

Schroders

Supplier Code of Conduct

December 2023



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1. Principles

At Schroders, we are committed to our values of excellence, innovation, teamwork, passion and integrity. These are the guiding principles that everyone at Schroders uses to navigate the investment world and deliver value to our clients. Our values define our reputation, determine the behaviours we expect of our employees and shape how we do business.

Schroders aims to work with suppliers who align with our values and support our goals. We expect our suppliers to adhere to all relevant legislation and to act responsibly, fairly, ethically and safely at all times. These principles form an integral part of our sourcing activities and decisions.

Our Supplier Code of Conduct sets out the behaviours and minimum standards we expect from our third-party suppliers and their subcontractors.

2. Legal and regulatory standards

We require our suppliers to comply with all laws and regulations applicable to our business in the countries in which they operate and seek commitments from their own supply chain to also meet this requirement.

3. Human rights, ethical behaviour and business transparency

Schroders enters into relationships based on the principle of fair and honest dealings at all times. This is whether in our role as an employer, as a buyer of goods and services or when carrying out our fiduciary duties as a provider of financial services and an investor in companies. We expect all our suppliers to operate in a responsible, ethical, open and transparent way, and Schroders reserves the right to monitor its supply chain against the minimum standards outlined in this Supplier Code of Conduct.

Schroders is committed to upholding all laws relating to the protection of human rights including, but not limited to, the UN's Universal Declaration of Human Rights (UDHR)¹. In line with our [Group Human Rights Position Statement](#) and annual [Modern Slavery Statement](#) we are committed to respecting human rights and addressing any human rights violations (including slavery and human trafficking) in our supply chain.

We expect our suppliers and their subcontractors to:

- Have policies in place that require their employees to adhere to all relevant regulation and legislation acting ethically and with integrity.
- Treat their own employees fairly and ethically.
- Support and encourage freedom of association and collective bargaining² in line with local regulations.
- Demonstrate the procedure(s) in place and actions taken to identify, prevent and mitigate human rights violations such as modern slavery (including forced or child labour and human trafficking) in their operations and supply chain, notifying Schroders of any identified concerns using the whistleblowing process detailed in section 6 below and the measures taken to address them.

4. Inclusion, diversity and fair wages

¹[Universal Declaration of Human Rights](#).

²[Freedom of Association and Collective Bargaining explained](#).

Schroders strives to create an inclusive culture that celebrates diversity. Our vision is for our people to reflect the diversity of the communities we live and work in. And for everyone to feel they truly belong at Schroders. Information about our approach can be found [here](#). We believe in fair pay for performance, providing a good work environment that prioritises wellbeing, and providing personal growth opportunities. This helps us attract and retain exceptional employees. We are accredited living wage employers in both the United Kingdom (UK) and the United States of America (USA) and pay at least 10% above the minimum wage in all our locations globally.

We expect our suppliers and their subcontractors to:

- Abide by all relevant equality legislation in the countries in which they operate.
- Be transparent, fair and consistent through any employment or hiring practices, ensuring there is no discrimination on the basis of age, sex or sexual orientation, gender identity, disability, origin, race, colour, religion or belief.
- Embrace diversity, fairness and inclusion in their workforce/workplace, free from discrimination.
- Comply with all applicable wage and working regulations and encourage suppliers to go beyond compliance with local minimum wages and, where applicable, pay a living wage to all direct employees and contractors. We also encourage our suppliers to support the adoption of the local living wage throughout its supply chain.

We will not tolerate harassment or discrimination in our working environment including that of our suppliers. When working at and for Schroders, if suppliers experience or witness any discriminatory actions or comments, we encourage these to be reported using the whistleblowing process detailed in section 6 below.

5. Health and safety

Schroders is committed to ensuring all employees and on-site suppliers to Schroders are provided with a safe working environment which meets the requirements of all local legislation and the UK Health and Safety at Work Act 1974 as a minimum.

We expect suppliers to Schroders to provide a safe and healthy working environment for their employees which meets the requirements of all applicable occupational health and safety regulations and to abide by all local laws and regulations.

Where suppliers are working on our site with our equipment, we expect them to comply with all health and safety training and guidance issued and to help maintain a safe working environment by reporting any issues promptly. Suppliers delivering a service using their own equipment, or servicing on-site equipment, must provide appropriate documentation in advance to demonstrate how health and safety issues will be managed.

Suppliers should ensure their employees receive the appropriate safety instruction and training to keep them safe and well in the workplace and have business management practices in place to address:

- Health and Safety Policy administration.
- Hazard identification, risk assessments and relevant procedures.
- Fire safety and emergency evacuation procedures.
- First aid and accident reporting procedures.
- Ergonomics and manual handling procedures where required.
- Adequate training for the tasks they need to perform in their role.

6. Whistleblowing

Honesty and integrity are deeply engrained in our culture, and it is everyone's responsibility to ensure that this remains the case. Like all organisations, we face the risk of things going wrong or of unknowingly harbouring illegal or unethical behaviour.

We believe that it is important that our employees, suppliers and any third party can raise any issues or concerns, with confidence that all reports will be taken seriously and investigated fully. We provide everyone access to our global reporting service, Safecall.

Safecall global reporting service

If you suspect wrongdoing, impropriety, unethical behaviour or have concerns regarding Schroders' business practices or the business practices related to the product or service provided to Schroders, you may raise them confidentially and anonymously via [the online portal](#) or [24 hour phone Line](#). Reports can be made in local languages as well as English. Schroders will receive a non-attributable summary of issues raised to address the concerns appropriately.

7. Environment

Schroders recognises the role we play in protecting the environment and minimising our environmental impact. We require our suppliers to comply with all applicable environmental legislation and regulations, and we encourage suppliers to have policies in place for effective environmental management.

In 2021, Schroders made the commitment that 67% of its supply chain, by emissions, will have set science-based targets by 2026. This means we will expect our material suppliers, whom we will notify, to set a science-based target by this date. New material suppliers are expected to make commitments to align with this objective.

We expect all suppliers to:

- Have a clear emission reduction strategy in place with comprehensive environmental policies and practices to support Schroders' commitment.
- Work with their supply chains to minimise the environmental impact of the goods or services they provide.
- Provide annual updates of their progress to Schroders.

In addition, we expect material suppliers to also:

- Measure Scope 1, Scope 2 and relevant Scope 3 emissions using the Greenhouse Gas Protocol and set near and long-term science-based targets to decarbonise business models.
- Set transition plans to achieve these targets by:
 - Reducing energy consumption and purchasing energy from renewable sources wherever possible.
 - Reducing consumption of natural resources and minimising waste through recycling and responsible waste disposal to promote a circular economy.
- Report annually on the company's sustainability performance and progress and, where possible, seek to measure and share greenhouse gas emissions data applicable to the product or service provided to Schroders on an annual basis.

8. Financial Crime

Schroders expects its suppliers to operate with integrity, comply with the UK Bribery Act 2010, the UK Criminal Finances Act 2017, UK Proceeds of Crime Act 2002, the UK Money Laundering Regulations, the UK Economic Crime and Transparency Act 2023, and UK, (UN), European Union and US sanctions. Our suppliers should have policies in place to prevent fraud, bribery and corruption, market abuse, money laundering, tax evasion and any other improper payments, or inducements within their businesses, and seek to work only with suppliers

that demonstrate similar commitments. Suppliers must not directly or indirectly offer improper payments or inducements to Schroders employees that may give rise to actual, potential, or perceived conflicts of interest, or engage in any other unethical behaviour.

9. Confidential information

Schroders expects any information received by a supplier from Schroders to be held securely with appropriate technical and organisational security in place to safeguard that information to ensure there is no disclosure of the data to any other party without our permission.

10. Data protection

Schroders expects suppliers to comply with all applicable data protection requirements. Where a supplier is processing personal data on Schroders' behalf, the supplier must enter into appropriate contractual terms governing such data processing (including, among other things, in relation to appointment of sub-processors, audit rights and transfers of personal data outside the UK or European Economic Area (EEA)), in each case as required by applicable data protection laws.

11. Physical security

Schroders expects suppliers and their subcontractors to maintain appropriate physical security arrangements. Suppliers with access to Schroders' premises must:

- Take responsibility for their own personal safety and take reasonable steps to safeguard the physical security of assets and information for which they are responsible, both in the office and when working remotely.
- Ensure that all business paperwork (including confidential papers and other working papers) and valuable or attractive items are removed from desks and put in appropriate overnight storage, secured under lock and key.
- Ensure that building access cards are secure at all times and are not shared; any lost access cards must be reported promptly. Be aware of unauthorised individuals attempting to tailgate through Schroders' access control and report such incidences immediately.
- Be responsible for the safety and security of any visitors they are hosting in Schroders' offices and ensure the timely return of any issued visitor pass.
- Report security incidents to their line manager and local security administrator at the earliest opportunity.

12. Acceptable use policy

Suppliers who have access to the Schroders IT (Information Technology) network will be asked to attest to the principles of our Acceptable Use policy. This policy sets out individuals' responsibilities in relation to the security and use of:

- Schroders' information: in whatever form, relating to Schroders' business activities globally, and to all information handled by Schroders relating to organisations with whom we deal.
- Information systems and information communications facilities operated by Schroders or on our behalf, including the use of messaging, internet, voice, and mobile IT equipment.

Suppliers who do not have access to our network, but are hosting Schroders data externally, will be subject to a security review.

13. Compliance and measurement

Suppliers must be able to demonstrate compliance with Schroders' Supplier Code of Conduct. Such compliance includes documented evidence and cooperation, upon reasonable notice, with any certification activity to demonstrate compliance with the Code Schroders undertakes.

Where local laws and regulations do not meet the same standards as Schroders Supplier Code of Conduct, Schroders terms take precedence where they do not incur a breach of such local regulation.

Supplier adherence and commitment to this Code of Conduct forms an integral part of Schroders sourcing and monitoring activity and is used along with all other relevant decision criteria when (i) selecting new suppliers; (ii) renewing current contractual relationships; or (iii) monitoring incumbent supplier relationships. In addition, failure to comply with our Supplier Code of Conduct and/or local laws and regulation may result in termination as a Schroders supplier.

To download our Supplier Code of Conduct in full, please click [here](#).

Should you have any questions regarding this Code of Conduct please contact:

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