING STRUCTURE (STRATEGIC RECOMMENDATION)

A fairly common structure within companies is for the CISO to report into the Chief Information Officer (CIO). However, we believe it is best practice for the CISO to report directly to the CEO (or another c-suite executive). This is particularly significant if the CIO is managing both “revenue-generating” business lines as well as cyber risk responsibility. When a CIO has remuneration linked to financial growth outputs or short-term efficiency gains, security considerations can often take a back seat in the decision-making process.

REGULAR VULNERABILITY SCANNING (STRATEGIC RECOMMENDATION)

Vulnerability scans are automated processes that are performed by various types of scanning software. Companies need to have a regular and structured vulnerability scanning process in place to ensure weaknesses are identified and rectified efficiently. There are many different types of vulnerability scans (e.g. IoT scans, web applications, network scanning etc). Monthly scanning should be a minimum, while daily scanning would be best in class.

CREATING AND UPDATING INCIDENT RESPONSE PLANS (STRATEGIC RECOMMENDATION)

If the most important principle of cybersecurity is the assumption that a cyber breach will happen, then the next step is to implement an incident response plan. Every company should have an incident response plan and this plan should be regularly updated and expanded upon, depending on the complexity and size of the business in question and in conjunction with emerging risks. Technical teams must have an understanding of how to handle different cyber incidences and, similarly, the executive teams need to know the playbook of when to shut down operations, what triggers would qualify for this, and who has responsibility for this decision. In cyber defence, speed is of the essence and having a well understood and well-rehearsed incident plan can dramatically improve response times.

Source: Schroders, company data

UNDERSTANDING THEMATIC ALIGNMENT

As changes in demographics, society, and technology continue to impact consumption patterns and push against the planet's limits, companies must adapt to evolving consumer behaviour and preferences. Those that can meet these demands will be better placed to succeed in the future.

The roots of ESG investing can be traced back to a desire screen companies that have a negative social impact. More modern ESG analysis now evaluates the impact of a company's overall operations and product and services. However, sustainability themes are becoming increasingly important in shaping global markets, creating new opportunities for companies that provide sustainable products and services. As a result, investors are looking to identify and allocate capital to these emerging sustainable investment themes.

Efficiently identifying companies poised to benefit from, and contribute to, important sustainability themes, such as renewable energy, resource efficiency, and sustainable agriculture, can present investment opportunities. By investing in companies that address environmental and social issues, focused investment strategies can actively contribute to their solutions. This approach represents an evolution in sustainable investing, expanding the focus from mitigating risk to identifying thematic opportunities.

23. <https://sdgs.un.org/goals>

ThemEx: a framework for understanding exposure to sustainable investment themes

We recognise that there are complexities with understanding thematic alignment. Individual products or services may be either positively or negatively aligned with key sustainability themes. For example, a coal miner will have a negative alignment with the need to decarbonise the world economy whereas a wind turbine manufacturer will see a positive alignment. We are also able to recognise that some business activities will have complex and offsetting exposures. Fertilisers, for example, are positively aligned to reducing world hunger but this should be offset against the negative impacts on biodiversity from their use.

Our new ThemEx framework:

1. Is designed around the need to capture the complex relationships between business activities and sustainable themes.
2. Can be used to identify companies with high levels of positive or negative exposure to specific sustainability themes.
3. Provides a way to assess the exposures individual portfolios may have to sustainability themes, whether intended or not.

The insights in ThemEx are driven by an extensive and iterative consultation across Schroders taking in expert opinion both from the thematic researchers on the Sustainable Investment team and investment desks around the world. Drawing from both top-down sustainability insights and the depth of understanding of individual companies from our bottom-up stock

pickers, our framework is, at its core, driven by human insights. However, it is systematically implemented which allows us to provide insights into around 16,000 firms thematic exposure driven by an analysis of ~6,000 different products and services.

One way of thinking about sustainable investment themes that has found increased traction in the industry is the United Nations Sustainable Development Goals (SDGs). The 17 SDGs are “an urgent call for action” for countries to address the greatest challenges we face globally. They were adopted by UN member states in 2015 and are intended to be “a shared blueprint for peace and prosperity for people and the planet.”²³

While the SDGs were predominantly intended as a guide for governments and policy action, for investors there are a number of ways they may impact and in turn be impacted by the SDGs. Across our investments, the SDGs are encompassed in our thematic focus areas through research, proprietary models and active ownership.

Our focus is on understanding the themes that are financially material to our investment portfolios, and understanding global challenges and opportunities is key to this. We also have a number of impact-driven strategies that aim to deliver intentional and measurable impact for clients who wish to allocate their capital in this way.

Using ThemEx, we are able to identify companies that align with the SDGs directly through their products and services.

Ben Corris
Head of ESG Models & Data



ThemEx in practice: a company example

For company A, products and services are grouped into business actives. For example, the business activity of ‘biopharmaceuticals’ entails a range of good and services such as dermatology, haematology, ophthalmology and others. Each business activity is mapped to SDGs, by both magnitude and direction.

The output of this can then be aggregated, capping the contribution of any individual revenue segment to avoid double counting. The output is expressed as a percentage of a company’s or portfolio’s revenues which are aligned to the SDGs. For example, a company or portfolio with 50% alignment indicates that the company or companies in the portfolio have 50% of revenues aligned to SDGs. This alignment can then be broken down into individual SDGs, including positive and negative contributors.

ThemEx: providing a new sustainability lens

Our new ThemEx model provides a framework for us to analyse company exposure to a range of important sustainable investment themes, including the UN SDGs. ThemEx is part of our proprietary sustainability toolkit, including our existing models such as CONTEXT™, SustainEx™ and our climate models. SustainEx™ provides an estimate of positive and negative “externalities” that companies and countries may create for society. It aims to capture both operational and products and services externalities.

ThemEx compliments the analysis provided by SustainEx™, focusing specifically on the alignment of companies’ products and services. ThemEx provides a view of the extent to which these products and services support SDGs for over 16,000 companies across 6,000 products and services.

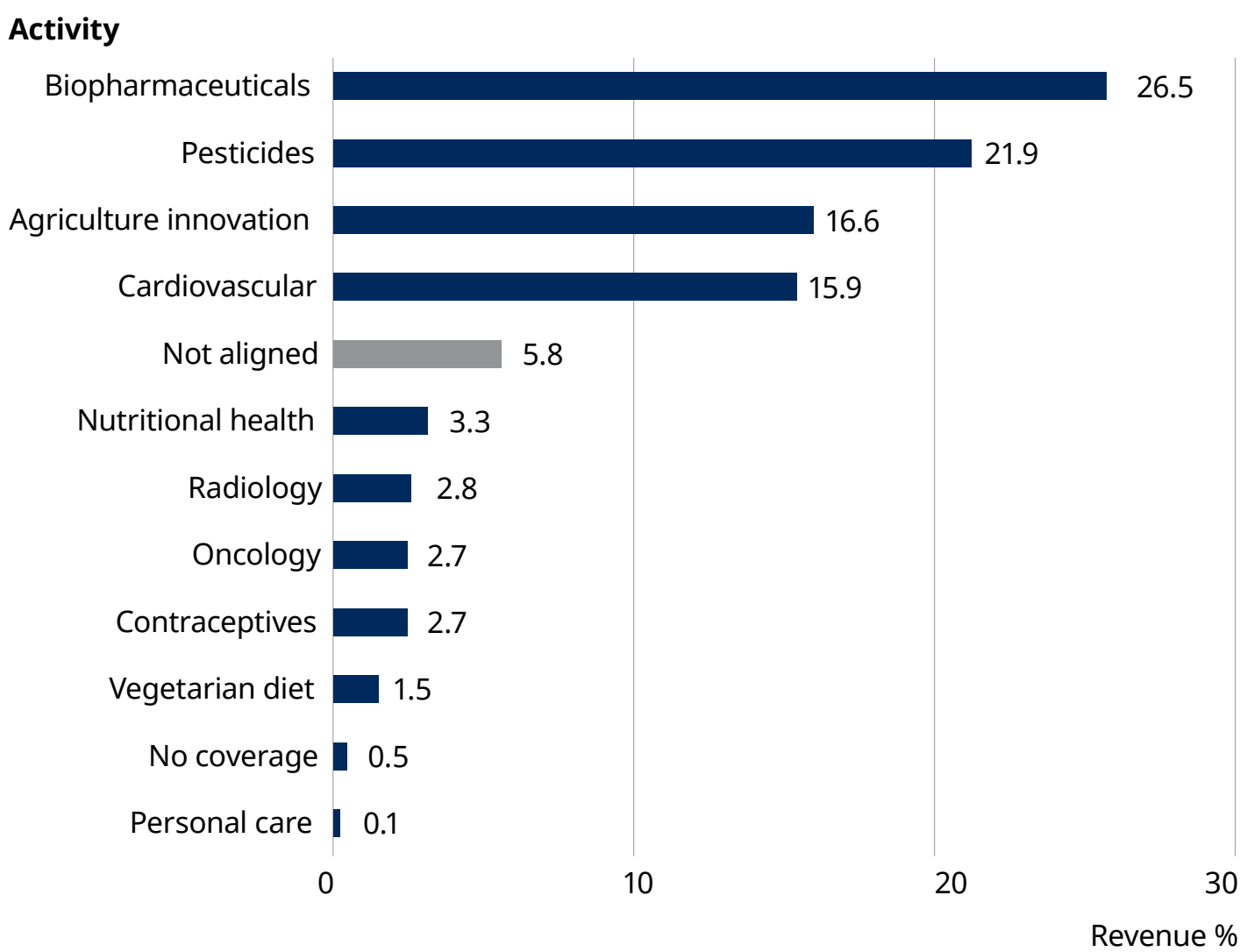
How does SDG alignment fit within our broader analysis of sustainability risks and opportunities?

SustainEx™ provides an estimate of positive and negative “externalities” that companies and countries may create for society. It aims to capture both operational and products and services externalities.

ThemEx compliments the analysis provided by SustainEx™, focusing specifically on the alignment of companies’ products and services. ThemEx provides a view of the extent to which these product and services support SDGs for over 16,000 companies across 6,000 products and services.

The output of this analysis for an example company is shown below:

Company A revenue exposure to business activities



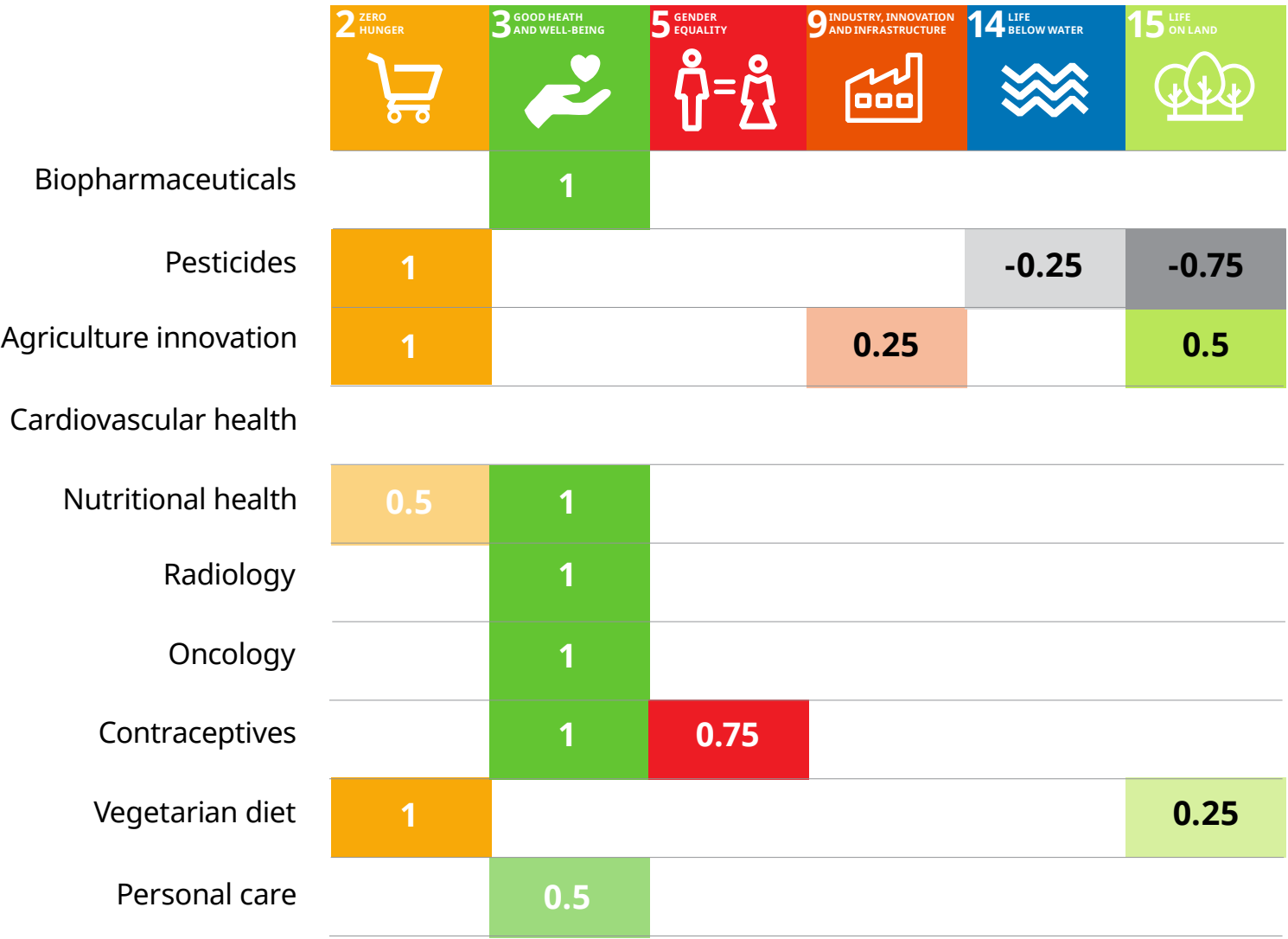
Source: Schroders for illustration only.

SDG Revenue Scaled



Source: Schroders for illustration only.

Combined with business activity mapping to SDGs



THE SMALL CAP SUSTAINABILITY OPPORTUNITY

Large cap biases, rating inefficiencies and the exciting opportunities they bring for small caps.

The prolific expansion of ESG investment products has overlooked a major asset class: small caps.

Their large cap counterparts boast higher ESG scores and dominate the portfolios of ESG funds. We think this size bias appears unwarranted and leaves small caps poised for significant upgrades to their sustainability scores. In our view, this should lead to broader recognition of small caps by the marketplace and meaningful relative outperformance.

The typical ESG-minded investor tends to assess a company's ESG profile through reports from rating agencies MSCI and Sustainalytics. A higher MSCI score implies stronger ESG characteristics, while a lower Sustainalytics score implies fewer ESG risks. The chart to the right shows that as market cap increases, both MSCI and Sustainalytics scores improve.

Compared to small caps, large cap companies experience on average a 32% better MSCI score and an 18% better Sustainalytics score. Large cap companies are defined as those with market caps above US\$50 billion; small caps as those between US\$250 million and US\$15 billion.

Source: Schroders, November 2022.



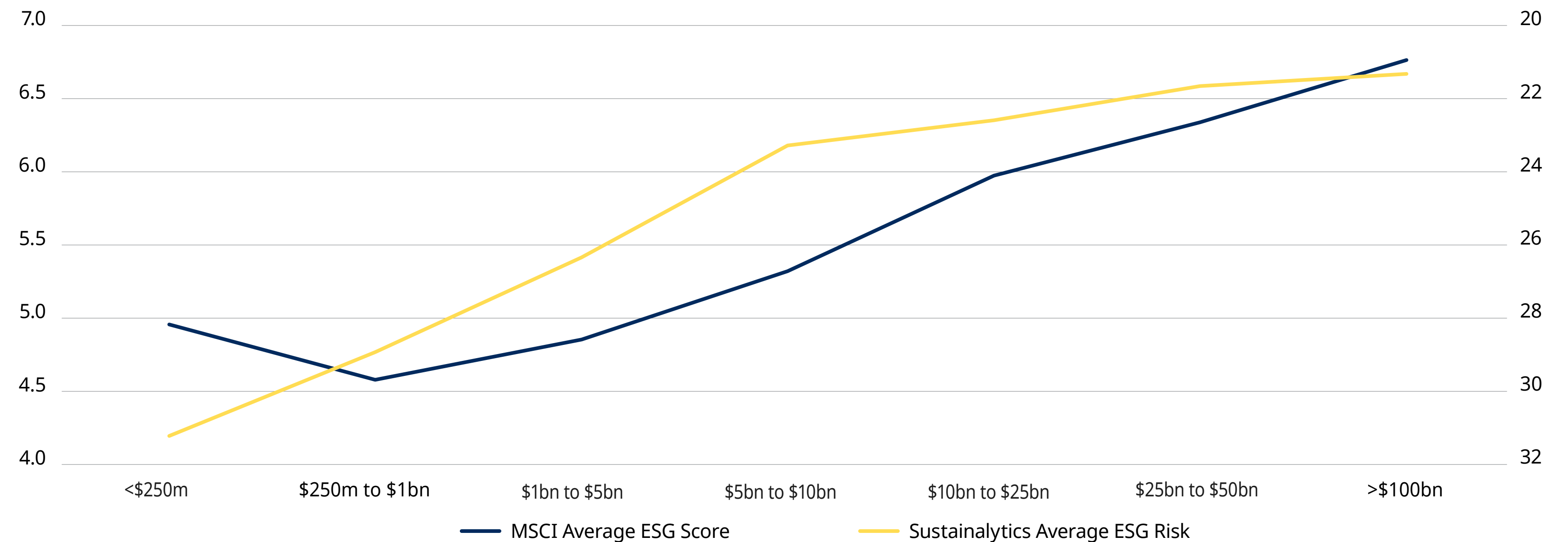
Michael Borenstein
Sustainable Investment Analyst



Average ESG Score by Market Cap

MSCI Score (Higher = Better)

Sustainalytics Score (Lower = Better)



Note: Sample size by market cap group (left to right): 326, 720, 1041, 291, 271, 232, 73. Coverage ratios for MSCI are 23%, 73%, 96%, 98%, 99%, 99%, 100%. Coverage ratios for Sustainalytics are 97%, 98%, 97%, 96%, 99%, 98%, 100%. MSCI scores range from 0 to 10. Sustainalytics scores range from 5.2 to 62.1. Companies without coverage are excluded from average calculations. Source: Schroders.

The bias explained

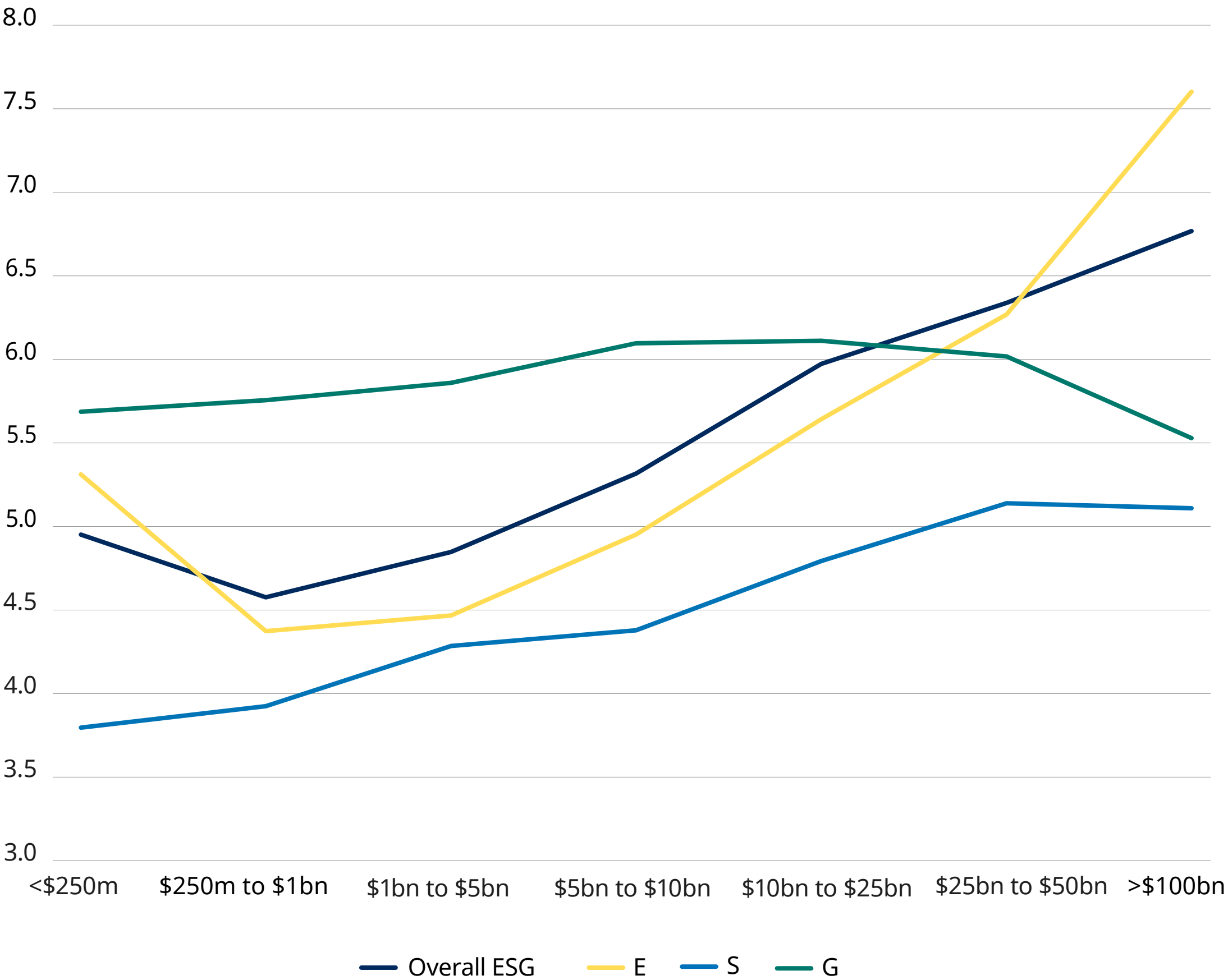
The correlation between score and size is not surprising. Sustainalytics and MSCI scores are driven primarily by disclosure and policies. Larger companies are better equipped than smaller ones to report on ESG metrics. Many have dedicated sustainability teams or onboard consultants. This is in stark contrast to small caps, which often lack even a standalone Investor Relations professional. Employees frequently wear multiple hats and take on a variety of capacities not reflected in their job title. Our team has engaged with small cap companies that have strong, sustainable business models but lack dialogue with the major rating agencies.

Partitioning an MSCI score into its E/S/G pillars reveals some insight into the dynamics that drive a bias towards larger companies. The chart on the right-hand side shows that while environmental and social scores increase directly with market size, governance scores do not. This is likely because governance is the most standardised dimension of ESG. Widely held beliefs about what constitutes good corporate governance were formalised by the Cadbury Committee in the UK three decades ago. Unlike social and environmental metrics, investors strongly agree on expected governance disclosures, which include board composition, remuneration, ownership structure and business ethics, to name a few. Governance metrics are quantitative, easy to grade and widely accessible without any reliance on ESG rating agencies.

A medical equipment company trying to improve its ESG characteristics told us it is clear on what the common denominators are for good governance but cannot find consensus on what E and S outcomes investors prefer. This ambiguity creates a landscape that is very difficult for small caps to navigate. Lack of clarity also creates assurance concerns. The medical equipment company mentioned a reluctance to report on E and S figures it could not adequately audit or consistently measure.

Thorough and responsible ESG reporting is costly and smaller firms suffer as a consequence. This medical equipment company highlighted the opportunity cost of bringing on additional headcount to report on ESG as opposed to having each incremental hire fully focused on delivering for their stakeholders (which is, ironically, the objective of sustainable investing). With concerns of greenwashing abounding and limited resources and time, it’s understandable why small caps may err on the side of caution. We look to identify small caps, like the one in this example, that sincerely care about ESG but need need support in externalising their sustainability characteristics.

Average ESG Score by Market Cap



Source: Schroders.

Large cap concentration in traditional and ESG funds

This inherent bias in ESG ratings feeds into a tilt towards large cap in ESG funds. The table shows that the weighted average market cap of a holding in the five largest ESG funds is \$401 billion. This includes both indexed and actively managed funds. The three funds that lean towards smaller companies are all energy thematics. While small caps are recognised for their role in the energy transition, they remain underappreciated for their contribution to other sustainability themes such as health and wellness and inclusion. It’s worth noting that while there is a difference between funds that explicitly embed ESG risks and opportunities versus those that consider ESG characteristics, a bias towards large companies is present for both categories.

Looking under the hood, it’s almost impossible to separate a traditional US equity fund from an ESG-labelled fund.

Largest ESG funds by AUM (fund names anonymised)

Fund	Wgt. Avg. Mkt Cap (US\$m)	Fund AUM (US\$m)	Fund Type
Fund 1	407,750	22,940	Active Fund
Fund 2	508,780	13,030	Index-Based ETF
Fund 3	588,117	10,870	Index-Based Fund
Fund 4	110,630	9,580	Active Fund
Fund 5	391,661	8,690	Index-Based ETF
Fund 6	52,716	8,310	Active Fund
Fund 7	39,924	8,020	Active Fund
Fund 8	36,123	7,370	Active Fund
Fund 9	29,820	6,900	Active Fund
Fund 10	104,764	6,830	Index-Based ETF
Fund 11	18,290	6,520	Index-Based ETF
Fund 12	9,185	6,510	Index-Based ETF
Fund 13	131,527	6,410	Active Fund
Fund 14	215,062	6,320	Index-Based ETF
Fund 15	25,413	5,850	Active Fund
Fund 16	549,225	5,810	Active Fund
Fund 17	266,241	5,370	Active Fund
Average	205,013	8,549	

Source: FactSet, Schroders, data as of August 31, 2022.

The table below shows that, with the exception of Meta, ESG funds hold the same securities as traditional indexes – large and mega cap companies, whose average MSCI score is 6.6 (‘A’ rating). Ironically, size seems to matter more than score, given Amazon and Alphabet are among the largest positions in traditional and ESG funds but rank in the bottom 30% and 10% of S&P 500 ESG scores, respectively. ESG funds contain fewer concentrated positions – the top 10 names account for 15% versus 28% in traditional funds – but retain their focus on large companies.

For the purposes of the below analysis we used ETFs. The “traditional funds” included the 10 largest US ETFs by assets under management (AUM), while the ESG funds were the 50 largest ESG ETFs by AUM, as defined by fund title and strategy, scrubbed for accuracy.

Position size here is the average stock weight across the fund universe, calculated as total dollar amount in the stock / total dollar amount of the fund universe. Position rank is the overall stock position within the fund universe, defined by position size sorted in descending order.

Top positions in traditional funds vs. ESG funds

Company	Position Rank		Position Size		Differential (ESG - Traditional)	
	Traditional	ESG	Traditional	ESG	Position Rank	Position Size
Apple	1	2	6.7%	2.5%	1	-4.2%
Microsoft	2	1	6.1%	4.3%	-1	-1.7%
Amazon.com	3	3	3.6%	1.8%	0	-1.8%
Tesla	4	5	2.3%	1.3%	1	-1.0%
Alphabet Class A	5	6	2.0%	1.3%	1	-0.7%
NVIDIA	6	4	1.7%	1.6%	-2	-0.2%
Meta Class A	7	46	1.4%	0.3%	39	-1.0%
UnitedHealth	8	7	1.2%	0.9%	-1	-0.3%
Johnson & Johnson	9	13	1.1%	0.7%	4	-0.4%
Visa Class A	10	11	1.0%	0.7%	1	-0.3%

Source: FactSet, Schroders, data as of June 30, 2022.

The companies mentioned are for illustrative purposes only and not a recommendation to buy or sell.

MSCI scores for top positions in traditional funds and ESG funds

Company	Mkt Cap (US\$m)	MSCI ESG Score	MSCI ESG Rating	MSCI ESG S&P 500 Decile
Apple	2,530,515	6.1	A	6
Microsoft	1,951,612	9.8	AAA	1
Amazon.com	1,290,899	5.6	BBB	7
F Tesla	860,730	6.9	A	5
Alphabet Class A	1,415,301	4.9	BBB	9
NVIDIA	375,690	9.1	AAA	1
Meta Class A	439,422	2.2	B	10
UnitedHealth	485,574	8.3	AA	2
Johnson & Johnson	424,168	6.1	A	7
Visa Class A	411,418	7.1	A	4
Average	1,018,533	6.6	A	5

Source: FactSet, MSCI, Schroders, data as of August 31, 2022.

Small caps, small seat at the table

From speaking with small cap companies, we get the sense that their ESG efforts aren’t always recognised by the rating agencies. For example, a small biopharmaceutical company scored 0 from Sustainalytics for Product and Service Safety, Drug Promotion Standards and Access to Medicine Programs. To address this poor score, the company published bioethics and patient and product safety policies in April 2022. It notified Sustainalytics upon the release and through additional follow-ups, yet its score has not changed since October 2021 and it still hasn’t heard back from the rating agency. If the biopharma company’s new policies were fully recognised by Sustainalytics, its score would increase 22.5 points (+54%), shifting its overall ESG risk assessment from ‘Severe’ to ‘Low’. This is a significant improvement that would likely alter investor perception of the company’s risk and increased appetite for the stock.

A purely quantitative approach to ESG investing has resulted in an unintended – but consequential – inefficiency within small caps. We believe it’s very difficult for passive, best-in-class strategies to capture long-term ESG alpha given the lack of certainty that can be extrapolated about a company based on its ESG rating.

Our differentiated approach

Through a holistic active management approach, the Schroders US Small Cap team looks beyond traditional ESG ratings.

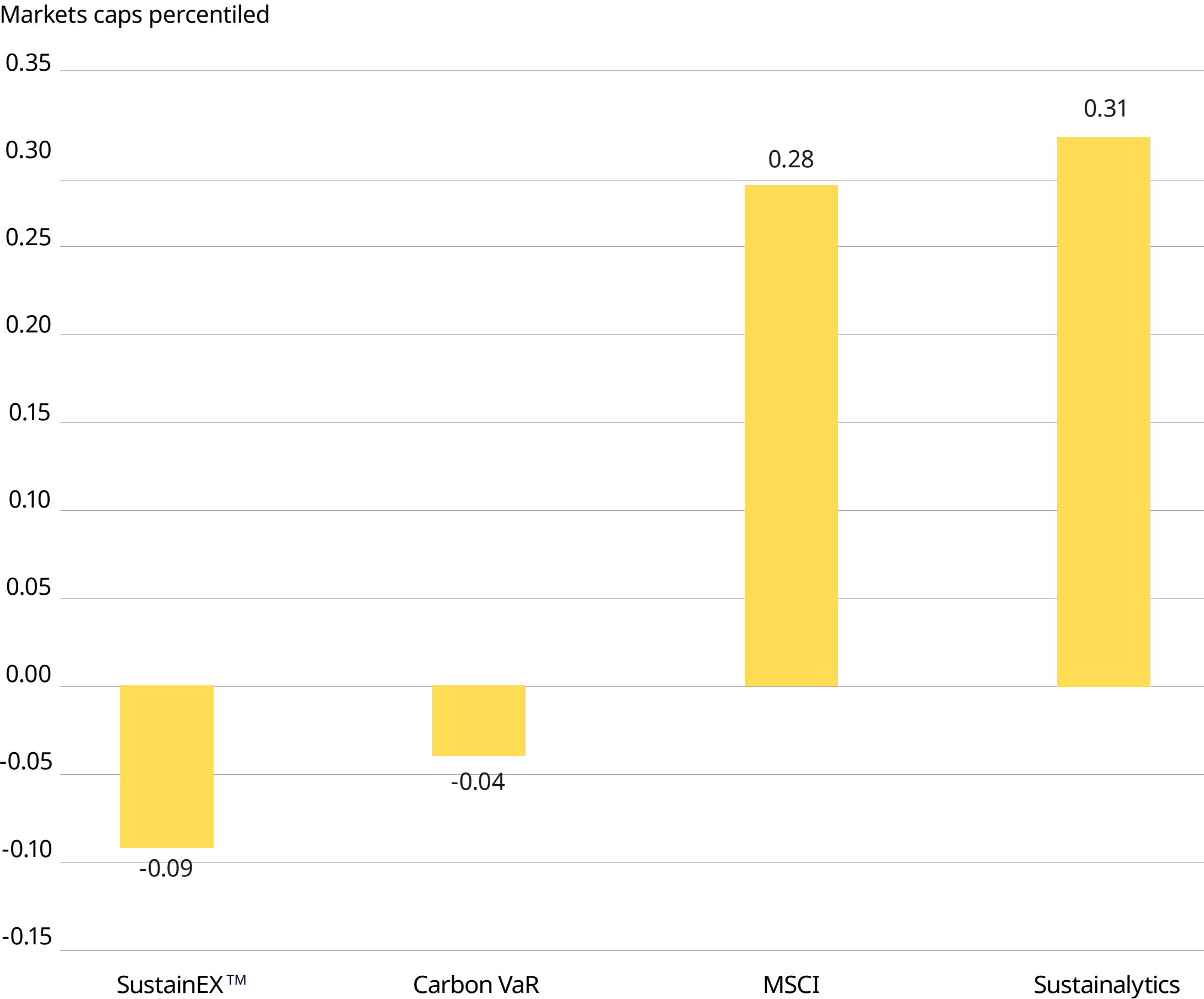
Schroders’ proprietary tool, SustainEx™, systematically measures a company’s positive and negative impact on society and exhibits a near-zero correlation between score and company size (see chart below). This model-based assessment can be used to re-focus portfolio construction around quantitative measurements of sustainability and unpriced social and environmental business risks. This framework encourages (or rewards?) companies for having more internal discussions centred around product externalities and stakeholders.

Carbon VaR, another Schroders proprietary tool, estimates the impact of climate pricing on a company’s financial profits. Unlike simple carbon footprints, which do not capture underlying investment risk, Carbon VaR quantifies climate change transition risks effect on profitability. This model incorporates carbon emissions, but also takes into account profit margins, industry-level price-elasticities of demand and carbon pricing scenarios.

Models like SustainEx™ and Carbon VaR, used alongside fundamental analysis, enable a deeper dive into sustainability. Internal ESG efforts ought not be rejected or discredited; however, one needs to look no further than MSCI’s ‘A’ rating of Chevron and ‘BB’ rating of the aforementioned biopharmaceutical company to appreciate that ESG scores do not tell the full story about a business.

The companies mentioned are for illustrative purposes only and not a recommendation to buy or sell.

Correlation between Score and Market Cap



Source: Schroders.

Conclusion: inherent inefficiencies bring clear opportunities

In summary, we find that traditional sustainability ratings bias towards large companies. This is primarily due to the complexity of the ESG landscape and that large caps have more resources to report on ESG metrics and engage with ESG rating agencies. Large caps dominate concentration within ESG funds. In fact, it can be nearly impossible to distinguish between a traditional equity fund and an ESG-labelled fund.

Talking with small cap companies and digging into what drives their poor ratings, a clear inefficiency emerges. Small caps’ sustainability profiles are significantly discounted by the market. The small caps that better articulate their sustainability characteristics should benefit from the well-documented ‘green premium’ that this asset class has yet to fully experience.

This presents exciting opportunities in the small cap space, specifically around two dimensions:

- 1. A greater opportunity to identify misunderstood or under-appreciated companies that will re-rate higher due to strong underlying ESG characteristics
- 2. The opportunity to engage and partner with companies on their sustainability journey to help drive broader, deeper impact on stakeholders.

We believe these factors will generate meaningful alpha over the long-run.



APPENDIX

ENGAGEMENT IN NUMBERS

An overview of our activity in 2022

Constructive and committed engagement with management teams at the companies and assets we invest in is a key element of the value we bring to our clients. Social and environmental forces are reshaping societies, economies, industries and financial markets. Approached thoughtfully and with focus, encouraging management teams to adapt to those changes, and holding them accountable for doing so, can strengthen the long-term competitiveness and value of those assets and can accelerate positive change towards a fairer and more sustainable global economy. That is why we have a firm-wide commitment to active ownership, with every investor in our public equity and credit teams required to undertake a minimum of three engagements every year.

Our active ownership priorities, as outlined in our [Engagement Blueprint](#), reflect the most material issues across our investments, providing a firm-wide compass and transparency around our focus areas and approach.

In 2022, we held over 5,300 sustainability-focused engagements, interacting with over 3,400 companies across 73 countries. In 2022, we also engaged with six sovereigns. We breakdown our engagement activity below:

362	1,112
Sustainable Investment Team-led	Analyst/fund manager-led engagement

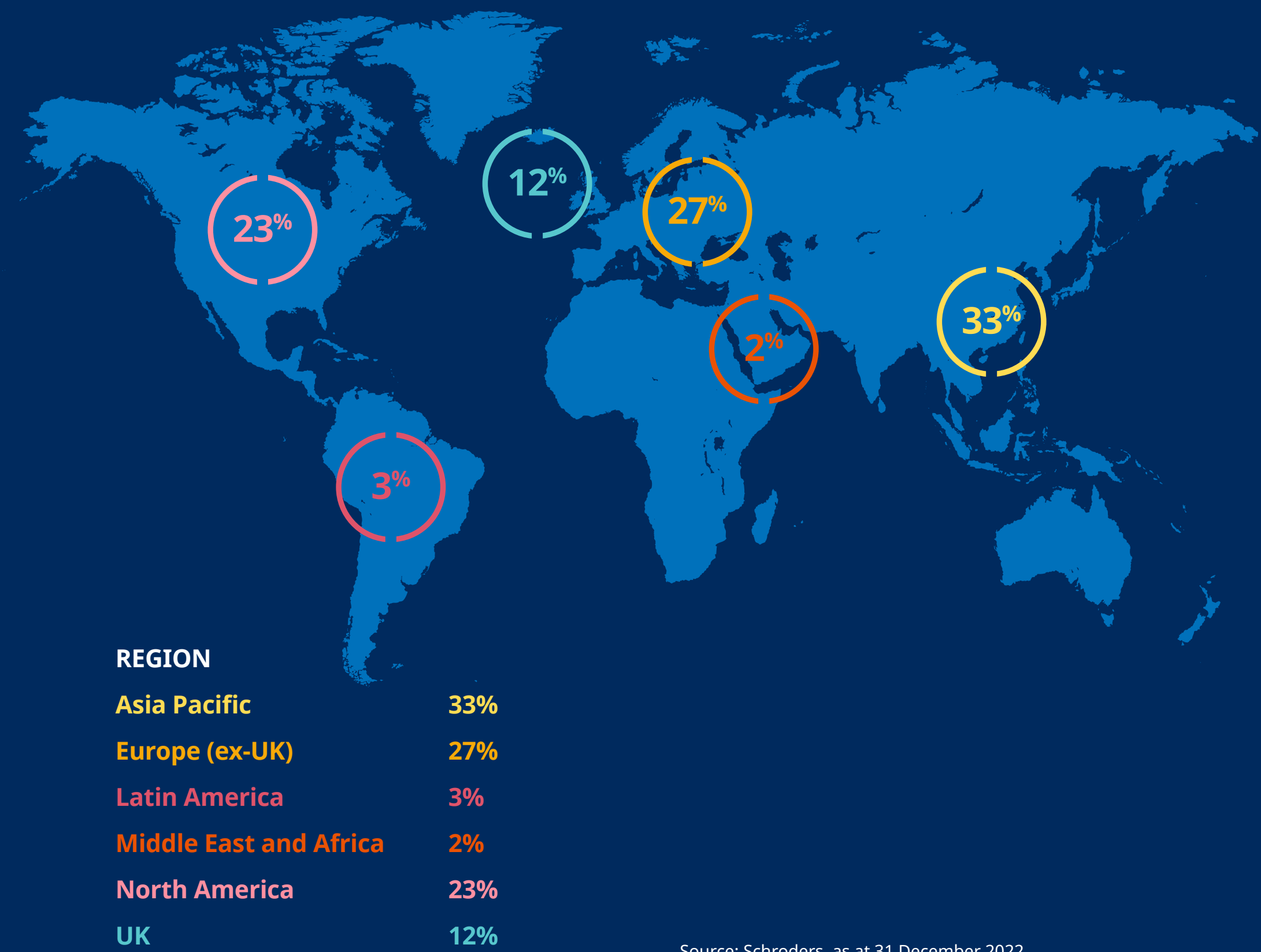
We recognise there may be occasions when it is more effective to work with other institutional shareholders to influence company management and effect positive change. We review collaborative engagements on a case-by-case basis to ensure that the objectives of such engagements are aligned with our firm wide ESG policy and Engagement Blueprint.. For more information on the collaborative engagements we participated in 2022, please see page 52.

On occasion, we also send letters to our holdings to communicate updates to our policies or sustainable investment priorities. For example, in 2022, we sent letters to our equity holdings to set out our voting policy and expectations prior to the AGM-season. We also shared our Engagement Blueprint.

We outline the number of collaborative engagements and expectation-setting letters sent out in 2022 below:

530	3,308
Campaigns and collaborative engagements	Mass communication around voting season

Company egagement by region

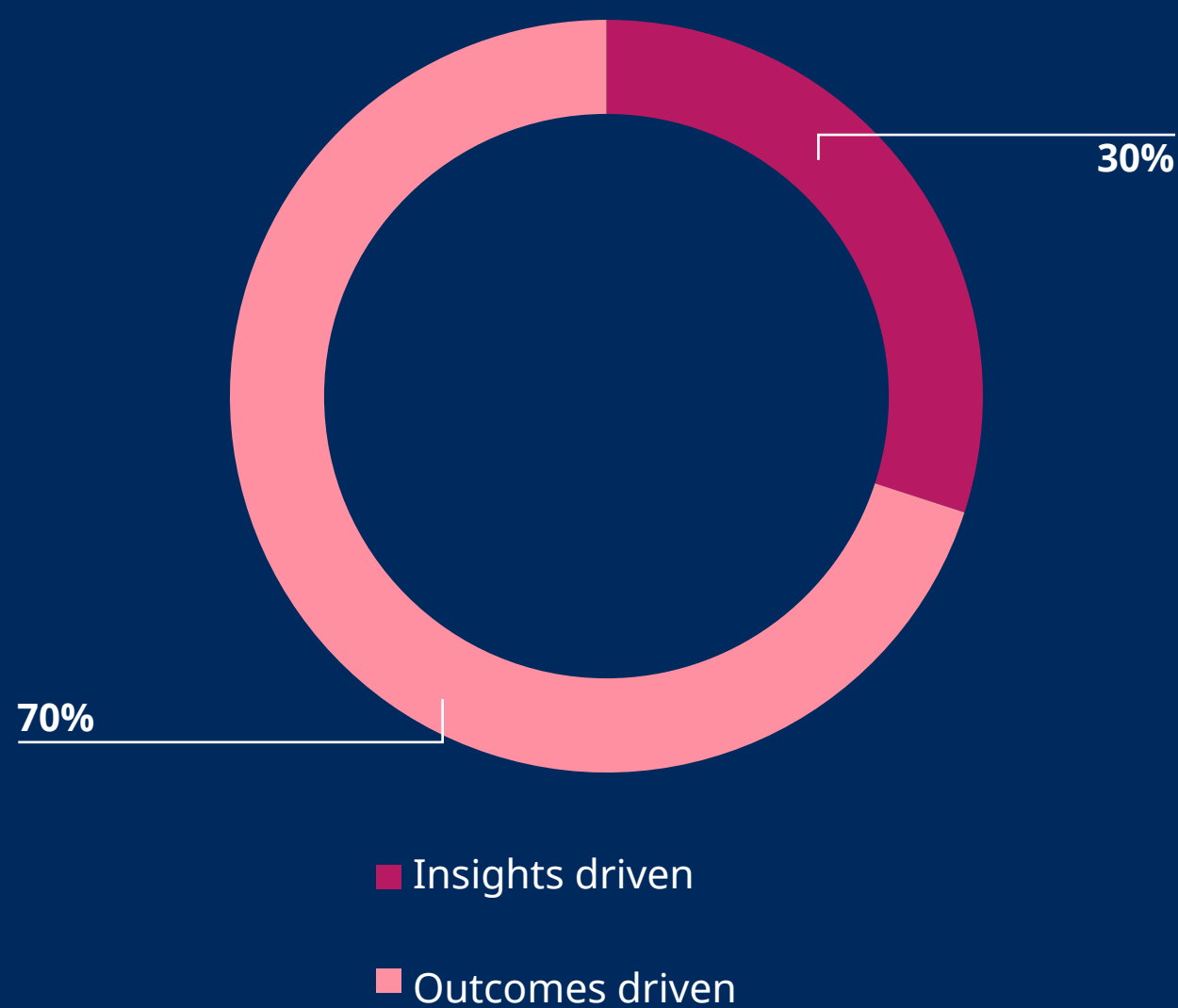


Source: Schroders, as at 31 December 2022.

ENGAGEMENT IN NUMBERS

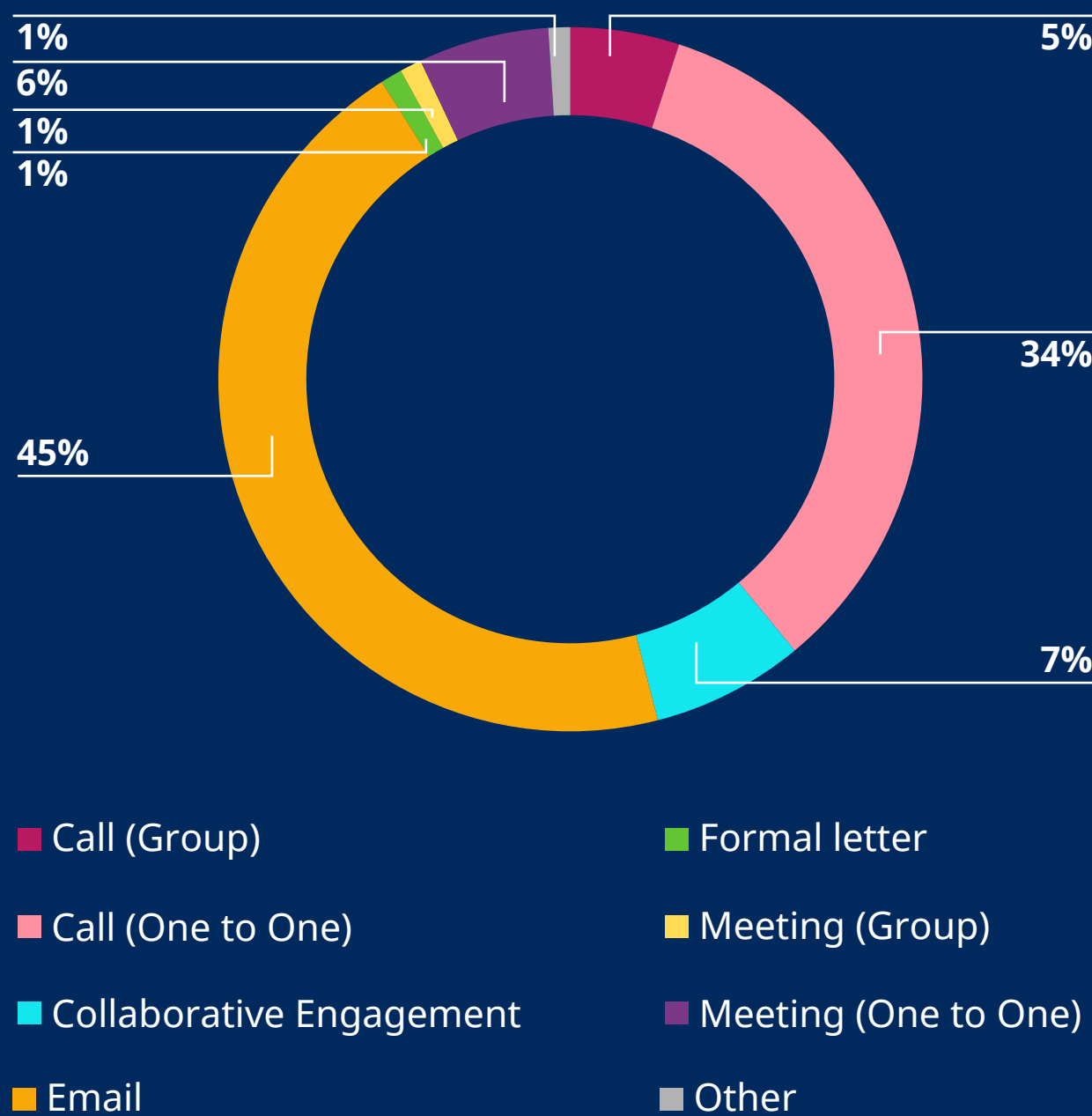
We divide our engagement into two categories: insights driven, and outcomes driven. The below chart shows the split in 2022.

Reasons for ESG engagement in 2022

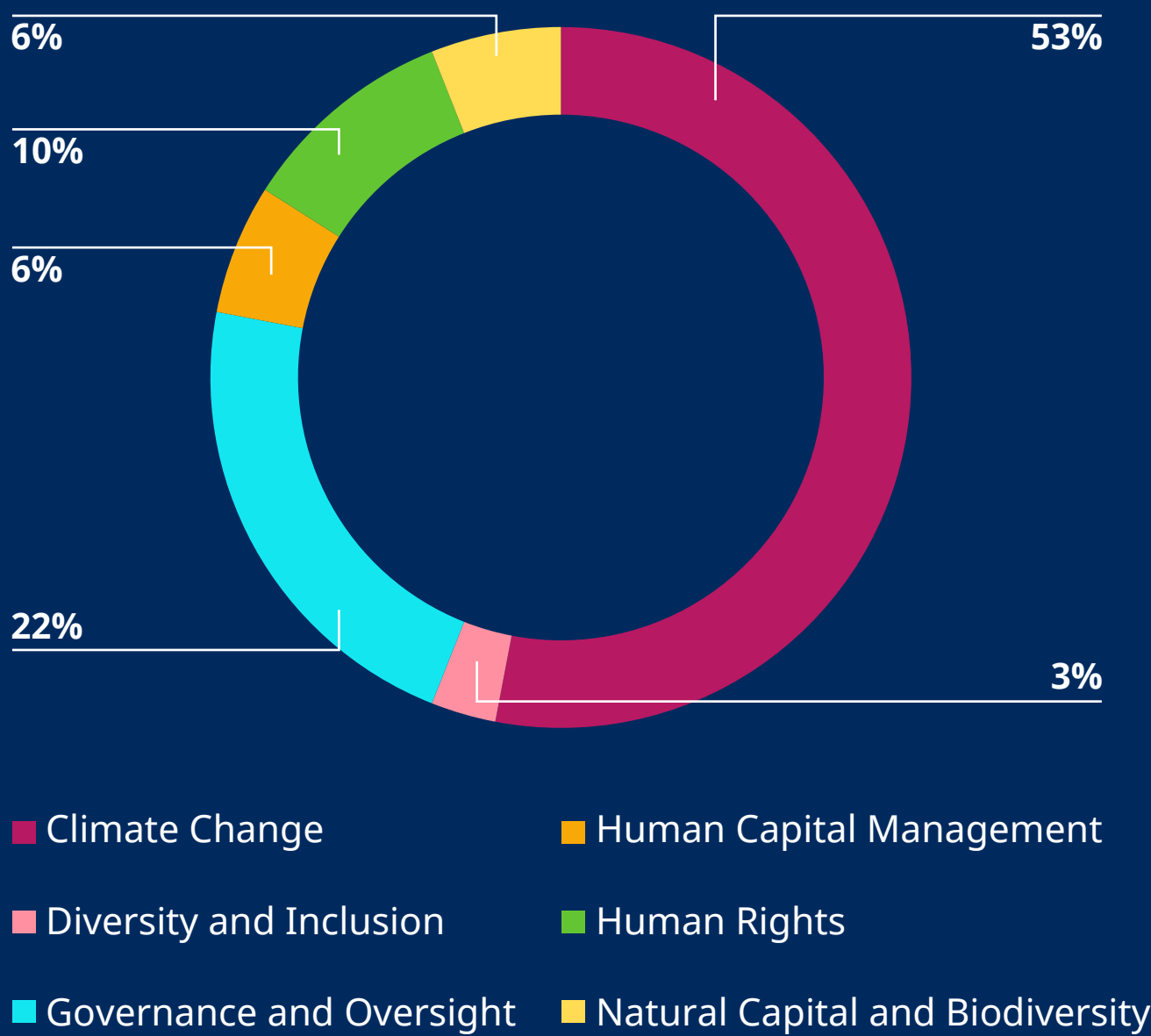


We outline below the split of our engagement activity in 2022, by method and engagement theme.

Company engagement by type in 2022



Company engagement by theme in 2022



Source: Schroders, as at December 2022. Figures exclude mass pre-AGM letters and automated votes against management emails.

VOTING IN NUMBERS

An overview of our activity in 2022

As active owners of our clients' capital, we believe that making full use of our voting rights is part of our fiduciary duty. It is about holding management and boards to account to ensure that they are managing the business for the long term. In order to create, sustain and protect the value of our investments, we encourage companies to follow corporate governance best practice. Put simply, as equity holders we have a responsibility to be good stewards of companies.

In 2022, we voted on approximately 96% of total resolutions, and instructed a vote against the board's recommendations at 51% of meetings. In total, we voted on over 7,000 meetings.

Global voting over the past five years

Year	Meetings	Resolutions	% of resolutions voted with the board	% of resolutions + abstentions against the board
2022	7,280	74,948	87%	13%
2021	7,492	78,637	87%	12%
2020	6,518	68,992	87%	13%
2019	5,876	61,156	87%	13%
2018	5,227	56,510	86%	14%

Source: Schroders, as at 31 December 2022.

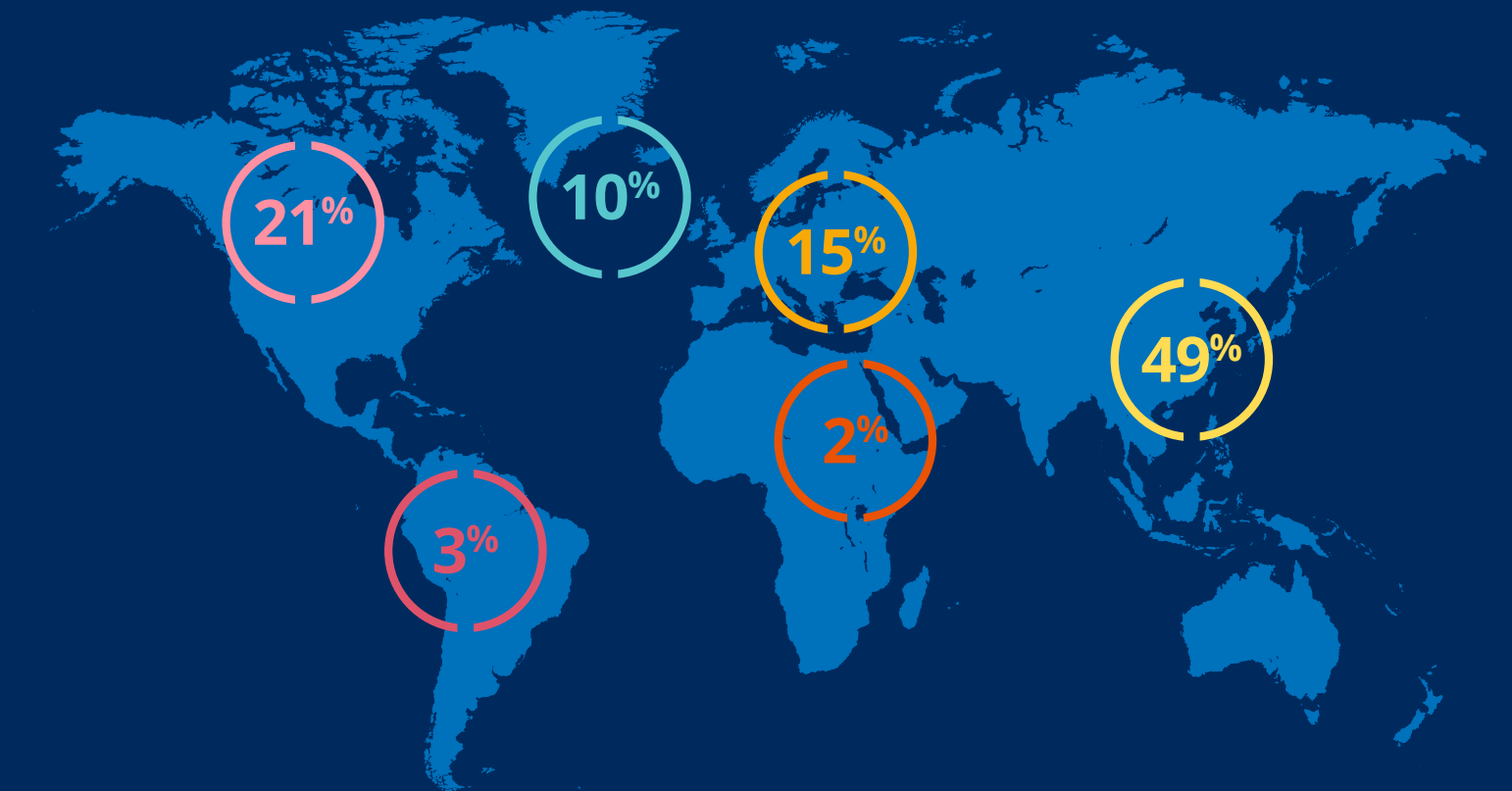
As a global investor, Schroders votes across all regions in which we invest.

It is our policy to vote on all resolutions at all shareholder meetings globally unless we are restricted from doing so (e.g. as a result of share blocking or where market practices make voting very onerous or expensive). We aim to take a consistent approach to voting globally, subject to regulatory restrictions that is in line with our published ESG policy. Resolutions proposed by boards vary by market but may include the election of directors, acceptance of reports and the allocation of income, approval of remuneration policies and reports, ratification of the appointment of external auditors and approval to issue and buyback shares. We will also vote on proposals submitted by shareholders.

Global voting

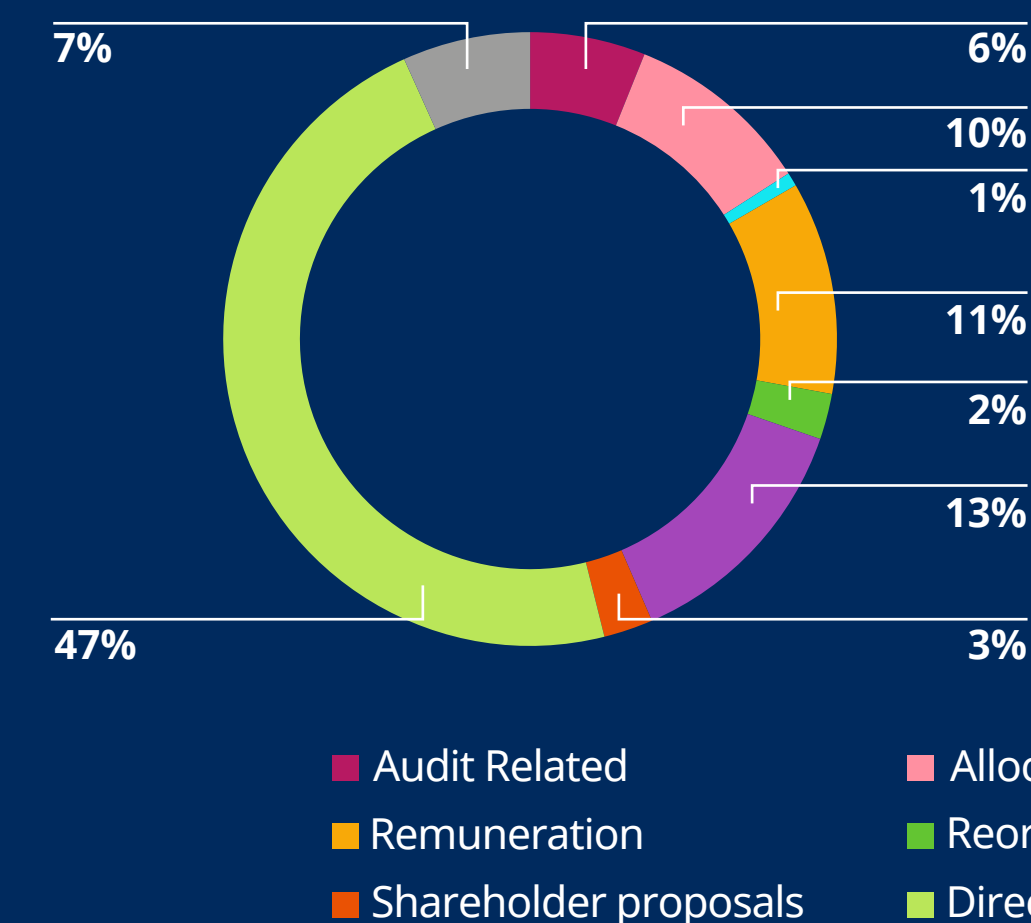
REGION

Asia Pacific	49%
Europe (ex-UK)	15%
Latin America	3%
Middle East and Africa	2%
North America	21%
UK	10%

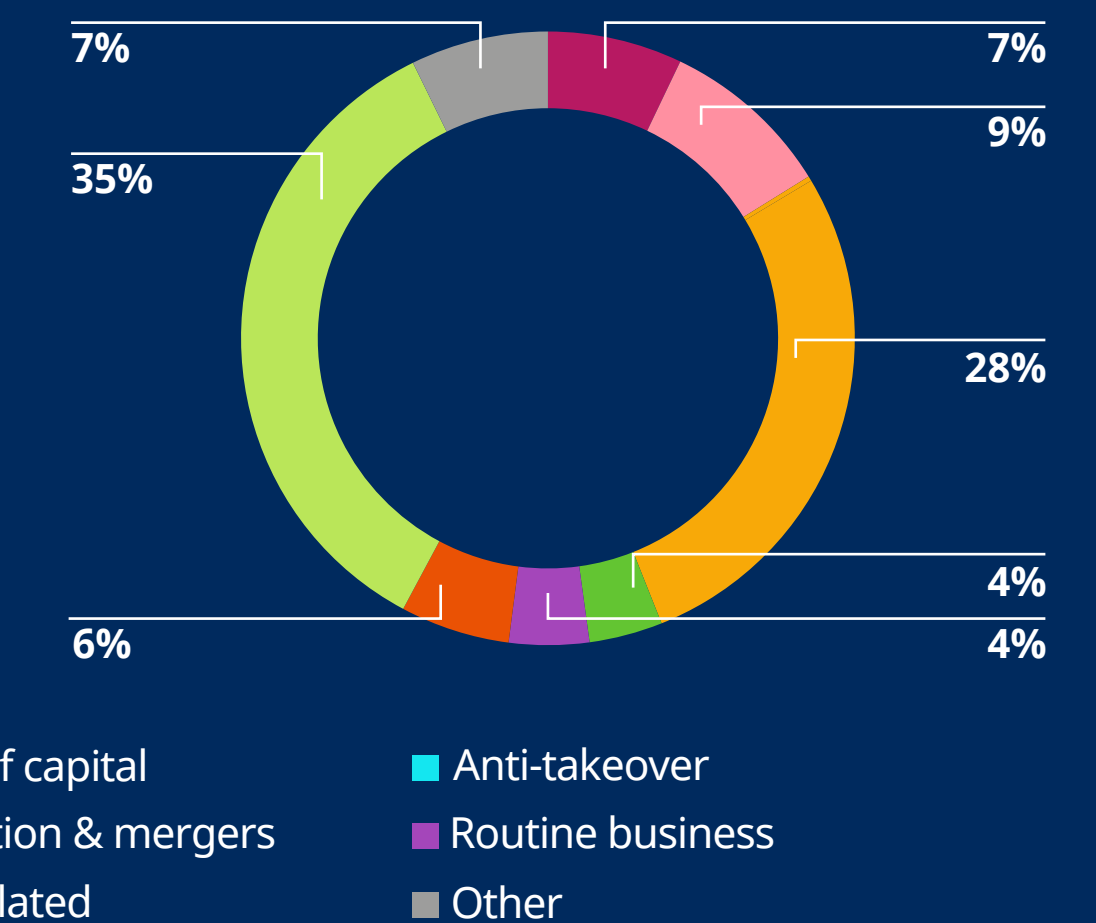


As long-term, active investors we prefer to support the board on the resolutions they put forward, but our pragmatic approach means that we will oppose board recommendations if we believe that it is in the best interests of our clients to do so. We outline the breakdown of our votes against the board in 2022 below.

Votes by category



Votes against the board's recommendations



Source: Schroders, as at 31 December 2022.

COLLABORATIVE ENGAGEMENT

We recognise there may be occasions when it is more effective to work with other institutional shareholders to influence company management and effect positive change.

We review collaborative engagements on a case-by-case basis to ensure that the objectives of such engagements are aligned with our ESG policy. Below we outline some of the key collaborative initiatives we have been involved in during 2022.

Climate change

As part of the Institutional Investors Group on Climate Change (IIGCC), we wrote to a North American bank to follow up to our discussion in 2021 on Net Zero expectations of banks. The bank has not made progress against the objectives we set or committed to a timeframe. The purpose of our letter was to remind the company of our request and to emphasise their urgency. Schroders has also engaged this bank a number of times on a one-to-one basis.

We also co-signed a letter coordinated by the IIGCC on climate lobbying. The letter was sent to all European CA100+ companies that do not yet publicly commit to undertake and publish a review of climate lobbying policies and activities. The letter asked companies to deliver on what investors have set out in the CA100+ benchmark and signals support for those companies looking to disclose further information on lobbying activities and trade association membership. Following letters, we had separate group calls with each of the companies, where we gathered more information about climate lobbying practices.

We joined a group of investors as part of the PRI sovereign engagement program. The aim of this program is that through engagement, global investors reduce their exposure to risks associated with a failure to rapidly transition to a net zero global economy.

Every year, the CDP leads a collaborative engagement with all companies who fail to respond to the request to complete their climate, forest, and/or water surveys. In 2022, we co-signed a letter asking companies that have consistently failed or declined to participate in previous CDP surveys to participate in the 2022 CDP questionnaires. 1,317 companies were contacted as part of this campaign – this included 99 of Schroder's holdings contacted with requests for climate-related disclosure. Companies that were contacted as part of the campaign were 2.3x more likely to disclose to the CDP.

As part of a multi-year FAIRR collaborative engagement on sustainable proteins, we met with the investor relations team to understand Conagra's progress to date on protein diversification, its long-term ambitions to diversify its product portfolio as part of its climate strategy, and whether the company is adopting demand-side as well as supply-side interventions to increase sales of plant-based products. This was part of a multi-year FAIRR collaborative engagement on sustainable proteins, where Conagra has been identified as a leader relative to its peers.

Human Rights

In 2022, we continued to engage as lead investor with a UK hospitality company as part of the 'Find It, Fix It, Prevent It' project. This is an investor led project to identify modern slavery risk in investee companies, improve governance and policies to mitigate the risk, and report on modern slavery in line with best practice. We also signed onto a new collaborative engagement led by CCLA. This engagement aimed to ask firms to address concerns of modern slavery in their UK agricultural supply chains. This was done by calling for retailers and firms in and directly sourcing from the UK agricultural supply chain to protect migrant seasonal workers from paying recruitment fees leaving them in danger of debt bondage.

We joined a collaborative investor call, coordinated by Interfaith Center on Corporate Responsibility (ICCR), with McDonalds on its beef and pork antibiotic policies. This followed a joint letter we sent to the board on the same topic.

We signed onto a collaborative letter with FAIRR, asking a number of questions to animal pharma companies about their policies around antimicrobial resistance and antibiotics.

We are part of the World Benchmarking Alliance (WBA) collaborative initiative on ethical AI, participating in engagements on the topic with Meta.

Natural Capital and Biodiversity

We participated in a collaborative engagement through WWF and the Emerging Market Investor Alliance on Deforestation. We are members of the World Wide Fund for Nature (WWF) and Emerging Market Investor Alliance Pilot on Deforestation, through which we have invited six companies to pilot WWF's new toolkit on deforestation risk assessments for financial institutions. We are involved in reviewing the output and suggesting improvements to WWF toolkit.

Human Capital Management

In 2022, we joined a call led by the Workforce Disclosure Initiative (WDI) with Vodafone to review their response to the WDI and its disclosure scores.

Corporate Governance

We supported the letter to be sent by the Investor Forum expressing its members' concerns about the performance of management at a large UK listed company, in particular its attempted acquisition of a target company at what we thought was too high a price, poor underlying performance and poor oversight by the board in allowing prolonged investor concerns to continue.

INDUSTRY INVOLVEMENT AND PUBLIC POLICY

We believe we have a particular role to play in sharing our expertise on different areas, supporting best practice but also learning from others. We outline a selection of our involvement in 2022 below.

We have a long-standing commitment to support and collaborate with several industry groups, organisations and initiatives to promote well-functioning financial markets. Our key stakeholders include exchanges, regulators, non-governmental organisations and international and regional trade associations.

Through our participation we share our insights to support the development of policy recommendations, share best practice and build coalitions of like-minded market participants to advocate for better functioning markets. We consider this to be key in improving responsible investment standards across sectors, establishing a consistent dialogue with companies, and in promoting the ongoing development and recognition of sustainability and ESG factors within the investment industry. The following are examples of initiatives that we actively supported or engaged with in 2022.

Committees or initiatives promoting responsible investment

Climate change

Climate Financial Risk Forum (CFRF)

In 2022 Schroders has been actively supporting the CFRF to draft new guidance publications due in early 2023. The CFRF aims to build capacity and share best practice across financial regulators and industry, to advance the financial sector's responses to the financial risks from climate change.

Schroders participates in the data, disclosure and metrics working group as well as the scenario analysis working group.

Science Based Targets initiative (SBTi)

SBTi drives climate action in the private sector by enabling companies to set science-based emissions reduction targets. Our science-based targets (covering our operational and investment-associated emissions) were validated by the SBTi in February 2022.

We also responded to the consultation on the Foundations of Net-Zero for Financial Institutions Draft in 2022. SBTi are expected to launch the final Financial Net Zero Standard in Q1 2023.

CDP

As a signatory of CDP, we have access to its extensive research and database on climate change, water and forestry. We achieved an 'A' for our 2022 climate change questionnaire (for year end 2021), the only UK headquartered financial services company and in the top 2% of all companies scored globally.

Natural capital and biodiversity

Task Force on Nature-related Financial Disclosures (TNFD)

The TNFD is developing a risk management and disclosure framework for organisations to report and act on evolving nature-related risks, which aims to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes. We are a member of the TNFD Forum, a global multi-disciplinary consultative group of institutional supporters.

In 2022, we were actively involved with a TNFD-supported pilot on Palm Oil led by Global Canopy in Singapore through participation in workshops, reviewing proposals and sharing lessons learnt. The main aim of the pilot was to gather early insights into current practices used in the assessment, measurement and disclosure of nature-related risks and opportunities related to palm oil, as well as common barriers and challenges experienced during the process.

Finance for Biodiversity Pledge

In 2022, we signed the Finance for Biodiversity Pledge. By doing so, signatories commit to protecting and restoring biodiversity through their finance activities and investments by:

- Collaborating and sharing knowledge
- Engaging with companies
- Assessing impact
- Setting targets
- Reporting publicly on the above before 2025

We joined the Finance for Biodiversity delegation at COP-15, with 75 financial services representatives to call for an ambitious post-2020 global biodiversity framework. We joined two campaigns advocating for mandatory disclosures on nature and we're pleased that the final agreement included commitments to align public and private financial flows with the framework and ensure that companies disclose their risks, dependencies and impacts on biodiversity.



Make it Mandatory – Business for Nature

We supported a call to action to Heads of State at COP15 to make article 15 mandatory: “At COP15 in Montreal, we call on you to adopt, in Target 15, mandatory requirements for large and transnational businesses and financial institutions to assess and disclose their impacts and dependencies on biodiversity, by 2030.”

‘Moving together on nature’ : Statement from the private financial sector to the conference of the parties to the convention on biological diversity - COP 15

150 financial institutions, representing over \$24tn in assets under management, have called on world leaders to adopt an ambitious post-2020 Global Biodiversity Framework at the UN Biodiversity Conference COP15.

Human Rights

PRI Advance

Schroders are a lead investor endorsing the UN PRI’s Advance initiative. Advance is a stewardship initiative where institutional investors work together to take action on human rights and social issues. Investors use their collective influence with companies and other decision makers to drive positive outcomes for workers, communities and society.

As a lead investor, we have committed to leading on engagements with two companies and supporting engagements at another three companies. We have also committed to respecting human rights in our group human rights statement and outlining our due diligence approach in our Modern Slavery Statement.

Investor Alliance for Human Rights

Schroders is a member of the Investor Alliance for Human Rights which is a collective action platform for responsible investment that is grounded in respect for people’s fundamental rights. We are part of the digital rights collaborative engagement group and support engagements with companies as part of this programme.

Human Capital Management

Oxford Rethinking Performance Initiative

We are members of the [Oxford Rethinking Performance Initiative](#). This is a group of stakeholders from both investment and corporate worlds, led by Said Oxford Business School focused on developing ideas to measure the operationalisation and value of purpose. Specifically, we have engaged with the Initiative and academics from Oxford on the subject of valuing human capital. We are also working with the group on a variety of impact related workstreams.

Other

Operating Principles for Impact Management (Impact Principles)²⁴

Schroders signed up to the Impact Principles in 2022. Becoming a signatory reflects the ambition of Schroders to become a leader in Sustainability and Impact.

As a signatory to the Impact Principles Schroders commits for part of its assets²⁵ to disclose on yearly basis how these are aligned to the Impact Principles and, at regular intervals, to arrange for an external independent verification of this alignment.

UN Global Compact (UNGC)

As a signatory to the UNGC we support and integrate its ten principles covering four areas – human rights, labour, environment and anti-corruption – into our business strategy. In 2022 we became an Early Adopter of the UNGC’s Communication on Progress as part of our commitment to transparently disclose our implementation of the Ten Principles and contribution to the Sustainable Development Goals.

Investor Forum

In 2022, we were involved in several of the Investor Forum’s collaborative initiatives. We outline them below:

- Working group on Investing in the Defence Industry. The working group’s aim was to set out the process by which investors can establish a ‘values-aligned’ investable universe within the Defence Sector, with practical guidance on how to formulate a robust and transparency Defence Investment Policy.
- We fed into the development of a modern slavery toolkit for investors.
- We provided feedback to the Home Office on possible changes to S54 of the 2015 Modern Slavery Act in relation to extending coverage to include financial portfolios.
- We participated in the Investor Forum’s Development Programme for diverse employees in the asset management industry.

24. The entity proposed is Schroders plc. to cover public, private assets and wealth management.

25. The AUM of Impact Driven Product range is considered ‘covered assets’

Biopharma

We signed the investor statement for the Biopharma Investor ESG Communications Initiative that aims to help biopharma companies and investors achieve more effective, efficient, and decision-useful communications about the sector’s most important ESG topics.

Regional Initiatives

UK

Investment Association (IA)

With representatives on both the Stewardship and Remuneration committees, we contributed to the updating of its remuneration principles and shareholder priorities for 2023.

EU

EU sustainable finance stakeholder group

Schroders is also part of a group of EU stakeholders with different backgrounds, but a common interest in sustainable finance. In 2022, the group issued a joint statement supporting the European Commission’s initiative to improve the regulatory framework on corporate reporting(view [here](#)).

APAC

Asian Corporate Governance Association (ACGA)

We are members of the ACGA, an independent, non-profit membership organisation dedicated to working with investors, companies and regulators in the implementation of effective corporate governance practices throughout Asia. We joined several group investor calls with companies in South Korea with concerning governance practises; as well as co-signing a letter to the Tokyo Stock Exchange on gender diversity expectations.

Asia Securities Industry and Financial Markets Association (ASIFMA)

ASIFMA is an independent, regional trade association which aims to promote the development of liquid, deep and broad capital markets in Asia, which is fundamental to the region's economic growth.

Schroders is part of two ESG ASIFMA workstreams that discuss items directly affecting financial institutions and those affecting underlying investee companies and assets. Schroders regularly contributes to Asia-Pacific industry and regulatory consultations through ASIFMA. Schroders is also part of the newly formed AAMG ESG Committee, responsible for defining the priorities and strategy for ESG matters and issues affecting or impacting member firms operating in the Asia region.

Singapore Green Finance Centre (SGFC)

Schroders is a founding partner of the SGFC, a collaboration between Imperial College London and Singapore Management University, and supported by the Monetary Authority of Singapore. The centre conducts multidisciplinary research and talent development opportunities in the area of Sustainability, Climate and Green Finance to support and transform businesses in Singapore and the Asian region.

In 2022, Schroders has continued to steer the direction of research and initiatives of the SGFC through our position on the advisory board. The SGFC has provided pioneering research on areas such as impact measurement and carbon markets, while producing education programmes to build talent in areas such as climate change management.

Investment Management Association of Singapore (IMAS)

IMAS represents professionals from more than 150 investment management firms in Singapore, actively enhancing the standards of professionalism amongst practitioners, advocating industry concerns, working closely with government agencies and regulators to formulate policies and strategies, including in sustainable finance.

In 2022, Schroders represented IMAS in the steering committee of Singapore's Green Finance Industry Taskforce. The taskforce, convened by the Monetary Authority of Singapore (MAS), has a mandate to accelerate green finance in Singapore through improving disclosures and fostering green solutions.

Institute of Banking and Finance (IBF), Singapore

IBF works with senior practitioners from the financial industry to identify required core competencies and skills, and encourage the adoption of the IBF Standards as a benchmark in the training and development of finance professionals.

Schroders contributes to working group discussions and has helped shape the curriculum and proficiencies of the Sustainable Finance Technical Skills and Competencies (TSCs). The Sustainable Finance TSCs include thematic topics such as climate change management, natural capital management, carbon markets and decarbonisation strategies management and taxonomies application, which will equip an individual with a broad understanding of sustainability issues. The TSCs also cover functional knowledge such as sustainability investment management, sustainability risk management, sustainable insurance and re-insurance solutions and applications that are tailored for different financial sector roles.

US

Council of Institutional Investors (US)

In addition to joining the leading US asset owner organisation as an associate member we were invited to host a panel discussion on executive remuneration to compare and contrast the issues with executive remuneration in the US and the UK and provide some suggestions for better stewardship. We will also host a panel discussion on good labour practices at the Spring 2023 conference.

DCIIA (Defined Contribution Institutional Investment Association)

Schroders is a member of DCIIA and also part of the ESG Subcommittee Leadership. We were invited to speak on several panels at their 2022 Innovation Forum and also co-authored a thought piece for their resource webpage on the topic of ESG data and research in DC plans.

IEN (Intentional Endowments Network)

Schroders is a member of IEN and also sits on their Experts Panel. In 2022 we were invited to speak at a virtual conference with their University members and to moderate an in-person panel they hosted during Climate Week NYC, as well as to present to their full membership on the topic of the finalized DOL rule regarding ESG investments in DC plans.

HCMC (Human Capital Management Coalition)

Schroders is a member of the HCMC and also leads the "Research/data" strike team/ subcommittee to collect relevant data and research to support HCMC messaging regarding the value of human capital information in the investment, engagement, and proxy voting processes and the financial consequences of not having access to this data.



Public Policy: Consultations and shaping best practices

We believe that working with peers and policymakers on sustainability and ESG issues is an important activity. As part of our wider public policy engagement, we continued educating and advising our clients on developments in the sustainability agenda throughout 2022. Moreover, we regularly respond to public consultations both as a firm and working with investor groups. Below we outline Schroders direct contribution to public policy developments in 2022. Additionally, we contributed to responses submitted by industry bodies such as the Investment Association (IA) and the European Fund and Asset Management Association (EFAMA), and outlined our positions in engagement meetings with policy makers and regulators around the world.

Below we outline Schroders contribution to public policy developments in 2021, both directly and through contributing to responses submitted by industry bodies such as the IA and the EFAMA.

US

In 2022, we responded to the SEC's consultation on ESG fund disclosures. Our response supported disclosures to improve clarity and transparency for clients, without prescribing or defining strict categories and labels in a rapidly evolving market. However, we cautioned the Commission on a number of points, such as 1) overemphasizing specific metrics like GHG emissions, 2) including engagement and voting as a distinct product category, and 3) encouraging an overreliance on third-party ratings (which are not subject to regulation or broad oversight) to determine fund categorization.

APAC

- Australia Treasury consultation on climate-related financial disclosure
- Green Finance Industry Taskforce (GFIT) consultation on second version of its Green and Transition Taxonomy
- MAS Survey on the Use of ESG Ratings by Asset Managers
- MAS Consultation on Retail ESG Fund Disclosures
- Taiwan FSC ESG Fund Disclosures

EU, UK & INTERNATIONAL

- ① FCA consultation on Sustainability Disclosure Requirements (SDR) and investment labels (DP 21/4)
- ② European Commission's Public consultation on strengthening the quality of corporate reporting and its enforcement
- ③ ESMA Call for evidence on Market Characteristics for ESG Rating Providers in the EU
- ④ ESMA Consultation on Guidelines on certain aspects of the MiFID II suitability requirements
- ⑤ European Commission's Targeted consultation on the functioning of the ESG ratings market in the European Union and on the consideration of ESG factors in credit ratings

- ⑥ Consultation by the Transition Plan Taskforce (TPT): a sector-neutral framework for private sector transition plans
- ⑦ Consultation by the ISSB on General Requirements for Disclosure of Sustainability-related Financial Information (Exposure Draft ED/2022/S1)
- ⑧ ESMA's Call for Evidence on the Implementation of SRD2 provisions on proxy advisors and the investment chain

All Schroders responses are available on request.

COMPLIANCE WITH UN PRI

UN PRI principle	How we comply	Where to find evidence
1. We will incorporate ESG issues into investment analysis and decision-making processes	<ul style="list-style-type: none"> – Full ESG integration²⁶ – Integration assessed & monitored using accreditation framework – Dedicated firm-wide ESG policy – Dedicated Sustainable Investment team – Investment champions to support firm-wide integration efforts – Long-standing ESG training programme for financial analysts and portfolio managers – Proprietary investment-driven ESG analysis tools for our investors – All ESG research shared on our proprietary global research platform 	<p>p. 19-20</p> <p>https://www.schroders.com/en/sysglobalassets/global-assets/english/campaign/sustainability/integrity-documents/schroders-esg-policy.pdf</p> <p>https://www.schroders.com/en/strategic-capabilities/sustainability/disclosures/</p>
2. We will be active owners and incorporate ESG issues into our ownership policies and practices	<ul style="list-style-type: none"> – Engaging with companies and actively voting at AGMs for several decades – Dedicated active ownership policy – Global voting strategy, aiming to vote on all resolutions in line with firm-wide ESG policy and best interests of clients – Dedicated corporate governance team to analyse and vote on resolutions globally – External engagements conducted by ESG & financial analysts, both bilaterally and collaboratively – Digital infrastructure to effectively record engagements and monitor progress – Defined top-down thematic engagement priorities, published in our Engagement Blueprint 	<p>p. 27-32, 47-49</p> <p>https://www.schroders.com/en/sustainability/active-ownership/voting/</p> <p>https://www.schroders.com/en/sysglobalassets/global-assets/english/campaign/sustainability/integrity-documents/schroders-esg-policy.pdf</p> <p>https://www.schroders.com/en/about-us/active-ownership/sustainability-analysis-in-practice/</p> <p>https://www.schroders.com/en/about-us/active-ownership/sustainability-analysis-in-practice/</p> <p>https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf</p>
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest	<ul style="list-style-type: none"> – Active engagement with companies to encourage greater transparency – Participation in collaborative disclosure initiatives to improve disclosure standards such as CDP 	<p>p. 27-32, 47-49</p> <p>p. 50-54</p>

26. For certain businesses acquired more recently we have not yet accredited the integration of ESG factors into investment decision making. A small portion of our business for which the integration of ESG factors is not practicable or possible, for example, our legacy businesses or investments in the process of being liquidated, and certain joint venture businesses are excluded.

UN PRI principle	How we comply	Where to find evidence
4. We will promote acceptance and implementation of the principles within the investment industry	<ul style="list-style-type: none"> – Members, leaders and participants of various forums and networks – Collaboration with other investors to promote and develop responsible investment principles and practices, including the PRI, Institutional Investors Group on Climate Change (IIGCC) and Asian Corporate Governance Association. – Sponsorship and support of responsible investment initiatives, including hosting conferences, seminars and workshops – Submissions to regulators, trade associations, legislators and other bodies – Working with clients who are considering becoming members of the PRI to help them understand the benefits and practicalities of membership – Publicising responsible investment events to clients and encouraging attendance – Trustee training and ongoing client education on responsible investment and ESG trends 	<p>p. 50-54</p> <p>https://www.schroders.com/en/about-us/active-ownership/industry-involvement/</p> <p>p. 54</p>
5. We will work together to enhance our effectiveness in implementing the principles	<ul style="list-style-type: none"> – Collaboration with other investors, sharing information and exchanging our views – Active participation in industry networks such as the PRI, CDP, Finance for Biodiversity Pledge and Oxford Rethinking Performance Initiative – Responding to industry & public policy consultations directly and via group initiatives such as the IA and EFAMA 	<p>p. 50-54</p> <p>p. 54</p>
6. We will each report on our activities and progress towards implementing the principles	<ul style="list-style-type: none"> – Integration case studies reported across asset classes at least annually – Engagement & voting case studies and progress reported at least quarterly – Regular research and insight papers on ESG and responsible investing published – Best practice case studies included in reports and publications – Sustainability measures are now incorporated into fund level reporting for sustainable funds 	<p>p. 19-20</p> <p>p. 30-31. https://www.schroders.com/en/investor-relations/results-and-reports/reporting-centre/</p>

SUSTAINABILITY AT SCHRODERS: GOVERNANCE, RESOURCES AND EXPERTISE

Resources and expertise

Sustainability is fundamental to our investment principles at Schroders and we have an experienced and well-resourced Sustainable Investment team, who are embedded within our Investment function. As at December 2022 the team comprises over 50 dedicated ESG professionals. We are a global team, spread across four regional hubs in London, Paris, Singapore and New York, aiming to ensure that sustainability is embedded through our global investment teams and client functions.

The team is led by Andrew Howard, Global Head of Sustainable Investment who is also a member of our Group Management Committee. As team head, he oversees our approach to ESG integration, active ownership, our sustainability research and tools, and our reporting and product strategy.

Our Sustainable Investment team sits alongside investment teams rather than operating in a silo, which facilitates regular dialogue with our analysts and portfolio managers. It is organised into three pillars: 1) Sustainable Investment Management, incorporating integration, thematic research and models and data, 2) Active Ownership, encompassing engagement and voting and 3) Product, which entails our client, product and solutions activities. At the end of the year we added an Impact Team, working under the umbrella of the broader Sustainable Investment Team. We also have regional sustainability specialists in Europe, Asia and North America, who work closely with our regional investment desks and clients globally.

We also have a Corporate Sustainability team that oversees the Group's corporate sustainability strategy and activities across our own operations. This is supported by specialists embedded within the business, for example in our Workplace Services and Procurement teams.

Accountability and internal governance

We have clear and effective governance structures in place for decision-making and oversight of our sustainability strategy. The Board of Schroders plc (the Board) has collective responsibility for the management, direction and performance of the Group, and is accountable for our business strategy.

The Group has a well-defined governance framework based on delegated authority. The Board has reserved certain matters to itself and has also delegated specific responsibilities to Board Committees, notably the Nominations Committee, the Audit and Risk Committee and the Remuneration Committee and to the Group Chief Executive. The Group Chief Executive is responsible for proposing the strategy for the Group and for its execution.

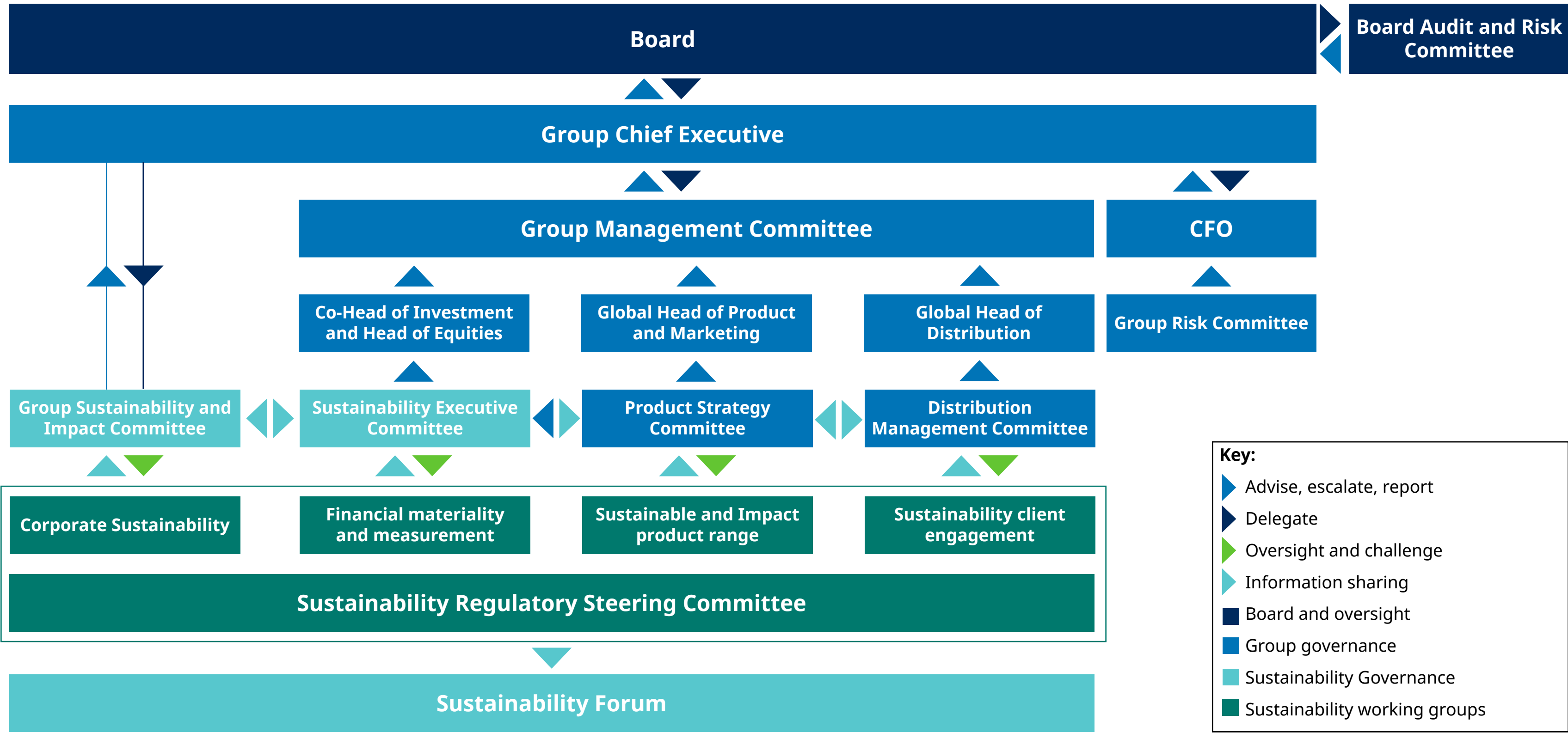
The **Group Sustainability and Impact (GSI) Committee** provides advice to the Group Chief Executive on sustainability and impact topics. The Committee considers, reviews and recommends the overall global sustainability and impact strategy, including key initiatives, new commitments and policies to the Group Chief Executive for approval. The Global Head of Corporate Sustainability and Global Head of Sustainable Investment are members of the Committee and report annually to the GMC and the Board.



The **Sustainability Executive Committee (ExCo)** develops and oversees the delivery of our Group level investment management sustainability strategy. Collectively the ExCo aims to achieve the objectives set by the Board and the Group Chief Executive. The ExCo also advises on the development of sustainability strategy. The ExCo has senior representation from across the business including Investment, Sustainable Investment, Distribution, Product and Corporate Sustainability in order to define the Group's overall proposition. ExCo members work with their respective business working groups to execute their part of the strategy, with key stakeholders attending as guests when relevant for focused topics. Any updates to our investment ESG policies are presented to the ExCo, whose members are also responsible for adherence to the policies.

The **Sustainability Regulatory Steering Committee (Sustainability Reg SteerCo)** monitors emergent sustainability regulations and determines their high-level impact on our sustainability strategy and supporting operations. The Sustainability Reg SteerCo receives input on forthcoming climate-related regulation from our in-house Public Policy team, which actively engages with relevant regulators, industry trade associations and other climate initiative bodies, in addition to our in-house ongoing monitoring of the regulatory horizon, including climate regulations.

Sustainability Governance Structure 2022



Source: Schroders, December 2022.

SUSTAINABILITY REPORTING

As a global investment manager, we have an important part to play in shaping the future for all our stakeholders. We are committed to delivering sustainable value for our clients, and our focus on doing the right thing for them, our people, and wider society is at the heart of our culture. Below we outline our corporate and investment sustainability reports, statements and policies.

Reports

- [Climate Report 2022 \(TCFD\)](#): outlines how we incorporate climate-related risks and opportunities into governance, strategy, risk management and metrics and targets
- [Corporate Sustainability Summary Report 2021](#): gives an overview of our corporate sustainability strategy and our commitments, achievements and highlights from 2021
- [Climate Transition Action Plan 2021](#): outlines the actions we will take in order to achieve our goal of net zero by 2050 or sooner
- [Modern Slavery Statement 2021](#): articulates our commitment to tackling modern slavery in our business and through our investments
- [Engagement Blueprint](#): lays out our approach to engagement and the actions we expect from the companies in which we invest, across six themes
- [UN Global Compact \(UNGC\) Communication on Progress](#) submission: our approach to integrating the ten UNGC principles into our strategy, which relate to the four key areas of human rights, labour, environment and anti-corruption
- [Workforce Diversity and Gender Pay Gap Report 2021](#): outlines our commitment to creating an inclusive culture at Schroders
- [Plan for Nature](#): outlines our whole-business approach to managing nature-related impacts and exposures, from research and analysis and engaging with companies, to developing nature-based investment solutions. It also covers our own operations and partnering with others to achieve this shared ambition.
- [Schroders Capital Sustainability and Impact Report](#): presents a comprehensive overview of how our activities in private markets have performed in terms of delivering long-term sustainability characteristics and impact.

Statements

- [Group Climate Change Position Statement](#): sets out our position in relation to the environmental management of our operations
- [Group Human Rights Position Statement](#): sets our position in relation to the respect of human rights and the remedy of any infringements in relation to its employees, supply chain, clients and investments
- [Group Nature and Biodiversity Position Statement](#): sets out our position on nature and biodiversity
- Our [Supplier Code of Conduct](#) outlines the standards and behaviours we expect from suppliers. Suppliers must be able to demonstrate compliance with this Code

Policies

- [Environmental, Social and Governance Policy for Listed Assets](#): outlines our principles and practices regarding sustainable investing in Schroders' Asset Management processes and strategies
- Group Whistleblowing Policy (available on request) sets out the internal procedure for reporting and investigating concerns without fear of reprisals or detrimental treatment
- Equal Opportunities, Bullying, Harassment, Respect and Dignity at Work Policy (internal): outlines our approach relating to equal opportunities, bullying, harassment, respect and dignity in the workplace
- Inclusion and Diversity Policy (internal): supports and is aligned with our Equal Opportunities Policy and a range of other policies we have implemented to create an inclusive environment for everyone at Schroders



COMPANIES ENGAGED IN 2022

Company	E	S	G
Academic & Educational Services			
Advtech			✓
ButOne Information Corporation XiAn			✓
China East Education Holdings			✓
China Education Group Holdings			✓
Koolearn Technology Holding			✓
New Oriental Education & Technology Group			✓
Sino Tactful Co			✓
Tekom Technologies			✓
Tianli International Holdings			✓
YDUQS Participacoes	✓		
Basic Materials			
ACC			✓
Accsys Technologies			✓
Adbri	✓		
AECI			✓
African Rainbow Minerals			✓
Agnico Eagle Mines			✓
Air Products and Chemicals	✓		✓
Air Water	✓		
Akzo Nobel			✓
Alamos Gold			✓
Albemarle Corp			✓
Alcoa Corp	✓		
Allied Gold Mining	✓		
Allied Industrial Corp			✓
Alpha Metallurgical Resources	✓		✓
Alro			✓
Altri			✓
Alumetal			✓
Aluminum Corporation of China			✓
Amtcor			✓
AMG Advanced Metallurgical Group			✓
Anglo American	✓		✓
Anglo American Platinum			✓
AngloGold Ashanti	✓		✓
Anglogold Ashanti Holdings	✓		
Anhui Conch Cement Co	✓		✓
Anhui Liuguo Chemical Co			✓
Antofagasta	✓		✓
Aperam	✓		✓
Aptargroup			✓
ArcelorMittal	✓		✓
Arctic Paper			✓

Company	E	S	G
Ardagh Packaging Finance	✓		✓
Arkema			✓
Ashland	✓		
Asian Paints			✓
Aurubis			✓
Avery Dennison Corp			✓
Avia Avian			✓
AVIC Heavy Machinery Co			✓
Ball Corp			✓
Baoshan Iron & Steel Co			✓
Barrick Gold Corp	✓	✓	✓
BASF	✓		✓
BBMG Corp			✓
Berry Global	✓		
BHP Group	✓		✓
BHP Group (UK)		✓	✓
Billerud AB	✓		
BlueScope Steel	✓	✓	
Boliden			✓
Borregaard			✓
Bowim			✓
Brambles	✓		
Braskem	✓		
Bumech			✓
Cangzhou Dahua Co			✓
CCL Industries			✓
Celanese Corp			✓
Cemex	✓		
Centamin	✓		✓
CF Industries Holdings			✓
Chain Chon Industrial Co			✓
Chengtun Mining Group Co			✓
China BlueChemical			✓
China Gold International Resources Corp			✓
China Hongqiao Group	✓	✓	✓
China National Building Material Co	✓		✓
China Northern Rare Earth Group High-Tech Co			✓
China Oriental Group Co			✓
China Resources Cement Holdings	✓		✓
China Steel Corp	✓		
Chongqing Zaisheng Technology Co			✓
CNSIG Inner Mongolia Chemical Industry Co			✓
Coeur Mining			✓
Cognor Holding			✓

Company	E	S	G
Companhia Siderurgica Nacional	✓		✓
Constellium	✓		
Corbion			✓
Corporacion Moctezuma			✓
Corticeira Amorim			✓
Covestro	✓		✓
CRH	✓		✓
Croda International			✓
Crown Holdings			✓
Daily Polymer Corp			✓
Dongyue Group			✓
Dow Chemical Co	✓		✓
DRDGOLD			✓
Drozapol Profil			✓
DS Smith	✓		✓
Eagle Materials	✓		
Eastman Chemical Co			✓
Ecolab			✓
Ecora Resources	✓		
Egypt Kuwait Holding Co	✓		✓
Ejectt			✓
Elementis			✓
Empresas CMPC			✓
Endeavour Mining	✓		✓
Eramet			✓
Eregli Demir ve Celik Fabrikalari	✓		✓
ERG	✓		✓
Essentra			✓
Evonik Industries			✓
Fabryka Farb i Lakierow Sniezka			✓
Famur			✓
Ferrexpo	✓		✓
Ferrum			✓
First Quantum Minerals	✓		✓
FMC Corp			✓
Formosa Plastics Corp	✓		
Fortescue Metals Group	✓		✓
Franco-Nevada Corp			✓
Freeport-McMoRan	✓		✓
Fresnillo			✓
Fuchs Petrolub			✓
Fujian Tsingshan Paper Co			✓
Fujimori Kogyo Co	✓		✓
Ganfeng Lithium Group Co			✓
Gerdau	✓		

Company	E	S	G
Givaudan			✓
Glencore	✓		✓
Gold Fields		✓	✓
Grange Resources			✓
Graphic Packaging International	✓		
Grasim Industries			✓
Green River Holding Co			✓
Grupa Azoty Zaklady Chemiczne Police			✓
Grupa Kety			✓
Grupo Mexico		✓	✓
Guangdong Hec Technology Holding Co			✓
H&R			✓
Harmony Gold Mining Company			✓
HeidelbergCement	✓		✓
Hengli Petrochemical Co	✓		✓
Henkel	✓	✓	✓
Hill & Smith			✓
Hindalco Industries	✓		✓
Hochschild Mining			✓
Holcim	✓		✓
Holland Colours			✓
Holmen	✓		✓
Huabao International Holdings			✓
Hudbay Minerals	✓		
Huikwang Corp			✓
Hyundai Steel Co	✓		
IAMGOLD Corp			✓
Ibstock			✓
Iluka Resources	✓		
Image Resources			✓
IMCD			✓
Imerys			✓
Impala Platinum Holdings			✓
Inabata & Co	✓		
Incitec Pivot	✓		
Indah Kiat Pulp & Paper	✓		
Inner Mongolia BaoTou Steel Union Co			✓
Inner Mongolia ERDOS Resources Co			✓
International Carbide Technology Co			✓
International Paper Co	✓		✓
Izostal			✓
Jacquet Metals			✓
James Hardie Industries	✓		
Jetbest Corp			✓
JFE Holdings	✓		

Company	E	S	G
Jiangsu Yangnong Chemical Co			✓
Jiangxi Copper Co			✓
Jinchuan Group International Resources Co			✓
Johnson Matthey	✓		✓
JSR Corp	✓		
JSW Steel	✓		✓
K&S			✓
Kaneka Corp	✓		
KGHM Polska Miedz	✓		
Kingfa Sci&Tech Co			✓
Kinross Gold Corp	✓		✓
Kirkland Lake Gold			✓
Klabin	✓		
Kloeckner & Co			✓
Kobe Steel	✓		
Korea Zinc	✓		
Korporacja KGL			✓
Koszalinskie Przedsiębiorstwo Przemyslu Drzewnego			✓
Kureha Corp	✓		
L'Air Liquide Societe Anonyme pour l'Etude et l'Exploitation des Procedes Georges Claude	✓		✓
Lanxess			✓
LB Group Co	✓		
Lenzing	✓		✓
LG Chem	✓	✓	
Linde			✓
Lotte Chemical Corp	✓		
Louisiana-Pacific Corp	✓		
Lundin Mining Corp			✓
LyondellBasell Industries	✓		✓
Marshall's			✓
Martin Marietta Materials	✓		✓
Mitsubishi Chemical Group Corp	✓		
Mitsubishi Gas Chemical Co	✓		
Mitsui Chemicals	✓		
MMG			✓
Mondi	✓		✓
Mosaic Co	✓		✓
Nanjing Iron & Steel Co			✓
Nanofilm Technologies International	✓		
Nantong Jiangshan Agrochemical & Chemicals Co			✓
Navigator Company			✓
Newcrest Mining	✓		

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Nexa Resources	✓		
Nickel Industries			✓
Nine Dragons Paper (Holdings)			✓
Ningbo Fubang Jingye Group Co			✓
Ningxia Building Materials Group Co			✓
Nippon Soda Co	✓		
Nippon Steel Corp	✓		
NOF Corp	✓		
Norsk Hydro			✓
Northam Platinum Holdings			✓
Novelis Corp	✓		
Novozymes			✓
Nucor Corp	✓		✓
OCI			✓
Odlewnie Polskie			✓
Oji Holdings Corp	✓		
Omnia Holdings			✓
Outokumpu Oyj	✓		✓
Packaging Corp of America			✓
Pan African Resources			✓
Pan Asia Chemical Co			✓
PCC Rokita			✓
Pontex Polyblend Co			✓
Posco Holdings	✓		
PPC			✓
PPG Industries			✓
Przedsiębiorstwo Produkcyjno Handlowe Kompap			✓
PTT Global Chemical	✓	✓	
Ramada Investimentos e Industria			✓
REC Silicon			✓
Recticel	✓		✓
Resolute Mining			✓
RHI Magnesita	✓		✓
Rightway Holdings Co			✓
Rio Tinto	✓	✓	✓
Royal Bafokeng Platinum			✓
Royal Gold			✓
Salzgitter			✓
Sany Heavy Equipment International Holdings Company			✓
Sappi	✓		✓
Sasol	✓		✓
Saudi Basic Industries Corporation	✓		
Saudi Industrial Investment Group			✓

Company	E	S	G
Schnitzer Steel Industries			✓
Schoeller Packaging			✓
Sealed Air Corp			✓
Selena FM			✓
Semapa Sociedade de Investimento e Gestao			✓
Semen Indonesia	✓		
SGL Carbon			✓
Shan Dong Lubei Chemical Co			✓
Shandong Gold Mining Co	✓		✓
Shandong Hualu-Hengsheng Chemical Co			✓
Shandong Jinjing Science & Technology Stock Co			✓
Shandong Nanshan Aluminium Co			✓
Shanghai Zijiang Enterprise Group Co			✓
Shanying International Holdings Co			✓
Shenghe Resources Holding Co			✓
Sherwin-Williams Co			✓
Shougang Fushan Resources Group			✓
Shree Cement			✓
Sibanye Stillwater	✓		✓
SIG Group			✓
Sika			✓
Silgan Holdings			✓
Sino-Platinum Metals Co			✓
Smurfit Kappa Group	✓		✓
Sociedad Quimica y Minera de Chile			✓
Solar Applied Materials Technology Corp			✓
Solvay	✓		✓
Song Ho Industrial Co			✓
Sonoco Products Co			✓
South32	✓	✓	✓
SSAB	✓		✓
St Barbara	✓		
Stalprodukt			✓
Stalprofil			✓
Steel Dynamics	✓		✓
Stora Enso Oyj	✓		✓
Sunresin New Materials Co	✓		
Superior Plating Technology Co			✓
Suway SA w Pabianicach			✓
Suzano			✓
Svenska Cellulosa			✓
Symrise			✓
Synthomer	✓		✓

Company	E	S	G
Taiwan Wax Co			✓
Tang Eng Iron Works Co			✓
Tata Steel	✓		
Teck Resources			✓
Ternium	✓		✓
Tessenderlo Group			✓
Tharisa			✓
thyssenkrupp	✓		✓
Tianneng Power International			✓
Tosoh Corp	✓		
Tronox Holdings	✓		
UBE Corp	✓		
UltraTech Cement	✓		✓
Umicore	✓		✓
Unic Technology Corp			✓
United Alloy-Tech Co			✓
Univacco Technology			✓
Univar Solutions			✓
UPL			✓
UPM-Kymmene Oyj	✓		✓
Vale	✓	✓	
Vedanta Resources	✓		
Verallia	✓		✓
Victrex			✓
Voestalpine	✓		
Vulcan Materials Co	✓		✓
Wacker Chemie	✓		✓
Wanhua Chemical Group Co	✓		✓
West Fraser Timber Co	✓		
Westlake Corp	✓		✓
Westrock Co			✓
Wheaton Precious Metals Corp			✓
Xiamen Tungsten Co			✓
Yara International	✓		✓
Yeou Yih Steel Co			✓
Yibin Paper Industry Co			✓
Yong Shun Chemical Co			✓
Yunnan Coal & Energy Co			✓
Yunnan Energy New Material Co	✓		✓
Zaklady Magnezytowe Ropczyce			✓
Zhe Jiang Jian Feng Group Co			✓
Zhejiang Juhua Co			✓
Zhejiang Longsheng Group Co			✓
Zhongjin Gold Corp			✓
Zijin Mining Group Co	✓	✓	✓

Company	E	S	G
Zotefoams			✓
Consumer Cyclicals			
4imprint Group			✓
888 Holdings			✓
ABOUT YOU Holding			✓
AC			✓
Accor			✓
Actron Technology Corp			✓
Adidas	✓		✓
Adux			✓
Advance Auto Parts			✓
AGC	✓		
Alibaba Pictures Group			✓
Alsea		✓	
Amazon.com	✓	✓	✓
AMC Networks			✓
Anhui Jianghuai Automobile Group Corp			✓
An-Shin Food Services Co			✓
ANTA Sports Products		✓	✓
AO World			✓
Aptiv			✓
Archicom			✓
ASM Group			✓
Assa Abloy AB			✓
Astra International	✓		✓
Atal			✓
Auto Partner			✓
Autohome			✓
Autoliv			✓
Autozone		✓	✓
B&M European Value Retail			✓
BAIC Motor Corp			✓
Bajaj Auto			✓
Barratt Developments			✓
Basic Fit			✓
Bath & Body Works		✓	✓
Bayerische Motoren Werke	✓		✓
Beenos			✓
Beijing Bashi Media Co			✓
Bellway			✓
Beneteau			✓
Berkeley Group Holdings			✓
Best Buy Co		✓	✓
Big Lots			✓
BIM Biresik Magazalar	✓	✓	✓

Company	E	S	G
Bloomsbury Publishing			✓
Bollore			✓
Booking Holdings	✓		✓
Borgwarner			✓
Bosideng International Holdings			✓
Bridgestone Corp	✓		
Brogent Technologies			✓
Brunswick Corp			✓
BTG Hotels Group Co			✓
Buima Group			✓
Burberry Group	✓	✓	✓
Burlington Stores			✓
BYD Co			✓
Cafe De Coral Holdings			✓
Cairn Homes			✓
Canadian Tire Corporation			✓
Carlisle Companies			✓
Carmax			✓
Carnival			✓
Carnival Corp	✓	✓	✓
CDRL			✓
Ceconomy			✓
Century Communities			✓
Changzhou Xingyu Automotive Lighting Systems Co			✓
Chian Hsing Forging Industrial Co			✓
China Dongxiang (Group) Co			✓
China Fineblanking Technology Co			✓
China Jushi Co	✓		✓
China Lesso Group Holdings			✓
China Lilang			✓
China Literature			✓
China MeiDong Auto Holdings			✓
China Television Media			✓
China Times Publishing Co			✓
China Travel International Investment Hong Kong			✓
China Yongda Automobiles Services Holdings			✓
Chinese Universe Publishing and Media Group Co			✓
Chipotle Mexican Grill		✓	✓
Chow Tai Fook Jewellery Group			✓
CI Games			✓
CIE Automotive			✓
Cineworld Group			✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Citizen Watch Co	✓		
City Pub Group			✓
Cloud Music			✓
Coats Group			✓
Compagnie de Saint Gobain	✓		✓
Compagnie Financiere Richemont	✓		✓
Compagnie Generale des Etablissements Michelin			✓
Compagnie Plastic Omnium			✓
Compass Group			✓
Continental			✓
Copart			✓
Costco Wholesale Corp		✓	✓
Countryside Partnerships			✓
Crest Nicholson Holdings			✓
Crystal International Group		✓	✓
Cts Eventim			✓
Cummins			✓
Currys			✓
Dalata Hotel Group		✓	✓
Dana			✓
Darden Restaurants		✓	✓
Decora			✓
D'Ieteren Group	✓		✓
Digital Holdings			✓
Digital Network			✓
DISH Network Corp			✓
Dollar General Corp		✓	✓
Dollar Tree			✓
Dollarama			✓
Dometic Group			✓
Domino's Pizza Group		✓	✓
Dr Martens			✓
DR.Wu Skincare Co			✓
Dunelm Group			✓
Dynamic Precision Industry Corp			✓
ED Invest			✓
Eicher Motors			✓
Electrolux			✓
Elior Group			✓
Eminent Luggage Corp			✓
Entain			✓
Esotiq & Henderson			✓
EssilorLuxottica			✓
EST Global Apparel Co			✓

Company	E	S	G
ETSY			✓
Eurotel			✓
Expedia Group			✓
Famous Brands			✓
Faurecia			✓
Ferguson	✓		✓
Ferrari			✓
Fine Blanking & Tool Co			✓
Fletcher Building	✓		
Fluidra			✓
Flutter Entertainment			✓
Fnac Darty			✓
Forbo Holding	✓		✓
Ford Motor Co	✓		✓
Ford Otomotivnayi			✓
Fortune Brands Innovations	✓		✓
Foschini Group	✓		✓
Fox Corp			✓
Frasers Group	✓		✓
Fu Chian Tire Co			✓
Fujian Fynex Textile Science & Technology Co			✓
Future			✓
Fuyao Glass Industry Group Co			✓
Galaxy Entertainment Group			✓
Games Workshop Group			✓
Gap		✓	✓
Geberit	✓		✓
General Motors Co	✓		✓
Genuine Parts Co			✓
G-Fun Industrial Corp			✓
Giant Manufacturing Co			✓
Gildan Activewear			✓
Glenveagh Properties			✓
Global Fashion Group			✓
GOME Retail Holdings			✓
Grafton Group			✓
Grand Hall Enterprise Co			✓
Great Wall Motor Co	✓	✓	✓
Greggs	✓		✓
Group 1 Automotive			✓
Grupo Televisa		✓	✓
Guangzhou Automobile Group Co			✓
H & M Hennes & Mauritz			✓
H World Group	✓		✓

Company	E	S	G
Haidilao International Holding			✓
Hakers Enterprise Co			✓
Halcyon Agri Corporation	✓		
Halfords Group			✓
Hankook Tire & Technology Co	✓		✓
Hanon Systems			✓
Harley-Davidson			✓
Hasbro			✓
HELLA			✓
Hermes International			✓
Hero MotoCorp			✓
Hibbett			✓
Hi-Lai Foods Co			✓
Hi-Lex Corp			✓
Hilton Worldwide Holdings		✓	✓
HLA GROUP CORP			✓
Hollywood Bowl Group			✓
Home Depot		✓	✓
Honyi Precision Industry Co			✓
HORNBACH Holding			✓
HUAYU Automotive Systems Co			✓
Hugo Boss			✓
Hunan Tyen Machinery Co			✓
Hunter Douglas			✓
Husqvarna			✓
Hyosung Advanced Materials Corp			✓
Hyundai Motor Co	✓	✓	
I Yuan Precision Industrial Co			✓
Ibase Gaming			✓
Ibersol			✓
IMS			✓
Inchcape			✓
Industria de Diseno Textil			✓
InterContinental Hotels Group	✓		✓
Interferie			✓
International Games System Co			✓
Interpublic Group of Companies			✓
Intersport Polska			✓
Iochpe Maxion	✓	✓	✓
Ipsos			✓
Italtile			✓
ITV		✓	✓
Izoblok			✓
J D Wetherspoon			✓
Janfusun Fancyworld Corp			✓

Company	E	S	G
JCDecaux			✓
JD Health International			✓
JD Sports Fashion			✓
JD.Com	✓	✓	✓
Jiumaojiu International Holdings			✓
JOST Werke			✓
JS Global Lifestyle Co			✓
Kaufman & Broad			✓
KB Home			✓
Kendrion			✓
Kering			✓
Kia Corp	✓		
Kingfisher	✓		✓
Kingspan Group	✓		✓
Kino Polska TV			✓
Kohls Corp		✓	✓
Kuang Hong Arts Management			✓
Kwang Ming Silk Mill Co			✓
La Francaise des Jeux			✓
La Kaffa International Co			✓
Lao Feng Xiang Co			✓
Las Vegas Sands Corp			✓
Lear Corp			✓
Lennar Corp			✓
Lentex			✓
Less			✓
Li Auto	✓	✓	✓
Li Ning Co	✓		✓
Liberty Interactive			✓
Linamar Corp			✓
Live Nation Entertainment			✓
LKQ Corp			✓
Lowe's Companies		✓	✓
Lubawa			✓
Luk Fook Holdings (International)			✓
Lululemon Athletica	✓	✓	
LVMH Moet Hennessy Louis Vuitton	✓		✓
M/I Homes			✓
Macauto Industrial Co			✓
Macy's		✓	✓
Magazine Luiza			✓
Magna International	✓		✓
Mahindra and Mahindra			✓
Maisons du Monde			✓
Man Wah Holdings			✓

Company	E	S	G
Mangata Holding			✓
MarineMax			✓
Marriott International		✓	✓
Maruti Suzuki India	✓		✓
Masco Corp			✓
Max Zipper Co			✓
McDonald's Corp	✓	✓	✓
Megacable Holdings			✓
Meitu			✓
Melia Hotels International			✓
Mercedes Benz Group	✓		✓
Merida Industry Co	✓		
Metair Investments			✓
Metall Zug			✓
Metropole Television			✓
Mex Polska			✓
MGM China Holdings			✓
MGM Resorts International			✓
Microtips Technology			✓
Midea Group Co	✓	✓	✓
Minth Group			✓
Mips			✓
Mohawk Industries			✓
Momo Com	✓		✓
Moncler			✓
Monnari Trade			✓
MonotaRO Co			✓
Moonpig Group			✓
MultiChoice Group			✓
Mun Sin Garment Corp			✓
Musashi Seimitsu Industry Co	✓		
Muza			✓
N Brown Group			✓
Nagacorp			✓
Nan Ren Hu Leisure Amusement Co			✓
Nemak	✓		
Newell Brands			✓
News Corp			✓
Nexteer Automotive Group			✓
NHK Spring Co		✓	✓
Nichiha Corp	✓		
Nielsen Co			✓
Nien Made Enterprise Co	✓	✓	✓
Nike		✓	✓
Ningbo Joyson Electronic Corp			✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G
NIO			✓
Nokian Tyres			✓
Nordstrom	✓		✓
Norwegian Cruise Line Holdings	✓		✓
NVR			✓
Ocado Group		✓	✓
OEX			✓
Omnicom Group		✓	✓
Oponeo.pl			✓
Orange Electronic Co			✓
O'Reilly Automotive		✓	
Orient International Enterprise			✓
Oriental Pearl Group Co			✓
O-TA Precision Industry Co			✓
Pacific Textiles Holdings	✓	✓	✓
Pandora			✓
Patrick Industries			✓
PB Holding			✓
Pearson	✓	✓	✓
PENN Entertainment			✓
Pepco Group	✓		✓
Pepkor Holdings			✓
Persimmon			✓
Pets at Home Group			✓
Playtech			✓
Pool Corp			✓
Pou Sheng International (Holdings)			✓
Prada			✓
Prosiebensat 1 Media	✓	✓	✓
Publicis Groupe			✓
Pultegroup			✓
Puma			✓
PVH Corp			✓
QST International Corp			✓
Ralph Lauren Corp			✓
Rank Group			✓
Rational			✓
Reach			✓
Redan			✓
Redrow			✓
Redwood Group			✓
Renault	✓	✓	✓
Restaurant Brands International			✓
Restaurant Group			✓
Richmond International Travel & Tours Co			✓

Company	E	S	G
Rockwool		✓	✓
Ross Stores		✓	✓
Royal Caribbean Cruises	✓		✓
RTL Group			✓
Rush Enterprises			✓
Saf-Holland			✓
SAIC Motor Corp			✓
Samsonite International	✓	✓	✓
Sanok Rubber Company			✓
Sanwil Holding			✓
Schaeffler			✓
Schibsted			✓
Sekisui Chemical Co	✓	✓	✓
Shandong Linglong Tyre Co			✓
Shanghai Jin Jiang International Hotels Co			✓
Shanghai Sanmao Enterprise Group Co			✓
Shenzhou International Group Holdings	✓	✓	
Sichuan Langsha Holding			✓
Signify			✓
Simpson Manufacturing Co	✓		
SJM Holdings	✓		✓
Sleepz			✓
SMCP			✓
Sodexo			✓
Sok Marketler Ticaret			✓
Southern Sun			✓
Sphera Franchise Group			✓
SSP Group		✓	✓
Stanley Electric Co	✓		
Starbucks Corp		✓	✓
Steinhoff International Holdings			✓
Stellantis	✓		✓
Steven Madden			✓
Sto			✓
Stonegate Pub Company Financing	✓	✓	
Stroeer			✓
Sumitomo Forestry Co			✓
Sunfar Computer Co			✓
Super Group			✓
Take-Two Interactive Software			✓
Tapestry			✓
Target Corp		✓	✓
Taylor Morrison Home Corp			✓
Taylor Wimpey			✓
Technogym			✓

Company	E	S	G
Ted Baker			✓
Television Francaise 1			✓
Teraplast			✓
Tesla			✓
TFCF Corp			✓
Tibet Tourism Co			✓
Time Publishing and Media Co			✓
Titan Company			✓
TJX Companies		✓	✓
Tofas Turk Otomobil Fabrikasi			✓
Toho Co (Tokyo)			✓
Tongcheng Travel Holdings			✓
Toplus Global Co			✓
Toung Loong Textile MFG Co			✓
Toya			✓
Toyota Motor Corp	✓		
Tractor Supply Co		✓	✓
Trainline			✓
Travis Perkins			✓
Trip.com Group	✓		✓
TTFB Co			✓
TUI	✓		✓
Tupperware Brands Corp			✓
Tupy			✓
Tyman			✓
Ulta Beauty		✓	✓
Urbi Desarrollos Urbanos			✓
Userjoy Technology Co			✓
Vantiva			✓
VF Corp			✓
Viaplay Group			✓
Victorian Plumbing Group			✓
Vistry Group			✓
Vitesco Technologies Group			✓
Vivendi			✓
Volkswagen	✓	✓	✓
Wal Mart de Mexico	✓		
Walt Disney Co		✓	✓
Warner Bros Discovery			✓
Watches of Switzerland Group			✓
Wayfair			✓
Weichai Power Co	✓		✓
Wesfarmers	✓	✓	
WH Smith			✓
Whirlpool Corp			✓

Company	E	S	G
Whitbread	✓	✓	✓
Wilcon Depot	✓		
Wittchen			✓
Wojas			✓
Woolworths Holdings			✓
WPP			✓
Wuxi Commercial Mansion Grand Orient Co			✓
Wynn Macau			✓
Wynn Resorts			✓
Xiabuxiabu Catering Management (China) Holdings Co			✓
Xpeng			✓
Xtep International Holdings			✓
Yamaha Motor Co	✓		
Yao I Fabric Co			✓
Youngor Group Co			✓
Yue Yuen Industrial (Holdings)			✓
Yum China Holdings	✓		✓
Yum! Brands		✓	✓
Yutong Bus Co			✓
ZEAL Network			✓
Zhejiang China Commodities City Group Co			✓
Zhejiang Supor Co			✓
Zhongsheng Group Holdings			✓
Consumer Non-Cyclicals			
3M Co	✓		✓
A G Barr			✓
Albertsons Companies	✓		
Alfa	✓		
Altria Group			✓
Amaggi Luxembourg International	✓		
Ambev			✓
Ambra			✓
Anadolu Efes Biracilik ve Malt Sanayii			✓
Angel Yeast Co			✓
Anheuser-Busch Inbev			✓
Anhui Kouzi Distillery Co			✓
Archer-Daniels-Midland Co			✓
Aryzta	✓		
Associated British Foods			✓
Astarta Holding			✓
Atlanta Poland			✓
Ausnutria Dairy Corp			✓
Austevoll Seafood			✓
Avi	✓		

Company	E	S	G
BayWa			✓
Bell Food Group			✓
Bellring Brands			✓
Berkshire Hathaway	✓		✓
Bid Corporation			✓
Bidvest Group			✓
Blue Moon Group Holdings			✓
Bon Fame Co			✓
BRF	✓		
Bright Dairy & Food Co			✓
Britannia Industries			✓
British American Tobacco			✓
Britvic			✓
Brookfield Infrastructure Partners			✓
Brown-Forman Corp			✓
Budweiser Brewing Company APAC			✓
Bunge	✓		✓
Campbell Soup Co			✓
Carlsberg			✓
Carrefour	✓	✓	✓
Casino Guichard Perrachon			✓
Cencosud	✓		✓
Chefs' Warehouse			✓
China Dili Group			✓
China Feihe			✓
China Foods			✓
China Mengniu Dairy Co	✓	✓	
China Modern Dairy Holdings			✓
China Resources Beer Holdings Co	✓		✓
Chongqing Brewery Co			✓
Chr Hansen Holding			✓
Chung Hwa Food Industrial Co			✓
Church & Dwight Co			✓
Clicks Group	✓		✓
Clorox Co			✓
Coca Cola HBC			✓
Coca-Cola Co	✓		✓
Coca-Cola Icecek			✓
COFCO Sugar Holding Co			✓
Coles Group	✓	✓	
Colgate-Palmolive Co			✓
Conagra Brands	✓		
Constellation Brands			✓
Corteva			✓
Cranswick			✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Dabomb Protein Corp			✓
Dali Foods Group Co			✓
Danone	✓		✓
DCC			✓
Delko			✓
DFI Retail Group Holdings			✓
Diageo	✓		✓
Dino Polska	✓		✓
Dis-Chem Pharmacies			✓
Distell Group Holdings			✓
EC Healthcare			✓
EIDP			✓
Emami			✓
Emmi			✓
Essity	✓		✓
Estee Lauder Companies			✓
Etablissements Franz Colruyt		✓	✓
First Resources	✓		✓
Flowers Foods			✓
Fomento Economico Mexicano			✓
Fonterra Co-Operative Group	✓		
ForFarmers			✓
Foshan Haitian Flavouring and Food Co			✓
Fu Burg Industrial Co			✓
Fu Shou Yuan International Group			✓
Galenica			✓
GeneFerm Biotechnology Co			✓
General Electric Co	✓		
General Mills			✓
George Weston			✓
Glanbia			✓
Golden Agri-Resources	✓		
Harper Hygienics			✓
Health and Happiness (H&H) International Holdings			✓
Hebei Hengshui Laobaigan Liquor Co			✓
Heilongjiang Agriculture Co			✓
Helio			✓
Hellofresh			✓
Hengan International Group Company			✓
Hershey Co	✓		✓
Hilton Food Group			✓
Hindustan Unilever			✓
Hitachi	✓		
HomeServe Limited			✓

Company	E	S	G
Honeywell International			✓
Hormel Foods Corp			✓
Illinois Tool Works	✓		✓
IMC			✓
Imperial Brands	✓		✓
Indus Holding			✓
Innovation New Material Technology Co			✓
International Flavors & Fragrances			✓
InvoCare			✓
ITC			✓
J M Smucker Co			✓
J Sainsbury		✓	✓
Japan Tobacco			✓
Japfa	✓		✓
Japfa Comfeed Indonesia			✓
Jardine Matheson Holdings	✓		✓
JBS	✓		
JDE Peets	✓		✓
Jeronimo Martins			✓
Kagome Co			✓
Kap Industrial Holdings			✓
Kee Song Bio-Technology Holdings			✓
Kellogg Co			✓
Kerry Group			✓
Kimberly-Clark Corp		✓	✓
Kimberly-Clark de Mexico	✓		✓
Koninklijke Ahold Delhaize	✓	✓	✓
Koninklijke DSM			✓
Kraft Heinz Co			✓
Kroger Co		✓	✓
Krynicia Vitamin			✓
Kweichow Moutai Co	✓		
KWS SAAT			✓
Lamb Weston Holdings			✓
LG H&H Co	✓		✓
Libstar Holdings			✓
Loblaw Companies			✓
L'Occitane International			✓
L'Oreal			✓
Lotus Bakeries	✓	✓	
Lungyen Life Service Corp			✓
Magnit PAO		✓	
Makarony Polskie			✓
Mandom Corp			✓
Marfrig Global Foods	✓		✓

Company	E	S	G
Marico			✓
Marks and Spencer Group	✓	✓	✓
Massmart Holdings			✓
MatsukiyoCocokara & Co	✓	✓	
McCormick & Company			✓
Melrose Industries			✓
Mersen			✓
Metro			✓
Microbio Co			✓
Migros Ticaret	✓		
Minerva	✓		
Miraculum			✓
Molson Coors Beverage Co	✓		✓
Mondelez International			✓
Monster Beverage Corp			✓
Mowi	✓		✓
Nestle	✓	✓	✓
Nestle India			✓
Neuca			✓
Nissin Foods Co			✓
Oceana Group			✓
Ontex Group			✓
Opus Global			✓
Orient Europharma Co			✓
Orior			✓
Ovostar Union			✓
P/F Bakkafröst			✓
PALTAC Corp	✓		
Pamapol			✓
PepsiCo	✓		✓
Pernod Ricard			✓
Philip Morris International			✓
Pick N Pay Stores			✓
Premier Foods			✓
Prima Meat Packers	✓		
Procter & Gamble Co	✓		✓
Przedsiębiorstwo Przemysłu Spożywczego PEPEES			✓
Puregold Price Club			✓
PZ Cussons	✓		✓
Raia Drogasil	✓		✓
Reckitt Benckiser Group	✓		✓
Rite Aid Corp		✓	
Robinsons Retail Holdings	✓	✓	✓
Royal Unibrew			✓

Company	E	S	G
SalMar			✓
Saputo			✓
Scandinavian Tobacco Group			✓
Seko			✓
Seven & i Holdings Co	✓		
Shanghai Jinfeng Wine Co			✓
Shanghai Kaichuang Marine International Co			✓
Shanghai Milkground Food Tech Co			✓
Shop Apotheke Europe			✓
Shoprite Holdings	✓		
Siemens	✓		✓
Sligro Food Group			✓
Smiths Group			✓
Smoores International Holdings			✓
Sonae			✓
Sopharma			✓
SPAR Group			✓
Sprouts Farmers Market			✓
Suedzucker			✓
Sun Art Retail Group			✓
Swedish Match			✓
Swire Pacific			✓
Sysco Corp			✓
Tait Marketing & Distribution Co			✓
Taiwan FamilyMart Co			✓
Taiwan Fructose Co			✓
Tata Consumer Products			✓
Tate & Lyle			✓
TCI Co			✓
Tesco	✓	✓	✓
Thai Beverage			✓
Tiger Brands	✓		✓
Tingyi (Cayman Islands) Holding Corp			✓
Toly Bread Co		✓	✓
Tsingtao Brewery Co			✓
Turkiye Sise ve Cam Fabrikalari	✓		
Tyson Foods	✓		✓
Ulker Bisküvi Sanayi			✓
Unilever	✓	✓	✓
Uni-President China Holdings	✓		✓
Uni-President Enterprises Corp		✓	
US Foods Holding Corp			✓
Vietnam Dairy Products	✓		
Vinda International Holdings			✓

Company	E	S	G
Vitasoy International Holdings			✓
Walgreens Boots Alliance		✓	✓
Walmart	✓	✓	✓
Want Want China Holdings	✓		✓
WH Group			✓
Wilmar International	✓	✓	
Wynnstay Group		✓	✓
Xinjiang Guannong Fruit & Antler Co			✓
Xinjiang Talimu Agriculture Development Co			✓
Xinjiang Yilite Industry Co			✓
Yihai International Holding			✓
Yinchuan Xinhua Commercial Group Co			✓
Zakłady Przemysłu Cukierniczego Otmuchow			✓
Zhejiang Guyuelongshan Shaoxing Wine Co			✓
Zhou Hei Ya International Holdings Company			✓
Energy			
3R Petroleum Oleo e Gas		✓	✓
Adaro Energy Indonesia	✓		
Aker BP	✓		✓
Alimentation Couche-Tard			✓
Ampol	✓		✓
Antero Resources Corp	✓		
APA Corp (US)			✓
Baker Hughes Co			✓
Beach Energy	✓		
Bharat Petroleum Corporation			✓
BP	✓		✓
Canadian Natural Resources	✓		✓
Canadian Solar		✓	
Capricorn Energy			✓
CCS Supply Chain Management Co			✓
Cenovus Energy	✓		✓
CGG			✓
Cheniere Energy	✓		
Chevron Corp	✓		✓
China High Speed Transmission Equipment Group Co			✓
China Oilfield Services			✓
China Petroleum & Chemical Corp	✓		✓
China Shenhua Energy Co			✓
CIMC Enric Holdings			✓
CNOOC	✓		✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Coal India	✓		✓
Conocophillips	✓		✓
Conpet			✓
Continental Resources	✓		
Core Laboratories			✓
Cosan			✓
Coterra Energy	✓		✓
Delek US Holdings	✓		
Devon Energy Corp	✓		✓
Diamondback Energy	✓		✓
Diversified Energy Company	✓		✓
Drilling Company of 1972			✓
Ecopetrol	✓		
Enagas			✓
Enbridge	✓		✓
ENEOS Holdings	✓		✓
Energy Transfer	✓		
Eni	✓		✓
EnLink Midstream	✓		
Enphase Energy			✓
EOG Resources	✓		✓
EQT Corp	✓		
Equinor	✓		✓
Esken			✓
Etablissements Maurel et Prom			✓
Euronav			✓
Exxaro Resources			✓
Exxon Mobil Corp	✓		✓
First Solar			✓
Formosa Petrochemical Corp			✓
Fugro			✓
Galp Energia	✓		✓
Gaztransport et Technigaz			✓
GCL Technology Holdings			✓
Gigasolar Materials Corp			✓
Guanghui Energy Co			✓
Halliburton Co	✓		✓
Hanwha Solutions Corp	✓		
Harbour Energy			✓
Hess Corp			✓
HF Sinclair Corp	✓		
Hunting			✓
Imperial Oil	✓		✓
Indian Oil Corporation	✓		✓
Indika Energy	✓		

Company	E	S	G
Inpex Corp	✓		
JinkoSolar Holding Co	✓	✓	
John Wood Group			✓
Kenmec Mechanical Engineering Co			✓
Kinder Morgan	✓		✓
Kinder Morgan Energy Partners	✓		
Koninklijke Vopak			✓
Marathon Oil Corp	✓		✓
Marathon Petroleum Corp	✓		✓
MOL Magyar Olajes Gazipari	✓		✓
Mongolian Mining Corp	✓		
Nel			✓
Neste Oyj	✓		✓
Occidental Petroleum Corp	✓		✓
Oil and Natural Gas Corporation	✓		✓
Oil India	✓		
OMV	✓		
OMV Petrom			✓
ONEOK	✓		✓
Orron Energy			✓
Ovintiv	✓		
Parex Resources	✓		
Parkland Corp	✓		
PBF Energy	✓		
Pembina Pipeline Corp			✓
Petro Rio			✓
PetroChina Co	✓		✓
Petrofac	✓		✓
Petroleo Brasileiro SA Petrobras	✓		✓
Petroleos Mexicanos	✓	✓	✓
Phillips 66	✓		✓
Photon Energy			✓
Pioneer Natural Resources Co	✓		✓
Plains All American Pipeline	✓		
Polski Koncern Naftowy Orlen	✓		✓
Polskie Gornictwo Naftowe i Gazownictwo	✓		
Polwax			✓
PTT Exploration and Production	✓	✓	
Ranger Oil Corp			✓
Reliance Industries	✓		✓
Repsol	✓		✓
Rubis SCA			✓
Schlumberger			✓
Shandong Xinchao Energy Corp			✓
Shanxi Coal International Energy Group Co			✓

Company	E	S	G
Shell	✓		✓
Siemens Energy	✓		
Siemens Gamesa Renewable Energy			✓
Sif Holding	✓		✓
SK Innovation Co	✓		
SM Energy Co			✓
Snam	✓		
Societatea Nationala de Gaze Naturale Romgaz			✓
Societatea Nationala de Transport Gaze Naturale Transgaz			✓
S-Oil Corp	✓		
Solaredge Technologies			✓
Solaris Oilfield Infrastructure			✓
Subsea 7			✓
Suncor Energy	✓		✓
Targa Resources Corp	✓		✓
TC Energy Corp			✓
Tenaris			✓
Tongwei Co			✓
TotalEnergies	✓		✓
Tullow Oil	✓		
Turkiye Petrol Rafinerileri			✓
Ultrapar Participacoes			✓
Unimot			✓
United Energy Group			✓
United Tractors			✓
Valero Energy Corp	✓		✓
Vallourec			✓
Verbio Vereinigte Bioenergie			✓
Vestas Wind Systems	✓		✓
Vivo Energy			✓
Whitecap Resources	✓		
Williams Companies	✓		✓
Woodside Energy Group	✓		
Worley	✓	✓	
Xinjiang Goldwind Science & Technology Co			✓
Xinyi Solar Holdings	✓	✓	✓
Yankuang Energy Group Co			✓
YPF	✓		
Financials			
3i Group			✓
3I Infrastructure			✓
Aareal Bank			✓
ABANCA Corporacion Bancaria		✓	

Company	E	S	G
ABN Amro Bank			✓
Abrdn			✓
Absa Group			✓
Achmea	✓		
Adiuvio Investments			✓
Admiral Group			✓
Aegon	✓		✓
Aeon Financial Service Co	✓		
Affiliated Managers Group			✓
Aflac	✓		✓
Ageas			✓
Agricultural Bank of China			✓
AIA Group	✓		✓
Aib Group	✓		✓
AJ Bell			✓
Alinma Bank		✓	✓
Alior Bank			✓
Alliance Trust			✓
Allianz	✓		✓
Allstate Corp	✓		✓
Ally Financial			✓
Alpha Bank	✓	✓	✓
Altamir			✓
Altus			✓
American Express Co			✓
American Financial Group			✓
American International Group	✓		✓
Ameriprise Financial			✓
Amundi			✓
Anima Holding			✓
ANZ Group Holdings			✓
Aon	✓		✓
Apax Global Alpha			✓
Arch Capital Group	✓		✓
Arthur J. Gallagher & Co.			✓
Ashmore Group			✓
ASR Nederland			✓
Assicurazioni Generali	✓	✓	✓
Assurant			✓
Atento Luxco 1		✓	
Atlas Estates			✓
AU Small Finance Bank			✓
AVI Global Trust			✓
Aviva	✓		✓
AXA	✓		✓

Company	E	S	G
Axis Bank			✓
AXIS Capital Holdings			✓
B3 SA Brasil Bolsa Balcao	✓		
Bajaj Finance			✓
Baloise Holding			✓
Banca Transilvania			✓
Banco Bilbao Vizcaya Argentaria	✓		✓
Banco Bradesco			✓
Banco Comercial Portugues			✓
Banco de Credito Social Cooperativo	✓	✓	
Banco de Sadebadell			✓
Bank Central Asia	✓		
Bank Mandiri	✓		✓
Bank Negara Indonesia			✓
Bank Ochrony Srodowiska			✓
Bank of America Corp	✓		✓
Bank of China			✓
Bank of Communications Co			✓
Bank of East Asia			✓
Bank of Ireland Group			✓
Bank of Montreal			✓
Bank of Nova Scotia (London Branch)			✓
Bank of the Philippine Islands	✓		
Bank Rakyat Indonesia	✓		
Bankinter			✓
Barclays	✓		✓
BB Seguridade Participacoes			✓
BBGI Global Infrastructure			✓
Beazley			✓
BFF Bank			✓
BlackRock			✓
Blackstone Property Partners Europe Holdings	✓		
BNP Paribas	✓		✓
BNP Paribas Bank Polska			✓
BOC Aviation			✓
BOC Hong Kong Holdings	✓		✓
Bolsa Mexicana de Valores			✓
Boussard and Gavaudan Holding			✓
Brait			✓
BRD Groupe Societe Generale			✓
Brewin Dolphin Holdings		✓	✓
Bridgepoint Group			✓
Brookfield Corp			✓
Brown & Brown			✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G	Company	E	S	G	Company	E	S	G	Company	E	S	G	Company	E	S	G
Bure Equity			✓	Commerzbank	✓		✓	GF Securities Co			✓	IP Group			✓	MW Trade			✓
Bursa de Valori Bucuresti			✓	Concord International Securities Co			✓	Globe Life			✓	Ipopema Securities			✓	Nasdaq			✓
C&W Senior Financing		✓		Concord Securities Co			✓	Goldman Sachs Group	✓		✓	IRB Brasil Resseguros			✓	National Bank of Canada			✓
Caixabank			✓	Credit Agricole			✓	Good Finance Securities Co			✓	Itau Unibanco Holding	✓			Natwest Group	✓	✓	✓
Caledonia Investments			✓	Credit Suisse Group			✓	Grand Fortune Securities Co			✓	JPMorgan Chase & Co	✓		✓	Navigator Global Investments			✓
Canadian Imperial Bank of Commerce			✓	CTBC Financial Holding Co		✓		Greencoat UK Wind			✓	JSE			✓	Nedbank Group			✓
Capital One Financial Corp			✓	Danske Bank			✓	Greenko Mauritius		✓	✓	Jtc			✓	New China Life Insurance Company			✓
Capitec Bank Holdings		✓		DBS Bank	✓			Grenke			✓	Jupiter Fund Management			✓	Ninety One			✓
Cboe Global Markets			✓	Deutsche Bahn Finance	✓	✓		Groep Brussel Lambert			✓	KakaoBank Corp	✓	✓	✓	NMI Holdings			✓
Charles Schwab Corp			✓	Deutsche Bank	✓		✓	Groupama Gan Vie	✓			Kasikornbank	✓			NN Group			✓
China Cinda Asset Management Co			✓	Deutsche Boerse			✓	Guotai Junan Securities Co			✓	KB Financial Group		✓	✓	NongHyup Bank			✓
China Citic Bank Corp			✓	Deutsche Pfandbriefbank			✓	Haitong International Securities Group			✓	Kbc Groep			✓	Nordea Bank Abp			✓
China Construction Bank Corp			✓	Direct Line Insurance Group	✓		✓	Haitong Securities Co			✓	Kenbourne Invest		✓		Northern Trust Corp			✓
China Everbright			✓	Discover Financial Services			✓	Halyk Bank AO			✓	KeyCorp			✓	Novo Banco	✓		
China Galaxy Securities Co			✓	Discovery			✓	Hannover Rueck			✓	Kina Securities			✓	Old Company 20			✓
China Huaneng Group (Hong Kong) Treasury Management	✓			Dovalue			✓	Hargreaves Lansdown			✓	Kinnevik			✓	Old Mutual			✓
China International Capital Corp			✓	DWS Group			✓	Hartford Financial Services Group	✓		✓	Koc Holding	✓		✓	ORIX Corp	✓		
China Life Insurance Co			✓	E.SUN Financial Holding Co	✓			HDFC Bank	✓	✓	✓	Kotak Mahindra Bank			✓	OSB Group			✓
China Merchants Securities Co			✓	eGuarantee			✓	HgCapital Trust			✓	Kruk			✓	OTP Bank			✓
China Minsheng Banking Corp			✓	Emirates NBD Bank			✓	HICL Infrastructure			✓	Lancashire Holdings	✓		✓	OUTsurance Group			✓
China Pacific Insurance Group Co	✓		✓	Equitable Holdings	✓			Hiscox	✓		✓	Law Debenture Corporation			✓	Oversea-Chinese Banking Corporation	✓	✓	
China Securities Co			✓	Erste Group Bank	✓			Hong Kong Exchanges and Clearing	✓		✓	Legal & General Group	✓		✓	Pacific Life Insurance Co	✓		
China Taiping Insurance Holdings Co			✓	ESR Group		✓	✓	Horizon Securities Co			✓	Liberty Mutual Holding Company	✓			Pantheon International			✓
Chongqing Rural Commercial Bank Co			✓	Essent Group			✓	Housing Development Finance Corporation			✓	Lincoln National Corp	✓		✓	Paragon Banking Group			✓
Chubb	✓		✓	Eurazeo			✓	HSBC Bank			✓	Liontrust Asset Management			✓	Partners Group Holding			✓
CIG Pannonia Eletbiztosito			✓	Eurocastle Investment			✓	HSBC Holdings	✓		✓	Lloyds Banking Group	✓		✓	People's Insurance Company Group of China			✓
CIMB Group Holdings	✓			EuroHold Bulgaria			✓	Hua Xia Bank Co			✓	Loews Corp			✓	People's United Financial			✓
Cincinnati Financial Corp			✓	Euronext			✓	Huatai Securities Co			✓	London Stock Exchange Group			✓	Pershing Square Holdings			✓
CITIC			✓	Everest Re Group			✓	Huntington Bancshares			✓	M&G	✓		✓	Personal Assets Trust			✓
CITIC Securities Co			✓	Far East Horizon			✓	ICG Enterprise Trust			✓	M&T Bank Corp			✓	Phoenix Group Holdings	✓		✓
Citigroup	✓		✓	Fifth Third Bancorp			✓	ICICI Bank	✓		✓	Manulife Financial Corp			✓	PICC Property and Casualty Co			✓
Citizens Financial Group			✓	FinecoBank Banca Fineco			✓	IG Group Holdings			✓	Mapfre			✓	Ping An Insurance Group Co of China	✓		
CK Hutchison Holdings		✓	✓	First Abu Dhabi Bank	✓	✓	✓	IGM Financial			✓	Markel Corp			✓	Pinnacle Financial Partners			✓
CK Hutchison International 21	✓			First American Financial Corp			✓	Indusind Bank			✓	Marketaxess Holdings			✓	PNC Financial Services Group			✓
Close Brothers Group			✓	First Interstate BancSystem			✓	Industrial and Commercial Bank of China			✓	Marsh & McLennan Companies	✓		✓	Polar Capital Holdings			✓
CMC Markets			✓	First Merchants Corp			✓	Industrivarden			✓	Max Financial Services			✓	Porto Seguro			✓
CME Group			✓	First Republic Bank	✓		✓	ING Groep		✓	✓	mBank	✓		✓	Power Corporation of Canada			✓
CNA Financial Corp	✓			FirstRand	✓		✓	Intercontinental Exchange			✓	Mennica Polska			✓	Powszechna Kasa Oszczednosci Bank Polski			✓
CNP Assurances	✓		✓	FirstRand Bank		✓		Intermediate Capital Group			✓	MetLife	✓		✓	Principal Financial Group	✓		✓
Coface			✓	flatexDEGIRO			✓	International Personal Finance			✓	Minmetals Capital Co			✓	Progressive Corp	✓		✓
Comcel Trust			✓	Flow Traders			✓	Intesanpaolo	✓	✓	✓	Mitsubishi UFJ Financial Group	✓			Prudential	✓		✓
Comerica			✓	Fosun International			✓	Intrum			✓	Momentum Metropolitan Holdings			✓	Prudential Financial	✓		✓
Commerce Bancshares			✓	Galaxy Bidco	✓			Invesco			✓	Morgan Stanley	✓		✓	PSG Group			✓
Commercial International Bank Egypt	✓			GAM Holding			✓	Investec			✓	Muenchener Rueckversicherungs Gesellschaft in Muenchen	✓		✓	PSG Konsult			✓
				Getin Holding			✓	Investor			✓								

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COMPANIES ENGAGED IN 2022

Company	E	S	G	Company	E	S	G	Company	E	S	G	Company	E	S	G	Company	E	S	G
Public Bank			✓	Sun Hung Kai & Co			✓	Zenkoku Hosho Co			✓	Bioptik Technology			✓	Demant			✓
Public Financial Holdings			✓	SVB Financial Group			✓	ZhongAn Online P & C Insurance Co			✓	Bio-Techne Corp			✓	DENTSPLY SIRONA			✓
Punkpirates			✓	Svenska Handelsbanken	✓		✓	Zions Bancorporation			✓	Bioton			✓	Dermapharm Holding		✓	✓
Qatar National Bank	✓			Swedbank	✓		✓	Zurich Insurance Group	✓		✓	Bioventix		✓	✓	Dexcom	✓		✓
Quilter	✓		✓	Swiss Life Holding	✓		✓	Healthcare				Bio-Works Technologies			✓	DiaSorin			✓
Rathbones Group			✓	Swiss Re	✓	✓	✓	3SBio			✓	Bluestar Adisseo Co			✓	Divi's Laboratories			✓
Raymond James Financial			✓	SY Holdings Group			✓	Abbott Laboratories			✓	Boston Scientific Corp			✓	Dr Reddy's Laboratories			✓
Regions Financial Corp			✓	Synchrony Financial			✓	Abbvie	✓		✓	Brii Biosciences			✓	EBOS Group		✓	
Reinet Investments			✓	T Rowe Price Group			✓	ABIOMED			✓	Bristol-Myers Squibb Co	✓	✓	✓	Eckert & Ziegler Strahlen und Medizintechnik			✓
Reinsurance Group of America			✓	T&D Holdings	✓		✓	Adcock Ingram Holdings			✓	Bupa Finance	✓			Edwards Lifesciences Corp			✓
Remgro			✓	TBC Bank Group			✓	AGFA Gevaert			✓	Canopy Growth Corp			✓	Elanco Animal Health			✓
Renaissancere Holdings			✓	TCS Group Holding			✓	Agilent Technologies			✓	CanSino Biologics			✓	Elevance Health	✓		✓
Roadster Finance	✓			Tetragon Financial Group			✓	Airway Medix			✓	Cardinal Health			✓	Eli Lilly and Co			✓
Rothschild & Co			✓	Toronto-Dominion Bank	✓		✓	AK Medical Holdings			✓	Carl Zeiss Meditec			✓	Ever Supreme Bio Technology Co			✓
Royal Bank of Canada			✓	TP ICAP Group			✓	Akeso			✓	CARsgen Therapeutics Holdings			✓	Everest Medicines			✓
Royal London Asset Management	✓			Trafigura Funding	✓	✓		Alcon	✓		✓	Catalent			✓	Evotec			✓
Saga	✓		✓	Transaction Capital			✓	Alembic Pharmaceuticals			✓	Celon Pharma			✓	Exelixis			✓
Sampo	✓		✓	Travelers Companies	✓		✓	Align Technology			✓	Centene Corp			✓	Fagron			✓
Sanlam			✓	Truist Financial Corp			✓	Almirall			✓	Center Laboratories			✓	Foresee Pharmaceuticals Co			✓
Sanne Group			✓	Tryg			✓	Alnylam Pharmaceuticals			✓	Centrum Medyczne Enel Med			✓	Fresenius	✓		
Santam			✓	Turkiye Sinai Kalkinma Bankasi			✓	Ambu			✓	Cerner Corp			✓	Frontage Holdings Corp			✓
Saudi National Bank			✓	UniCredit	✓			Amgen	✓		✓	Charles River Laboratories International			✓	G&E Herbal Biotechnology Co			✓
SBI Life Insurance Company			✓	Unipol Gruppo	✓			ANI Pharmaceuticals			✓	Chemed Corp			✓	GeneReach Biotechnology Corp			✓
Scor			✓	Uniqia Insurance Group	✓	✓		Antengene Corporation			✓	China Medical System Holdings			✓	Genetics Generation Advancement Corp			✓
Scottish Mortgage Investment Trust			✓	United Overseas Bank			✓	Apollo Hospitals Enterprise	✓			China National Medicines Corp			✓	Genmab			✓
Shanghai AJ Group Co			✓	Unum Group	✓			Arjo AB			✓	China Resources Medical Holdings Company			✓	Genor Biopharma Holdings			✓
Shanghai Pudong Development Bank Co			✓	US Bancorp			✓	Arrowhead Pharmaceuticals			✓	China Resources Pharmaceutical Group			✓	Genovate Biotechnology Co			✓
Siam Commercial Bank Public Company Limited (Cayman Islands Branch)			✓	Value Partners Group			✓	Aspen Pharmacare Holdings	✓		✓	China Shineway Pharmaceutical Group			✓	Genscript Biotech Corp			✓
Signature Bank			✓	Van Lanschot Kempen			✓	Astellas Pharma			✓	China Traditional Chinese Medicine Holdings Co			✓	Genus			✓
Singapore Exchange			✓	Vietnam Enterprise Investments			✓	AstraZeneca	✓		✓	Cigna Corp			✓	Gerresheimer	✓		✓
Sinolink Securities Co			✓	Virgin Media Finance		✓	✓	Avita Corp			✓	Cipla	✓	✓	✓	Getinge			✓
Skandinaviska Enskilda Banken			✓	Votum			✓	Bausch Health Companies			✓	Clover Biopharmaceuticals			✓	Gilead Sciences			✓
Skyline Investment			✓	Voya Financial	✓		✓	Baxter International			✓	Coloplast			✓	GlaxoSmithKline Pharmaceuticals	✓	✓	✓
Societe Generale			✓	W R Berkley Corp			✓	Becton Dickinson and Co			✓	Consun Pharmaceutical Group			✓	GlycoNex			✓
Southwest Securities Co			✓	Wells Fargo & Co	✓		✓	Beigene			✓	ConvaTec Group			✓	GN Store Nord			✓
Spar Nord Bank			✓	Wendel			✓	Beijing Tiantan Biological Products Corp			✓	Cooper Companies			✓	Grifols			✓
St Galler Kantonalbank			✓	Westpac Banking Corp	✓			Beijing Tong Ren Tang Chinese Medicine Co			✓	Corcept Therapeutics			✓	GSK			✓
St James's Place			✓	Worldwide Healthcare Trust			✓	BenQ Medical Technology Corp			✓	CSPC Pharmaceutical Group	✓		✓	Guangzhou Baiyunshan Pharmaceutical Holdings Co			✓
Standard Bank Group			✓	Wuestenrot & Wuerttembergische			✓	Bio Rad Laboratories			✓	CStone Pharmaceuticals			✓	H.U. Group Holdings	✓		
Standard Chartered	✓	✓	✓	Xtb			✓	Biocartis Group			✓	CVS Health Corp		✓	✓	HALEON			✓
State Bank of India			✓	Yapi ve Kredi Bankasi			✓	Biogen			✓	Danaher Corp			✓	Hangzhou Tigermed Consulting Co			✓
State Street Corp			✓	Yixin Group			✓	BioMaxima			✓	DaVita			✓	HCA Healthcare	✓		✓
Storebrand			✓	Yorkshire Building Society		✓		Biomerieux			✓	Dbv Technologies			✓	Health&Life Co			✓
Sumitomo Mitsui Financial Group	✓	✓	✓	Yuanta Futures Co			✓					Dechra Pharmaceuticals			✓	Henry Schein			✓
				Zenith Bank			✓												

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Hikma Pharmaceuticals			✓
Hologic			✓
Hualan Biological Engineering			✓
Hubei Jumpcan Pharmaceutical Co			✓
Humana			✓
Humanwell Healthcare Group Co			✓
HUTCHMED (China)		✓	✓
Hypera			✓
IDEXX Laboratories			✓
Illumina			✓
Incyte Corp			✓
Indivior			✓
Innate Pharma			✓
Innovent Biologics			✓
Insulet Corp			✓
Intai Technology Corp			✓
Intuitive Surgical			✓
Ion Beam Applications			✓
Ipsen		✓	✓
IQVIA Holdings			✓
Jiangsu Hengrui Pharmaceuticals Co			✓
Jiangsu Kanion Pharmaceutical Co			✓
Jinxin Fertility Group			✓
Jinyu Bio-Technology Co			✓
Johnson & Johnson	✓	✓	✓
Johnson Chemical Pharmaceutical Works Co			✓
Joincare Pharmaceutical Group Industry Co			✓
Joinn Laboratories China Co			✓
Kintor Pharmaceutical			✓
Koninklijke Philips	✓		✓
Korian			✓
KPC Pharmaceuticals			✓
Krka dd Novo Mesto		✓	
Laboratorios Farmaceuticos ROVI			✓
Laboratory Corporation of America Holdings			✓
Lee's Pharmaceutical Holdings			✓
Lepu Medical Technology Beijing Co			✓
Liaoning Cheng Da Co			✓
Life Healthcare Group Holdings			✓
LifeTech Scientific Corp			✓
Livzon Pharmaceutical Group	✓		
Lonza Group	✓		✓

Company	E	S	G
Mabion			✓
Masimo Corp			✓
MaxCyte			✓
Mckesson Corp			✓
Med Life			✓
Medacta Group			✓
Medicalgorithmics			✓
Mediclinic International			✓
Medigen Biotechnology Corp			✓
Medigen Vaccine Biologics Corp			✓
Medpace Holdings			✓
Medtronic			✓
Medy Tox			✓
Merck	✓		✓
Merck & Co	✓	✓	✓
Mithra Pharmaceuticals			✓
Mitra Keluarga Karyasehat			✓
MLPglik Hizmetleri		✓	
Moderna			✓
Molecure			✓
MorphoSys			✓
Mycenax Biotech			✓
Netcare			✓
New Horizon Health			✓
Novartis	✓	✓	✓
Novo Nordisk			✓
Oak Street Health	✓		
OBI Pharma			✓
Ocumension Therapeutics			✓
Odontoprev			✓
Oneness Biotech Co			✓
Onyx Healthcare			✓
Organon & Co			✓
Oxford Biomedica			✓
Pacira Biosciences			✓
Peijia Medical			✓
PeptiDream			✓
PerkinElmer			✓
Pfizer	✓	✓	✓
Pharma Mar			✓
PharmaEngine			✓
Pharmaron Beijing Co			✓
Pharming Group			✓
Piramal Enterprises			✓

Company	E	S	G
PureTech Health			✓
PZ Cormay			✓
Quest Diagnostics			✓
Recordati Industria Chimica e Farmaceutica		✓	
Rede D'Oro Luiz			✓
Redsense Medical			✓
Regeneron Pharmaceuticals			✓
Repligen Corp			✓
Resmed			✓
Richter Gedeon Vegyeszeti Gyar			✓
Roche Holding	✓		✓
Ryvuu Therapeutics			✓
Sanofi	✓		✓
Sartorius Stedim Biotech			✓
Savior Lifetec Corp			✓
SciClone Pharmaceuticals (Holdings)			✓
Shandong Weigao Group Medical Polymer Co			✓
Shanghai Fosun Pharmaceutical Group Co	✓		✓
Shanghai Pharmaceuticals Holding Co			✓
ShareHope Medicine Co			✓
Shinva Medical Instrument Co			✓
Ship Healthcare Holdings	✓		
Siegfried Holding			✓
Siemens Healthineers			✓
Sihuan Pharmaceutical Holdings Group			✓
Singbao International Co			✓
Sino Biopharmaceutical			✓
Sinopharm Group Co			✓
Smith & Nephew			✓
Sofiva Genomics Co			✓
Spire Healthcare Group			✓
St.Shine Optical Co			✓
STERIS			✓
Stryker Corp			✓
Sun Pharmaceutical Industries			✓
Sunmax Biotechnology Co			✓
Swedish Orphan Biovitrum			✓
Swissmed Centrum Zdrowia			✓
SynCore Biotechnology Co			✓
Synektik			✓
SYN-Tech Chem & Pharm Co			✓
Taiwan Biomaterial Co			✓
Tasly Pharmaceutical Group Co			✓

Company	E	S	G
Teleflex			✓
Thermo Fisher Scientific	✓	✓	✓
Tianjin Pharmaceutical Da Ren Tang Group Corp			✓
Tibet Rhodiola Pharmaceutical Holding Co			✓
Top Glove Corporation			✓
Topchoice Medical Co			✓
TSH Biopharm Corporation			✓
TTY Biopharm Co			✓
Ucb	✓		✓
United Laboratories International Holdings			✓
UnitedHealth Group	✓		✓
Universal Health Services			✓
Universal Vision Biotechnology Co			✓
Valneva			✓
Venus Medtech Hangzhou			✓
Vertex Pharmaceuticals			✓
Viatrix			✓
Virbac			✓
Voxel			✓
Waters Corp			✓
West Pharmaceutical Services			✓
Wiltrom Co			✓
WuXi AppTec Co		✓	✓
WuXi Biologics (Cayman)	✓		✓
Yonghe Medical Group Co			✓
Zai Lab			✓
Zhangzhou Pientzehuang Pharmaceutical Co			✓
Zhejiang Hisun Pharmaceutical Co			✓
Zhejiang Huahai Pharmaceutical Co			✓
Zhejiang Medicine Co			✓
ZhuZhou QianJin Pharmaceutical Co			✓
Zimmer Biomet Holdings			✓
Zoetis	✓	✓	✓
Industrials			
A O Smith Corp			✓
Abb			✓
Ablerex Electronics Co			✓
Acciona			✓
Ackermans & Van Haaren			✓
Acme Electronics Corp			✓
ACS Actividades de Construcción y Servicios			✓

Company	E	S	G
Adani Ports and Special Economic Zone			✓
ADATA Technology Co			✓
Adda Corp			✓
Ado Optronics Corp			✓
Advanced Lithium Electrochemistry Cayman Co			✓
AECOM			✓
Aena SME			✓
Aeroports de Paris			✓
Air China			✓
Air France KLM	✓		✓
Air Lease Corp			✓
Airbus	✓		✓
Aker Technology Co			✓
Akka Technologies			✓
Alaska Air Group			✓
ALD			✓
Alfa Laval AB			✓
Alfen			✓
Allison Transmission Holdings			✓
Alstom			✓
Amada Co			✓
Amadeus Fire			✓
Ambipar Participacoes e Empreendimentos			✓
American Airlines Group			✓
AMETEK			✓
ANE (Cayman)			✓
Anhui Construction Engineering Group Corp			✓
Anhui Expressway Co			✓
Anhui Heli Co			✓
Anhui Quanchai Engine Co			✓
Antong Holdings Co			✓
ANY Biztonsagi Nyomda			✓
AP Moeller - Maersk	✓		✓
APEX International Financial Engineering Res & Tech Co			✓
APS Energia			✓
Aramark Services	✓		
Arcadis			✓
Arteria			✓
Ascential			✓
Ashok Leyland	✓		✓
Ashtead Group			✓
Asia Neo Tech Industrial Co			✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Atlas Air Worldwide Holdings	✓		
Atlas Arteria Group			✓
Atlas Copco AB		✓	✓
Atrem			✓
Aurizon Holdings	✓		
Autostrade per l'Italia	✓		✓
Avertronics			✓
Avic Shenyang Aircraft Co			✓
AviChina Industry & Technology Co			✓
AXIS Corp			✓
Azul	✓		
B&S Group			✓
Babcock International Group		✓	✓
BAE Systems			✓
Bai Sha Technology Co			✓
Balfour Beatty	✓		✓
Baoding Tianwei Baobian Electric Co			✓
Barloworld			✓
Befesa	✓		✓
Beijing AriTime Intelligent Control Co			✓
Beijing Capital International Airport Co			✓
Biffa			✓
Bilfinger			✓
Bodycote	✓		✓
Boeing Co	✓		
Bouygues			✓
Bpost			✓
Brighton-Best International Taiwan			✓
Broadridge Financial Solutions			✓
Bufab AB			✓
Bull Will Co			✓
Bunzl	✓		✓
Bureau Veritas			✓
Bystronic			✓
CAE			✓
Canadian National Railway Co	✓		✓
Canadian Pacific Railway	✓		✓
Capita		✓	✓
Carrier Global Corp			✓
Caterpillar	✓		✓
CCR			✓
Celxpert Energy Corp			✓
Centre Testing International Group Co	✓	✓	
Cewe Stiftung & Co			✓
CH Robinson Worldwide			✓

Company	E	S	G
Changjiang & Jinggong Steel Building Group Co			✓
Changs Ascending Enterprise Co			✓
Chemring Group			✓
Cheng Fwa Industrial Co			✓
Chi Hua Fitness Co			✓
Chialin Precision Industrial Co			✓
China Communications Construction Co			✓
China Communications Services Corp			✓
China Eastern Airlines Corp			✓
China Merchants Port Holdings Co			✓
China Railway Group			✓
China Railway Hi-tech Industry Corp			✓
China Shipbuilding Industry Group Power Co			✓
China Southern Airlines Co			✓
China State Construction International Holdings			✓
China Tourism Group Duty Free Corp			✓
China Tower Corp			✓
Chongqing NanAn Urban Construction Development Group			✓
Chroma ATE	✓	✓	✓
Cielo			✓
Cintas Corp			✓
Clarkson			✓
Cleanaway Waste Management	✓		
CNH Industrial			✓
Cognex Corp			✓
Compania Sud Americana de Vapores			✓
Compleo Charging Solutions			✓
Coretronic Corp			✓
COSCO Shipping Holdings Co	✓		
COSCO SHIPPING Ports			✓
Crrc Corp			✓
CSX Corp	✓		✓
CTCI Corp	✓	✓	✓
CTT Correios de Portugal			✓
Daikin Industries	✓	✓	
Daimler Truck Holding	✓		✓
De La Rue	✓		
Deere & Co	✓		
Dekpol			✓
Delhi International Airport			✓
Delhivery		✓	
Delta Air Lines	✓		✓

Company	E	S	G
Delta Electronics	✓	✓	
Derichebourg			✓
Deutsche Lufthansa			✓
Deutsche Post		✓	✓
Diploma			✓
DKSH Holding			✓
Dover Corp			✓
DSV			✓
Duerr			✓
Dynapack International Technology Corp			✓
E&E Recycling			✓
Eagle Cold Storage Enterprise Co			✓
East Tender Optoelectronics Corp			✓
Easyjet	✓		✓
Edenred			✓
Eko Export			✓
Elektrotim			✓
Elis			✓
Emerson Electric Co			✓
Encore Wire Corp			✓
Energoaparatura			✓
Energoinstal			✓
ENKA Insaat ve Sanayi			✓
Envipco Holding			✓
Equifax			✓
Espec Corp			✓
Estun Automation Co			✓
Eurofins Scientific			✓
Euromoney Institutional Investor			✓
Europcar Mobility Group			✓
EVE Energy Co	✓	✓	
Evergreen Marine Corp Taiwan	✓		
Exor	✓		✓
Expeditors International of Washington			✓
Experian			✓
Fabryki Sprzetu i Narzedzi Gorniczych Grupa Kapitalowa Fasing			✓
Factset Research Systems			✓
Falcon Machine Tools Co			✓
FangDa Carbon New Material Co			✓
Fastenal Co			✓
FedEx Corp		✓	✓
Feerum			✓
Feng Ching Metal Corp			✓
Ferrovial			✓

Company	E	S	G
FineTek Co			✓
FirstGroup	✓		✓
Fleetcor Technologies			✓
Flughafen Zuerich			✓
Fomento de Construcciones y Contratas	✓		
Formosa Electronic Industries			✓
Fortive Corp			✓
Forward Electronics Co			✓
Franbo Lines Corp			✓
Franklin Electric Co			✓
Fraport Frankfurt Airport Services Worldwide	✓		✓
Frontline			✓
Fuji Corp (Aichi)			✓
Fukushima Galilei Co			✓
Gallant Precision Machining Co			✓
GEA Group			✓
GEM Co	✓		✓
Generac Holdings			✓
General Dynamics Corp			✓
Georg Fischer			✓
Getlink			✓
Gielda Praw Majatkowych Vindexus			✓
Global Payments			✓
GMexico Transportes			✓
Godex International Co			✓
Gol Linhas Aereas Inteligentes	✓		
Golden Friends Corp			✓
Gongniu Group Co	✓	✓	
GrafTech International			✓
Grand-Tek Technology Co			✓
Great Computer Corp			✓
Greenland Holdings Corp			✓
Grodno			✓
Grupa Kapitalowa Immobile			✓
Grupa Pracuj		✓	✓
Grupo Aeroportuario del Pacifico			✓
Grupo Aeroportuario del Sureste			✓
Grupo Traxion	✓		
Gujarat Pipavav Port	✓	✓	
Hainan Meilan International Airport Co			✓
Haitian International Holdings			✓
Hamakyorex Co	✓		
Hankook & Company Co			✓
Han's Laser Technology Industry Group Co	✓		

Company	E	S	G
Harmonic Drive Systems			✓
Harsco Corp			✓
Harvia Oyj			✓
Hays			✓
Hazama Ando Corp			✓
Hefei Meyer Optoelectronic Technology			✓
Heijmans			✓
Helios Towers			✓
Henan Huanghe Whirlwind Co			✓
Hep Tech Co			✓
Herkules			✓
Hexcel Corp			✓
Hidrovias do Brasil	✓		
Highlight Tech Corp			✓
Hochtief			✓
Hollysys Automation Technologies			✓
Honey Hope Honesty Enterprise Co			✓
Howmet Aerospace			✓
Huntington Ingalls Industries			✓
Hyundai Samho Heavy Industries Co		✓	✓
I Jang Industrial Co			✓
IDEX Corp			✓
IHS Markit			✓
IMI			✓
Inalways Corp			✓
Informa			✓
Inmax Holding Co			✓
Inner Mongolia North Hauler Joint Stock Co			✓
INPAQ Technology Co			✓
InPost			✓
Intelligent Packaging Holdco Issuer	✓		
International Consolidated Airlines Group			✓
International Container Terminal Services		✓	
International Distributions Services		✓	✓
Interroll Holding			✓
Intertek Group			✓
Intertrust			✓
Introl			✓
Irish Continental Group			✓
Itochu Corp	✓		
J B Hunt Transport Services			✓
Jacobs Solutions			✓
Jarlltec Co			✓
JetBlue Airways Corp			✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G
JGC Holdings Corp	✓		✓
Jhen Vei Electronic Co			✓
Johnson Controls International		✓	
Johnson Electric Holdings	✓		✓
Joinsoon Electronics MFG Co			✓
Jungheinrich			✓
Kao Fong Machinery Co			✓
Keller Group	✓		
Kerry Logistics Network			✓
Keysight Technologies			✓
King Polytechnic Engineering Co			✓
Kion Group			✓
Knorr Bremse	✓		✓
Kone Oyj			✓
Koninklijke BAM Groep			✓
Koninklijke Boskalis Westminster			✓
Krones			✓
Krynicky Recykling			✓
Kubota Corp	✓		
Kuehne und Nagel International			✓
L3harris Technologies			✓
Larsen & Toubro	✓	✓	✓
Leotec Fine Ceramics Co			✓
Legrand	✓		✓
Lena Lighting			✓
Lennox International			✓
LG Energy Solution	✓		
Localiza Rent a Car			✓
Lockheed Martin Corp			✓
Lokum Deweloper			✓
Lonking Holdings			✓
M31 Technology Corp			✓
Magnate Technology Co			✓
MasTec			✓
Mcphy Energy			✓
Megaforce Co			✓
Meggitt			✓
Mercor			✓
Mesa Laboratories		✓	
Metso Outotec Corp			✓
Mitie Group		✓	✓
Mitsui O.S.K. Lines	✓		
Montana Aerospace		✓	✓
Moody's Corp			✓
Morgan Advanced Materials			✓

Company	E	S	G
Morgan Sindall Group			✓
Mostostal Plock			✓
Mostostal Warszawa			✓
Mostostal Zabrze			✓
Mota Engil			✓
MTR Corp			✓
MTU Aero Engines			✓
Mueller Industries			✓
Munters Group			✓
Murray & Roberts Holdings			✓
National Express Group	✓		✓
Network International Holdings			✓
Newag			✓
Nexans	✓		
Nexi		✓	✓
Nibe Industrier			✓
Nichias Corp	✓		
Nippon Densetsu Kogyo Co			✓
Nippon Yusen KK	✓		
Nordex			✓
Norfolk Southern Corp			✓
Norma Group			✓
North Navigation Control Technology Co			✓
Northrop Grumman Corp			✓
NV Bekaert			✓
NWS Holdings			✓
Offshore Oil Engineering Co			✓
Okamura Corp			✓
Old Dominion Freight Line			✓
Orient Overseas (International)			✓
Orzel Bialy			✓
Otis Worldwide Corp			✓
PA Nova			✓
Paccar			✓
Pacific Basin Shipping	✓		
Pagegroup		✓	
PagSeguro Digital			✓
Park24 Co			✓
Paychex			✓
PayPoint	✓		
Pentair			✓
Piovan			✓
PJP Makrum			✓
Podak Co			✓
Polimex Mostostal			✓

Company	E	S	G
PostNL			✓
Poznanska Korporacja Budowlana Pekabex			✓
Prochem			✓
Pro-Hawk Corp			✓
Proto Labs			✓
Prysmian	✓	✓	✓
Przedsiębiorstwo Hydrauliki Silowej Hydrotor			✓
Qantas Airways	✓		
Quanta Services			✓
Quaser Machine Tools			✓
Rafako			✓
Randstad			✓
Raubex Group			✓
Rawlplug			✓
Raytheon Technologies Corp			✓
Realord Group Holdings			✓
Recruit Holdings Co	✓		
Redde			✓
Redde Northgate			✓
Relpol			✓
Relx	✓	✓	✓
Remak Energomontaz			✓
Renewi			✓
Renishaw			✓
Rentokil Initial			✓
Republic Services			✓
Reunert			✓
Rexel			✓
Rheinmetall			✓
Rizhao Port Co			✓
Robert Half International			✓
Rockwell Automation			✓
Rodex Fasteners Corp			✓
Rollins			✓
Rolls-Royce	✓		✓
Rotork			✓
RPS Group			✓
Ryanair Holdings	✓	✓	
S&P Global			✓
Safran			✓
Sandvik		✓	✓
Sanki Engineering Co		✓	
Sankyu	✓		✓
Sany Heavy Industry Co	✓		✓

Company	E	S	G
Saurer Intelligent Technology Co			✓
Schneider Electric	✓		✓
Schweiter Technologies			✓
Sea & Land Integrated Co			✓
Seche Environnement	✓		
Securitag Assembly Group Co			✓
Securitas			✓
Seek		✓	
Serco Group			✓
Sf Holding Investment	✓		
SFA Engineering Corp			✓
SFS Group			✓
SGS			✓
Shandong Sinocera Functional Material Co	✓		✓
Shanghai Construction Group Co			✓
Shanghai Electric Group Co			✓
Shanghai Highly Group Co			✓
Shanghai International Airport Co			✓
Shanghai International Port Group Co			✓
Shanghai Pudong Construction Co			✓
Shanghai Zhenhua Heavy Industries Co			✓
Sheh Fung Screws Co			✓
Sheh Kai Precision Co			✓
Shenzhen Expressway Corp			✓
Shenzhen Inovance Technology Co	✓		
Shenzhen International Holdings			✓
Shoucheng Holdings			✓
Shuangliang Eco-Energy Systems Co			✓
Simplo Technology Co			✓
Singapore Airlines	✓		
Singatron Enterprise Co			✓
Sinmag Equipment Corp			✓
Sinopec Engineering Group Co			✓
Sinotrans			✓
SITC International Holdings Co	✓	✓	✓
Sixt			✓
Skanska			✓
SKF		✓	✓
SMC Corp	✓		
Snap-On			✓
SNC-Lavalin Group			✓
Societe BIC			✓
Solid State		✓	✓
Sonel			✓
Southwest Airlines Co	✓		✓

Company	E	S	G
Speedy Hire			✓
Spie			✓
Spirax-Sarco Engineering	✓		✓
Spirit AeroSystems Holdings			✓
Stabilus			✓
Stadler Rail			✓
Stagecoach Group	✓		
Stalexport Autostrady			✓
Stanley Black & Decker		✓	✓
SThree			✓
Strix Group			✓
Sumitomo Heavy Industries		✓	✓
Sunex			✓
Ta Chia Yung Ho Machine Industry Co			✓
Taikisha			✓
Taitien Electronics Co			✓
Taiwan Allied Container Terminal Corp			✓
Taiwan Alpha Electronic Co			✓
Taiwan Benefit Co			✓
Taiwan Environment Scientific Co			✓
Taiwan Oasis Technology Co			✓
Taiwan Ostor Corp			✓
Taiwan Takisawa Technology Co			✓
Taiwan Taxi Co			✓
Tbea Co			✓
TBG Global Pte			✓
TDK Corp	✓		
TE Connectivity			✓
Techtronic Industries Co	✓		✓
Teleperformance			✓
Tesgas			✓
Textainer Group Holdings			✓
Textron			✓
Thales			✓
Thomson Reuters Corp			✓
Tian Zheng International Precision Machinery Co			✓
Tiandi Science & Technology Co			✓
Tianjin Benefo Tejing Electric Co			✓
Tomra Systems			✓
Top High Image Corp			✓
TopBuild Corp			✓
Toro Co			✓
Torpol			✓
Toyota Industries Corp	✓		

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Trane Technologies	✓		✓
Trans Polonia			✓
TransDigm Group			✓
TransUnion	✓		✓
TriNet Group			✓
Trinity Precision Technology Co			✓
Türk Traktor ve Ziraat Makineleri			✓
Ultra Electronics Holdings			✓
Unibep			✓
Unifosa Corp			✓
Union Pacific Corp	✓		✓
United Airlines	✓		
United Airlines Holdings			✓
United Parcel Service	✓	✓	✓
United Rentals			✓
Universal Microwave Technology			✓
UVAT Technology Co			✓
Valmet Oyj			✓
Varta			✓
Vesuvius			✓
Vinci			✓
Vistal Gdynia			✓
Volition Group	✓		✓
Volvo			✓
Waberer's International			✓
Wacker Neuson			✓
Wan Hai Lines	✓		
Warimpex Finanz und Beteiligungs			✓
Wartsila Oyj Abp			✓
Waste Connections			✓
Waste Management			✓
Ways Technical Corp			✓
WEG		✓	✓
Weir Group			✓
Wesco International			✓
Western Union Co	✓		
Westinghouse Air Brake Technologies Corp			✓
Wielton			✓
Wizz Air Holdings	✓		✓
Wolong Electric Group Co			✓
Wolters Kluwer		✓	✓
Wonderful Hi-Tech Co			✓
Wuhan East Lake High Technology Group Co			✓
Wuhan Jingce Electronic Group Co			✓

Company	E	S	G
Wuxi Taiji Industry Corp			✓
WW Grainger			✓
Xiamen C&D			✓
Xiamen Faratronic Co		✓	
XPO			✓
Xylem			✓
Yangzijiang Shipbuilding Holdings			✓
YFC-BonEagle Electric Co			✓
Yokogawa Electric Corp			✓
YTO Express Group Co			✓
Yuexiu Transport infrastructure			✓
Yufu Electronics Co			✓
Zamet			✓
Zehnder Group			✓
Zhejiang Expressway Co			✓
Zhejiang Feida Environmental Science & Technology Co			✓
Zhejiang Yankon Group Co			✓
Zhuzhou CRRC Times Electric Co			✓
Zoomlion Heavy Industry Science and Technology Co			✓
ZPUE			✓
ZTO Express (Cayman)			✓
ZUE			✓
Real Estate			
Adler Group			✓
Aedifica			✓
Agile Group Holdings			✓
Alexandria Real Estate Equities	✓		✓
A-Living Smart City Services Co			✓
Alta			✓
American Tower Corp	✓		✓
Americold Realty Trust			✓
Annaly Capital Management			✓
Aroundtown			✓
Assura			✓
Attacq			✓
Beijing Capital Development Co			✓
BR Properties			✓
British Land Company			✓
Canadian Apartment Properties Real Estate Investment Trust			✓
Capital & Counties Properties			✓
CapitaLand Ascendas			✓
CapitaLand China Trust			✓

Company	E	S	G
Capitaland Group Pte		✓	✓
CapitaLand India Trust			✓
CapitaLand Integrated Commercial Trust		✓	✓
CBRE Group			✓
Central China New Life			✓
Central China Real Estate			✓
China Aoyuan Group			✓
China Logistics Property Holdings Co			✓
China Overseas Grand Oceans Group			✓
China Overseas Land & Investment	✓	✓	✓
China Overseas Property Holdings			✓
China Resources Land	✓	✓	
China Resources Mixc Lifestyle Services			✓
China SCE Group Holdings			✓
China Vanke Co			✓
China World Trade Center Co			✓
Cifi Ever Sunshine Services Group			✓
CIFI Holdings (Group) Co			✓
CLS Holdings			✓
Cofinimmo			✓
Concentradora Fibra Danhos			✓
Construtora Tenda			✓
Country Garden Holdings Co			✓
Country Garden Services Holdings Co			✓
Covivio			✓
CPI Property Group	✓	✓	✓
Crown Castle	✓		✓
Derwent London	✓		✓
Deutsche EuroShop			✓
Develia			✓
Diamondrock Hospitality Co			✓
DIC Asset			✓
Digital Realty Trust	✓		✓
Douglas Emmett			✓
Duke Realty Corp			✓
Eastgroup Properties	✓		
Elme Communities		✓	✓
Emaar Properties		✓	✓
Equinix			✓
Equity Residential	✓	✓	✓
Essex Property Trust			✓
Evergrande Property Services Group			✓
Extrace Storage	✓		✓
EZTEC Empreendimentos e Participacoes			✓

Company	E	S	G
Fabege			✓
Federal Realty Investment Trust			✓
Fibra Uno Administracion			✓
Fideicomiso Fibra Uno			✓
FirstService Corp			✓
Frasers Logistics & Commercial Trust			✓
Full Wang International Development Co			✓
Gecina			✓
Gemdale Corp			✓
Gemdale Properties and Investment Corporation			✓
Glory Sun Financial Group			✓
GLP J-REIT			✓
Goodman Group	✓		
Grainger			✓
Grand City Properties			✓
Great Portland Estates			✓
Greattown Holdings			✓
Greenland Hong Kong Holdings			✓
Greentown China Holdings			✓
Greentown Service Group Co			✓
Growthpoint Properties			✓
Guangzhou R&F Properties Co			✓
Hamborner			✓
Hammerson	✓	✓	✓
Hammerson Ireland Finance	✓		
Hang Lung Group			✓
Hang Lung Properties	✓	✓	✓
Harworth Group			✓
Healthcare Realty Trust (Tennessee)	✓		
Healthpeak Properties	✓		✓
Heimstaden Bostad			✓
Hibernia			✓
Hongkong Land Holdings	✓	✓	✓
Hopson Development Holdings			✓
Host Hotels & Resorts	✓		✓
Huang Long Development Co			✓
Hulic			✓
Hyprop Investments			✓
Hysan Development Co	✓		✓
Icade			✓
Ingenia Communities Group	✓		✓
Inmobiliaria Colonial SOCIMI			✓
Inpro			✓
Intervest Offices & Warehouses			✓

Company	E	S	G
Invitation Homes			✓
Irish Residential Properties			✓
Iron Mountain			✓
IWG			✓
Jones Lang LaSalle			✓
Kaisa Group Holdings			✓
Ke Holdings		✓	
Keppel DC			✓
Kerry Properties			✓
Kilroy Realty Corp			✓
Kimco Realty Corp			✓
Kleipierre			✓
Kunyue Development Co			✓
KWG Group Holdings			✓
Kwg Living Group Holdings			✓
Land Securities Group			✓
LEG Immobilien			✓
LI Ming Development Construction Co			✓
Link Real Estate Investment Trust	✓	✓	
Logan Group Co			✓
Londonmetric Property			✓
Longfor Group Holdings			✓
Lushang Health Industry Development Co			✓
LVGEM (China) Real Estate Investment Co			✓
MEGA International Development Co			✓
Mercialys			✓
MERLIN Properties SOCIMI			✓
Mid-America Apartment Communities			✓
Mitsubishi Estate Co	✓	✓	✓
Nanjing Chixia Development Co			✓
New Tech Capital			✓
New World Development Co			✓
Nexity			✓
Ningbo Fuda Co			✓
Ningbo United Group Co			✓
NSI			✓
OUTFRONT Media	✓		
Patrizia			✓
PGF Polska Grupa Fotowoltaiczna			✓
Polski Holding Nieruchomosci			✓
Poly Developments and Holdings Group Co			✓
Poly Property Group Co			✓
Poly Property Services Co			✓
Potlatchdeltic Corp			✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Powerlong Real Estate Holdings			✓
Primary Health Properties			✓
Prologis			✓
PS Business Parks			✓
Public Storage	✓		✓
Radiance Holdings (Group) Co			✓
Rank Progress			✓
Realtyome Corp			✓
ReaLy Development & Construction Corp			✓
Redco Properties Group			✓
Redefine Properties			✓
Rexford Industrial Realty	✓		✓
Robinsons Land Corp			✓
Ronshine China Holdings			✓
Safestore Holdings			✓
Savills			✓
SBA Communications Corp			✓
Seazen Group			✓
SEGRO	✓		✓
Shaftesbury			✓
Shanghai Chengtou Holding Co			✓
Shanghai Industrial Holdings			✓
Shanghai Lingang Holdings Co		✓	
Shanghai Lujiazui Finance & Trade Zone Development Co			✓
Shanghai New Huang Pu Industrial Group Co			✓
Shanghai Shibei Hi-Tech Co			✓
Shanghai Tongda Venture Capital Co			✓
Shenzhen Investment			✓
Shimao Services Holdings			✓
Shinsun Holdings Group Co			✓
Shui On Land			✓
Shun Tak Holdings			✓
Shurgard Self Storage			✓
Sichuan Languang Development Co			✓
Simon Property Group		✓	✓
Sino Land Co			✓
Sino-Ocean Group Holding			✓
Soho China			✓
Sun Brothers Development Co			✓
Sun Communities	✓	✓	✓
Sun Hung Kai Properties			✓
Sunac China Holdings			✓
Sunac Services Holdings			✓

Company	E	S	G
Sunfon Construction Co			✓
Sunlight Real Estate Investment Trust			✓
Sunstone Hotel Investors			✓
Suntec Real Estate Investment Trust			✓
Swire Properties	✓		✓
Swiss Prime Site			✓
Tacheng Real Estate Co			✓
TAG Immobilien			✓
Tande Co			✓
Terreno Realty Corp			✓
Times China Holdings			✓
UDR	✓		✓
Unibail-Rodamco-Westfield			✓
Unite Group			✓
UOL Group		✓	✓
Urban Logistics			✓
Ventas			✓
VGP			✓
Vonovia	✓	✓	✓
Vornado Realty Trust			✓
Vukile Property Fund			✓
Warehouses de Pauw			✓
We&Win Diversification Co			✓
Welltower			✓
Weyerhaeuser Co			✓
Wharf Holdings			✓
Wharf Real Estate Investment Company			✓
Wikana			✓
Workspace Group			✓
Xinhu Zhongbao Co			✓
Xior Student Housing			✓
YeaShin International Development Co			✓
Yuexiu Property Co			✓
Yuexiu Real Estate Investment Trust			✓
Yungshin Construction & Development Co			✓
Yuzhou Group Holdings Co			✓
Zhuhai Huafa Properties Co			✓
Zug Estates Holding			✓
Technology			
1&1			✓
3R Games			✓
AAC Technologies Holdings			✓
AB			✓
Ability Opto-Electronics Technology Co			✓

Company	E	S	G
Accenture			✓
Acer Cyber Security			✓
Action			✓
Activision Blizzard		✓	
Acula Technology Corp			✓
Adevinta	✓		✓
Adobe	✓		✓
ADVA Optical Networking			✓
Advanced Analog Technology			✓
Advanced Ceramic X Corp			✓
Advanced Micro Devices			✓
Advanced Microelectronic Products			✓
Advanced Micro-Fabrication Equipment China		✓	✓
Advantech Co	✓		✓
Adyen			✓
Aethertek technology Co			✓
AIC			✓
AimCore Technology Co			✓
Airtel Africa			✓
Aixtron			✓
Akamai Technologies			✓
Algotek			✓
Alibaba Group Holding	✓		✓
All In! Games			✓
Allegion			✓
Allfunds Group			✓
Allied Circuit Co			✓
Allied Electronics Corporation			✓
Almaviva The Italian Innovation Company			✓
Alpha Microelectronics Corp			✓
Alphabet	✓		✓
Also Holding			✓
Alten			✓
America Movil		✓	✓
AMICCOM Electronics Corp			✓
Amphenol Corp			✓
Analog Devices			✓
Anhui Tongfeng Electronics Co			✓
ANSYS			✓
Apple	✓	✓	✓
Applied Materials			✓
Arbor Technology Corp			✓
Archosaur Games			✓
Argosy Research			✓

Company	E	S	G
Arista Networks			✓
Array			✓
Ascom Holding			✓
ASE Technology Holding Co	✓		
Asia Tech Image			✓
ASM International	✓		✓
ASML Holding	✓		
ASMPT	✓	✓	✓
Aspeed Technology			✓
Asseco Business Solutions			✓
Asseco South Eastern Europe			✓
AT&T	✓		✓
Atende			✓
Atos			✓
Atoss Software			✓
Atp Tower Holdings LLC		✓	
ATrack Technology			✓
Aubay			✓
Auction Technology Group			✓
AUO Corp	✓		✓
Auras Technology Co			✓
Aurora Industries			✓
Auto Trader Group			✓
AUTO1 Group			✓
Autodesk			✓
Automatic Data Processing			✓
Avalue Technology			✓
Avast			✓
AVEVA Group			✓
Axcelis Technologies			✓
Axcen Photonics Corp			✓
Axiomtek Co			✓
Axtel		✓	
Azion Corp			✓
Baidu	✓		✓
Baltic Classifieds Group			✓
Baozun			✓
Barco			✓
BCE			✓
Bechtle			✓
Beijing Kingsoft Office Software			✓
Beijing Sinnet Technology Co			✓
Bharti Airtel			✓
Bilibili			✓

Company	E	S	G
Bin Chuan Enterprise Co			✓
Blue Label Telecoms			✓
Brand 24			✓
Brinno			✓
British Telecommunications	✓	✓	✓
Broadcom			✓
Browave Corp			✓
BT Group	✓		✓
Bukalapak.com	✓	✓	
BYD Electronic International Co			✓
Bytes Technology Group			✓
Cadence Design Systems			✓
Cancom			✓
Capgemini			✓
Carel Industries			✓
CastleNet Technology			✓
Cayenne Entertainment Technology Co			✓
CDW Corp			✓
Cellnex Telecom			✓
Ceridian HCM Holding			✓
CGI			✓
CGS International			✓
Chander Electronics Corp			✓
Channel Well Technology Co			✓
Charter Communications			✓
Chen Full International Co			✓
Chernan Metal Industrial Corp			✓
Chief Telecom			✓
Chime Ball Technology Co			✓
China Mobile	✓		✓
China Railway Signal & Communication Corp			✓
China Telecom Corp			✓
China Unicom Hong Kong			✓
Chinasoft International			✓
Chinese Gamer International Corp			✓
Chip Hope Co			✓
Chipbond Technology Corp			✓
Cint Group AB			✓
Cisco Systems			✓
CITIC Telecom International Holdings			✓
Citrix Systems			✓
CM.com			✓
Cognizant Technology Solutions Corp			✓
Cohort			✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Comarch			✓
Comcast Corp	✓	✓	✓
CompuGroup Medica			✓
Comtrend Corp			✓
Connection Technology Systems			✓
Consolidated Communications Holdings		✓	
Constellation Software			✓
Control Technology Co			✓
Converge Information & Comms Technology Solutions		✓	✓
Corning	✓		✓
Crystalwise Technology			✓
CTCI Advanced Systems			✓
Darktrace			✓
Dassault Systemes			✓
Datatec			✓
Datawalk			✓
Dell Technologies			✓
Deutsche Telekom			✓
Digicel		✓	
Digital China Holdings			✓
Dimension Computer Technology Co			✓
Dimerco Data System Corp			✓
Diodes			✓
Disco Corp	✓		
discoverIE Group		✓	✓
DXC Technology Co			✓
E Ink Holdings			✓
eBay		✓	✓
Efecte Oyj		✓	
EFUN Technology Co			✓
eGalax_eMPIA Technology			✓
Electronic Arts			✓
Elisa Oyj			✓
Elite Material Co			✓
eMemory Technology			✓
Enermax Technology Corp			✓
Epam Systems			✓
Episil Technologies			✓
Eris Technology Corp			✓
Etrend Hightech Corp			✓
Etron Technology			✓
Eutelsat Communications			✓
Evs Broadcast Equipment			✓
Excelliance MOS Corp			✓

Company	E	S	G
F5			✓
FDM Group (Holdings)			✓
Fidelity National Information Services			✓
Firich Enterprises Co			✓
First Hi-tec Enterprise Co			✓
FOCI Fiber Optic Communications			✓
Force Mos Technology Co			✓
Forcecon Technology Co			✓
Fortinet			✓
freenet			✓
Frontier Communications Parent		✓	✓
Gamania Digital Entertainment Co			✓
Garmin			✓
Gartner			✓
GB Group			✓
GDS Holdings			✓
Gen Digital			✓
General Interface Solution (GIS) Holding			✓
Genesis Technology			✓
Genesyslogic			✓
GFT Technologies			✓
Gia Tzoong Enterprise Co			✓
GigaDevice Semiconductor	✓	✓	✓
Gish International Co			✓
Globalsat Worldcom Corp			✓
Globalwafers Co			✓
Globe Telecom			✓
Glotech Industrial Corp			✓
Goertek	✓		
Golden Long Teng Development Co			✓
Gomax Electronics			✓
Gongin Precision Industrial Co			✓
Gooch & Housego			✓
Grab Holdings		✓	
Grand Process Technology Corp			✓
Gravitytai Co			✓
Halma			✓
Harmony Electronics Corp			✓
HCL Technologies			✓
Hellenic Telecommunications Organization			✓
Hewlett Packard Enterprise Co			✓
Hexagon			✓
Hi Sharp Electronics Co			✓
Higher Way Electronic Co			✓
HKBN			✓

Company	E	S	G
HKT Trust and HKT			✓
Hon Hai Precision Industry Co	✓	✓	
Hong Kong Technology Venture Co			✓
HP			✓
Hua Hong Semiconductor			✓
Hunt Electronic Co			✓
Hwacom Systems			✓
Hypoport			✓
Hyweb Technology Co			✓
Ibiden Co	✓		
IC Plus Corp			✓
ICP DAS Co			✓
IFirma			✓
IGG			✓
Iliad			✓
Indra Sistemas			✓
Inergy Technology			✓
Infineon Technologies	✓		✓
Infosys	✓	✓	✓
Info-Tek Corp			✓
Infrastrutture Wireless Italiane			✓
Innolux Corp	✓		
Insigma Technology Co			✓
IntegraFin Holdings			✓
Integrated Service Technology			✓
Intel Corp	✓	✓	✓
International Business Machines Corp	✓	✓	✓
Intuit			✓
IPG Photonics Corp			✓
Jack Henry & Associates			✓
Jazz Hipster Corp			✓
JCET Group Co			✓
Jenoptik			✓
Jetwell Computer Co			✓
Jiangsu Zhongtian Technology Co			✓
JSW Pacific Corp			✓
Juniper Networks			✓
Just Eat Takeaway.com			✓
Kainos Group			✓
Karooooo			✓
KDDI Corp	✓	✓	✓
Keystone Microtech Corp			✓
Kingboard Holdings			✓
Kingdee International Software Group Co	✓	✓	
Kingsoft Corp			✓

Company	E	S	G
Kintech Electronics Co			✓
KLA Corp			✓
Kohyoung Technology			✓
KoMiCo		✓	✓
Koninklijke KPN			✓
Kontron			✓
Koryo Electronics Co			✓
Kuaishou Technology			✓
Kuobrothers Corp			✓
Kworld Computer Co			✓
Lam Research Corp			✓
LandMark Optoelectronics Corp			✓
Lanner Electronics			✓
Laser Tek Taiwan Co			✓
Ledlink Optics			✓
Leeno Industrial			✓
Leidos Holdings			✓
Lenovo Group	✓		✓
LG Uplus Corp	✓		
Lin Horn Technology Co			✓
Linklogis			✓
LiteMAX Electronics			✓
Lite-On Technology Corp			✓
Logitech International			✓
LONGi Green Energy Technology Co		✓	✓
Longshine Technology Group Co		✓	
LPKF Laser & Electronics			✓
LSI Software			✓
Lumen Technologies			✓
LuxNet Corp			✓
MACOM Technology Solutions Holdings			✓
Magyar Telekom Tavkozlesi			✓
Manhattan Associates			✓
Maruwa Co			✓
Mastercard		✓	✓
Match Group			✓
MaxCom			✓
ME Group International			✓
MediaTek	✓	✓	✓
Megawin Technology Co			✓
Meituan			✓
Melexis			✓
MercadoLibre	✓	✓	
Meta Platforms	✓	✓	✓
Mettler-Toledo International			✓

Company	E	S	G
Micro Focus International			✓
Microchip Technology			✓
Micron Technology			✓
Microsoft Corp	✓	✓	✓
Mildef Crete			✓
Minebea Mitsumi	✓	✓	
Ming Yuan Cloud Group Holdings			✓
ML System			✓
Moneysupermarket.Com Group			✓
Monolithic Power Systems			✓
Motorola Solutions			✓
MTN Group			✓
Mustang Industrial Corp			✓
Mycronic			✓
Nagarro			✓
Nan Ya Printed Circuit Board Corp			✓
Naspers	✓		✓
Naver Corp	✓		✓
NavInfo Co			✓
NCR Corp			✓
Nedap			✓
Neith Corp			✓
Nemetschek			✓
NetApp			✓
Netcompany Group			✓
NetDragon Websoft Holdings			✓
Netflix			✓
New Work			✓
Neways Electronics International			✓
Newmax Technology Co			✓
NewSoft Technology Corp			✓
Next	✓		✓
NEXTDC	✓		
Niching Industrial Corp			✓
Niko Semiconductor Co			✓
NINGBO BIRD Co			✓
Nippon Electric Glass Co	✓		
Nippon Telegraph and Telephone Corp	✓		✓
Nokia Oyj			✓
Nordic Semiconductor			✓
NOS			✓
Novabase			✓
Novatek Microelectronics Corp	✓		
NTT Data Corp			✓
NTT System			✓

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COMPANIES ENGAGED IN 2022

Company	E	S	G	Company	E	S	G	Company	E	S	G	Company	E	S	G	Company	E	S	G
NXP Semiconductors			✓	Rogers Communications			✓	Solidwizard Technology Co			✓	Tera Autotech Corp			✓	Vodafone Group	✓	✓	✓
OFILM Group Co			✓	Roper Technologies			✓	Solutions 30			✓	Texas Instruments	✓		✓	VSTECs Holdings			✓
Okinawa Cellular Telephone Co			✓	Royaltek Co			✓	Sony Group Corp	✓			Thunder Software Technology Co		✓	✓	V-Tac Technology Co			✓
ON Semiconductor Corp	✓			RS Group			✓	Sopra Steria Group			✓	Tianma Microelectronics Co			✓	Vtech Holdings			✓
Open Text Corp			✓	Ruby Tech Corp			✓	Spectris			✓	TIE Kinetix			✓	VTR Comunicaciones		✓	
OPTeam			✓	Sabre Corp			✓	Spirent Communications			✓	Tietoevry Oyj			✓	Wah Hong Industrial Corp			✓
Oracle Corp	✓		✓	Sage Group		✓	✓	SS&C Technologies Holdings			✓	Tinybuild		✓		Wayi International Digital Entertainment Co			✓
Orange	✓	✓	✓	Salesforce			✓	STMicroelectronics			✓	TM Technology			✓	Weibo Corp			✓
Orange Belgium			✓	Samsung Electronics Co	✓	✓	✓	Sunny Optical Technology Group Co	✓		✓	T-Mobile US			✓	Weimob			✓
Oxford Metrics			✓	Samsung SDI Co	✓			Superloop			✓	Tontek Design Technology			✓	Welldone Co			✓
Pacific Image Electronics Co			✓	SAP			✓	Suse			✓	Topview Optronics Corp			✓	Western Digital Corp			✓
Padauk Technology Co			✓	Scout24			✓	Swisscom			✓	Total Play Telecomunicaciones		✓		WIN Semiconductors Corp			✓
Panram International Corp			✓	Sea		✓	✓	Synopsys			✓	TravelSky Technology			✓	Wingtech Technology Co			✓
Parade Technologies	✓		✓	Seagate Technology Holdings			✓	Sysgration			✓	Trimble			✓	Wipro			✓
Park Systems Corp	✓			secunet Security Networks			✓	Tai-Tech Advanced Electronics Co			✓	Triumph Science&Technology Co			✓	Wistron Information Technology & Services Corp			✓
Pax Global Technology			✓	Semiconductor Manufacturing International Corp			✓	Taiwan Chinsan Electronic Industrial Co			✓	TrueLight Corp			✓	Wistron NeWeb Corp		✓	
Paycom Software			✓	Senao Networks			✓	Taiwan Green Environment Technology			✓	Trustpilot Group			✓	WithSecure Oyj		✓	
PayPal Holdings			✓	SenseTime Group			✓	Taiwan IC Packaging Corp			✓	Trust-Search Corp			✓	Wonik Holdings Co			✓
PCCW			✓	ServiceNow			✓	Taiwan Kong King Co			✓	TSC Auto ID Technology Co			✓	Worldline			✓
PCI Technology Group Co			✓	SES			✓	Taiwan Name Plate Co			✓	TT electronics			✓	WT Microelectronics Co			✓
Penpower Technology			✓	Shaw Communications			✓	Taiwan Semiconductor Co			✓	Turk Telekomunikasyon			✓	Xaar			✓
Perficient			✓	Sheng Yi Development Co			✓	Taiwan Semiconductor Manufacturing Co	✓	✓		Twitter			✓	Xander International Corp			✓
Phonic Corp			✓	Shengyi Technology Co			✓	Taiwan Union Technology Corp			✓	TXC Corp			✓	Xiaomi Corp	✓		
PixArt Imaging			✓	Shenzhen Kingdom Sci Tech Co			✓	Takkt			✓	Tyler Technologies			✓	Xilinx			✓
Playway			✓	Shian Yih Electronic Industry Co			✓	Talex			✓	Ubisoft Entertainment			✓	Yao Sheng Electronic Co			✓
Plus500			✓	Shih Her Technologies			✓	Tata Consultancy Services	✓		✓	Uchi Technologies			✓	Yonyou Network Technology Co			✓
Power Integrations			✓	Shopify			✓	TCL Electronics Holdings			✓	UD Electronic Corp			✓	Y-S Electronic Co			✓
Powertip Tech Corp			✓	Silicon Touch Technology			✓	TeamViewer			✓	Ultra Chip			✓	Zakłady Urzadzen Komputerowych Elzab			✓
Professional Computer Technology			✓	Siltronic			✓	Tecan Group			✓	Unitech Electronics Co			✓	Zalando			✓
Prosus		✓	✓	Silvair			✓	TECO Image Systems Co			✓	United Fiber Optic Communication			✓	Zebra Technologies Corp			✓
Proximus			✓	Simula Technology			✓	Tele Columbus		✓	✓	United Internet			✓	Zen Voce Corp			✓
PTC			✓	Singapore Telecommunications			✓	Tele2			✓	Utechzone Co			✓	Zendesk			✓
PVA TePla			✓	Single Well Industrial Corp			✓	Telecom Italia			✓	Vanguard International Semiconductor Corp	✓		✓	Zscaler			✓
Q Technology (Group) Company			✓	Sintronics Technology Corp			✓	Teledyne Technologies			✓	Venture Corporation	✓		✓	ZTE Corp			✓
Qorvo			✓	Sixsigma Networks Mexico		✓		Telefonaktiebolaget LM Ericsson			✓	Verisign			✓	ZWSOFT Guangzhou Co		✓	
Quadient			✓	SK Hynix	✓			Telefonica			✓	Verisk Analytics			✓	Utilities			
Qualcomm			✓	SK Telecom Co			✓	Telefonica Deutschland Holding	✓	✓	✓	Verizon Communications	✓	✓	✓	Abu Dhabi National Energy Company	✓		
Quantum Software			✓	Skyworks Solutions			✓	Telenet Group Holding			✓	Viasat		✓		Acea			✓
R22			✓	Skyworth Digital Co			✓	Telenor			✓	Viavi Solutions			✓	AES Andes	✓		
Rafael Microelectronics			✓	Skyworth Group			✓	Telia Company AB		✓	✓	Videndum			✓	AES Corp	✓		✓
Razer			✓	Softcat	✓	✓	✓	Telkom	✓		✓	Viking Tech Corp			✓	Aguas Andinas			✓
RDC Semiconductor Co			✓	Software	✓	✓	✓	Telkom Indonesia	✓			Visa	✓	✓	✓	Albioma			✓
Reply			✓	Soitec			✓	Telus Corp			✓	Vishay Intertechnology			✓	Algonquin Power & Utilities Corp			✓
Rightmove			✓	Solid State System Co			✓	Temenos			✓	Vodacom Group			✓	Alliant Energy Corp	✓		✓
RM			✓					Tencent Holdings	✓		✓								

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COMPANIES ENGAGED IN 2022

Company	E	S	G
Ameren Corp			✓
American Electric Power Company	✓		✓
American Water Works Company			✓
Atmos Energy Corp			✓
Beijing Capital Eco-Environment Protection Group Co			✓
Beijing Enterprises Holdings			✓
Beijing Enterprises Water Group			✓
BKW	✓		✓
Brazilian Electric Power Co	✓		
Canvest Environmental Protection Group Company			✓
CenterPoint Energy	✓		✓
Centrica	✓		✓
Centrum Nowoczesnych Technologii			✓
CEZ as	✓		
CGN New Energy Holdings Co			✓
CGN Power Co			✓
China Everbright Environment Group			✓
China Everbright Greentech			✓
China Gas Holdings	✓		✓
China Longyuan Power Group Corp	✓		✓
China Power International Development			✓
China Resources Gas Group			✓
China Resources Power Holdings Co	✓		✓
China Three Gorges Corp	✓		
China Yangtze Power Co	✓	✓	
Cikarang Listrindo	✓		
CK Infrastructure Holdings	✓		✓
CLP Holdings	✓		✓
CMS Energy Corp			✓
Companhia de Saneamento Basico do Estado de Sao Paulo			✓
Companhia de Saneamento de Minas Gerais Copasa			✓
Companhia de Saneamento do Parana Sanepar	✓		
Compania Nationala de Transport al Energiei Electrice Transelectrica			✓
Consolidated Edison			✓
Dalian Thermal Power Co			✓
Datang HuaYin Electric Power Co			✓
Dominion Energy	✓		✓
Drax Group	✓		✓
DTE Energy Co			✓
Duke Energy Corp	✓		✓
Edison International	✓		✓
EDP Energias de Portugal	✓		✓

Company	E	S	G
EDP Renovaveis			✓
Electricite de France	✓		✓
Electricity Generating	✓		
Elektrociepłownia Bedzin			✓
Elia Transmission Belgium			✓
Emera			✓
EnBW Energie Baden Wuerttemberg	✓		
Endesa			✓
Enel	✓		✓
Enel Americas			✓
Enel Chile			✓
Engie	✓		✓
Engie Brasil Energia	✓		
ENN Energy Holdings	✓		✓
ENN Natural Gas Co			✓
Entergy Corp	✓		✓
Equatorial Energia	✓		
Ever Clear Environmental Engineering Corp			✓
Eversgy			✓
EVN	✓		
Exelon Corp	✓		✓
Fastned			✓
FCC Aqualia			✓
FirstEnergy Corp			✓
Fortis			✓
Fortum Oyj	✓		✓
GAIL (India)			✓
GCL New Energy Holdings			✓
Gresying Digital Energy Technology Co			✓
Guangdong Investment			✓
HK Electric Investments			✓
Hong Kong and China Gas Co			✓
Huaneng Power International			✓
Iberdrola	✓		
Inter RAO Lietuva			✓
Iren	✓		
Korea Electric Power Corp	✓		
Kunlun Energy Company			✓
Leshan Electric Power Co			✓
Light			✓
Luenmei Quantum Co			✓
Mahanagar Gas	✓		
Manila Electric Co			✓
National Grid	✓		✓
Naturgy Energy Group	✓		✓
Neoen			✓

Company	E	S	G
New Fortress Energy	✓		
Nextera Energy			✓
Nextera Energy Partners	✓		
NRG Energy			✓
NTPC	✓		✓
Pacific Gas and Electric Co	✓		
Pampa Energia	✓		
Pennon Group	✓		✓
PG&E Corp			✓
PGE Polska Grupa Energetyczna	✓		
Pinnacle West Capital Corp			✓
Polenergia			✓
Power Assets Holdings	✓		✓
Power Grid Corporation of India	✓		✓
PPL Corp			✓
Public Service Enterprise Group	✓		✓
Red Electrica Corporacion			✓
Ren Redes Energeticas Nacionais			✓
RWE			✓
Saudi Electricity Company	✓		
Scatec			✓
Sembcorp Industries	✓		
Sempra Energy	✓		✓
Severn Trent			✓
Shenergy Co			✓
Shenzhen Energy Group Co	✓		
Shinhsiung Natural Gas			✓
Sichuan Chuantou Energy Co			✓
Societatea Energetica Electrica			✓
Societatea Nationala Nuclearelectrica			✓
Solaria Energia y Medio Ambiente			✓
Southern Co			✓
SSE	✓		✓
Ta-Yuan Cogeneration Co			✓
Telecom Plus			✓
Terna Rete Elettrica Nazionale	✓		
Tian Lun Gas Holdings			✓
Tohoku Electric Power Co	✓		
Torrent Power	✓		
Towngas Smart Energy Co			✓
Uniper	✓		✓
United Utilities Group			✓
Veolia Environnement	✓		✓
Verbund			✓
Voltaia			✓
WEC Energy Group			✓

Company	E	S	G
Xcel Energy	✓		✓
Ze Pak			✓
Zespół Elektrociepłowni Wrocławskich Kogeneracja			✓

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