Schroders - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Schroders plc is a global investment manager offering a distinctive set of advice and investment capabilities. Our clients seek advice to help them with a range of complex challenges. By building trusted partnerships with them, we are able to nurture deeper, long-lasting relationships. Our business is organised across two segments – asset and wealth management – with four distinct business offerings. In Asset Management our Schroders Investment Management business offers active management across a full range of asset classes through mutual funds and institutional mandates. This is now supplemented by a complete private assets business, Schroders Capital, whilst Schroders Solutions brings our public and private asset management capabilities together to offer complete investment solutions to institutional clients. Schroders Wealth Management offers advice across the wealth spectrum through our various brands. We are responsible for £737.5 billion of client's assets under management and we employ 6,196 (monthly average) people across 38 locations globally (as at 31 December 2022).

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. A number of years ago, we recognised the external forces that were causing significant disruption to 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. Today, we have succeeded in reshaping our business. We 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. We have built a complete private asset business, continued to grow our public asset offering, placed greater focus on delivering solutions for our clients, expanded our wealth management offering across the wealth spectrum and developed our network of global partnerships.

We see sustainability as a key differentiator for our business and a key source of client demand. We integrate the consideration of environmental, social and governance (ESG) factors across our portfolios of managed assets to help inform better investment decisions, the importance of which is increasingly recognised by our clients.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for
Not providing past emissions data for Scope 1

Select the number of past reporting years you will be providing Scope 2 emissions data for
Not providing past emissions data for Scope 2

Select the number of past reporting years you will be providing Scope 3 emissions data for
3 years

C0.3

(C0.3) Select the countries/areas in which you operate.

Argentina
Australia
Belgium
Bermuda
Brazil
Canada
Chile
China
Denmark
Finland
France
Georgia
Germany
Gibraltar
Guernsey
Hong Kong SAR, China
Indonesia
Ireland
Israel
Italy
Japan
Jersey
Kenya
Luxembourg
Mexico
Netherlands
Peru
Republic of Korea
Singapore
Spain
Sweden
Switzerland
Taiwan, China
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

GBP

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	No	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset owner)	No	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	No	<Not Applicable>	<Not Applicable>

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB00BP9LHF23
Yes, a Ticker symbol	SDR.L
Yes, a SEDOL code	BP9LHF2
Yes, another unique identifier, please specify (MIC)	XLON

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	Schroders' Group Chief Executive (CEO) is the executive responsible for the overall Group strategy in relation to all sustainability matters including climate-related issues. The CEO is responsible for proposing the Group strategy to the Board and for its execution. The CEO and Board consider sustainability matters to be integral to the Group's overall strategy. Externally, our CEO sits on the board of FCLTGlobal (a non-profit organisation that develops research and tools to encourage long-term investing and sustainable growth). This enables him to keep abreast of industry changes in terms of how the asset management industry should tackle and report on climate-related issues. Our CEO is present at all our Board meetings, including those where climate-related issues are discussed. These discussions help form our strategy which includes our approach to sustainability and climate-related risks and opportunities. The CEO attends the Product Strategy Committee (PSC). The PSC identifies, prioritises and reviews the Group's overall product strategy globally. This includes consideration of climate-related opportunities to shape the development of new products. During 2022, the PSC reviewed demand for sustainability-oriented thematic strategies, and undertook to conduct more advanced research into approaches for helping clients to mitigate the impacts of climate change and nature degradation. The PSC agreed cross-functional support for delivering portfolios which contribute to clients' environmental and social goals. Our November Board meeting is devoted to the Group's strategy. At this meeting, the CEO presented a strategy paper which included climate-related issues. The CEO chairs the Group Sustainability and Impact Committee (GSI Committee). The GSI Committee provides advice to the CEO to assist him in discharging his responsibilities regarding sustainability and impact. The CEO decides to approve the overall global sustainability and impact strategy, including key initiatives, new commitments and policies. The GSI Committee monitors progress towards our goals, including progress towards our science-based targets.
Board-level committee	The Board Audit and Risk Committee (BARC) comprises solely independent non-executive directors as is required by the UK Corporate Governance Code, and reports to the Board which assesses all risks and controls impacting the Group. The BARC receives quarterly reports on key risks impacting the business, one of which is 'Environmental, social and governance (ESG) risk including climate change'. The BARC provides an update to the Board after each meeting on matters discussed. The BARC considers the Group's key risks twice a year in July and November. In November 2022, the BARC requested to receive an update on 'ESG risk including climate change' which included information on physical and transition risks. The BARC considers and discusses external reporting requirements for climate-related disclosures. In November 2022, the BARC requested to receive an update from the Global Head of Corporate Sustainability, the Global Head of Sustainable Investment and the Head of Corporate Reporting. This update covered feedback received on our 2021 climate reporting and enhancements planned for the 2022 reporting season, new regulatory requirements for entity level reporting, the methodologies used for our Scope 1, 2 and 3 emissions reporting and how we assure our data.
Board Chair	The Chair is responsible for setting the Board agenda which primarily focuses on strategy, performance, value creation, culture and conduct, accountability and risk management. Sustainability matters, including those related to climate and nature, form part of many elements of the Group's strategy and are integrated into the agenda-setting process. The Chair determines the timing for agenda items to ensure appropriate time is allocated, particularly for strategic issues, including climate and nature-related issues. The Chair is also responsible for ensuring new Directors undertake a formal induction process so that Directors are familiar with the business of the Company, including our sustainability strategy, which includes climate-related matters. The Group's corporate sustainability strategy, which includes climate and nature-related issues, is formally reviewed by the Board annually. The Chair requested to have a briefing session on sustainability at the July 2022 Board meeting. This was delivered by the Global Head of Sustainable Investment and Global Head of Corporate Sustainability. At this briefing session, the Board was updated on how sustainability trends were shaping our industry, including climate and nature-related risks and opportunities. This covered the trends, impacts and how the business was responding for both the investments we manage and our own operations. The Board was also updated on progress in our priority areas, which included climate change and biodiversity. As part of this, the Board were presented with an update on the partnership with Conservation International to accelerate investment in natural climate solutions in South-East Asia. In order to support the ongoing monitoring of our targets, a climate management dashboard was presented to the Board which showed how the business tracks climate-related metrics. Our November Board meeting is devoted to the Group's strategy. At this meeting, the Board discussed sustainability as part of the Group Chief Executive's strategy paper. The Board also received an update on the publication of the '2022 Status Report' on TCFD that was published by the Financial Stability Board. The Board noted the key findings of the 2022 Status Report were being assessed by the business. The Board also noted the business was considering the outcomes of the Financial Reporting Council's report on net zero disclosures.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives Reviewing and guiding strategy Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing and guiding public policy engagement Other, please specify	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities The impact of our own operations on the climate The impact of our investing activities on the climate	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. We embed climate and nature-related risks and opportunities into our strategy. The Board is therefore ultimately responsible for the oversight of climate and nature-related risks and opportunities that could impact our business. 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 and also to the CEO. The CEO is responsible for proposing the strategy for the Group and for its execution. Through this framework, the Board receives regular briefings on sustainability matters. Climate change is considered a key element of the Group's sustainability strategy, which is a core strategic pillar. The CEO also identifies that sustainability issues are critical to delivering against our purpose. At the July Board meeting, there was a briefing session on sustainability which covered our response for both the investments we manage and our own operations. At the November Board meeting, the Board discussed sustainability as part of the CEO's strategy paper. As part of the CFO's report to the Board, the management accounts include a climate dashboard that displays Schroders' progress against our science-based targets, validated in 2022, across our financed and operational emissions. The governance mechanism for reviewing and guiding risk management policies is through the Board Audit and Risk Committee (BARC). The BARC receives quarterly reports on key risks impacting the business, one of which is 'ESG risk including climate change'. The BARC provides an update to the Board after each meeting on matters discussed. The BARC considers the Group's key risks twice a year in July and November. In November, the BARC received an update on 'ESG risk including climate change' which included information on physical and transition risks. Our Group Sustainability and Impact (GSI) Committee advises and assists the Group Chief Executive, who chairs the Committee, in discharging his responsibilities regarding sustainability and impact. Our climate and nature-related targets are monitored by the GSI Committee, with progress reported to the Board. In 2022, the GSI reviewed the progress against our climate change strategy and delivery plans for our science-based targets, including climate engagement for investee companies, operational action plan and supply chain engagement strategy. The GSI reviewed our CDP 2022 response and recommended for approval our Group Climate Change Position Statement and Group Nature and Biodiversity Position Statement. 'ESG risk including climate change' is managed as part of our physical infrastructure and supply chain management functions which report to the CFO. The 2022 TCFD report was formally approved by the Board in Q1 2023.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Our Chair, who was appointed to the Board as a Non-executive Director and Chair designate on 1 September 2021, is also the Chair of the Impact Investing Institute. This external position is intrinsically linked to climate-related transition issues. The Impact Investing Institute aims to accelerate the growth and improve the effectiveness of the impact investing market in the UK and internationally. They want to see more capital contributing to the well-being of people and the planet – as set out in the United Nation's Sustainable Development Goals. Our Chair is also a Board member of the Green Finance Institute. The Green Finance Institute was established in 2019 as a direct response to a key policy recommendation made by the industry-led Green Finance Taskforce to the UK Government in March 2018.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Managing climate-related acquisitions, mergers, and divestitures
Providing climate-related employee incentives
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our investing activities
Risks and opportunities related to our own operations

Reporting line
Other, please specify (Our CEO reports to the Board)

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The Board is responsible for approving the Group's strategy. This includes our strategy for sustainability including climate and nature-related risks and opportunities. The Board has delegated overall responsibility for the delivery of the Group's strategy to the Group Chief Executive, who has the authority to delegate further whilst retaining overall responsibility for the delivery of our strategy, which includes climate-related issues.

Our Group Sustainability and Impact (GSI) Committee advises and assists the Group Chief Executive, who chairs the Committee, in discharging his responsibilities regarding sustainability and impact. Our climate and nature-related targets are monitored by the GSI Committee, with progress reported to the Board. In 2022, the CEO, as Chair of the GSI Committee, reviewed the progress against our climate change strategy and delivery plans for our science-based targets, including climate engagement for investee companies, operational action plan and supply chain engagement strategy. The GSI Committee reviewed our CDP 2022 response and recommended for approval our Group Climate Change Position Statement and Group Nature and Biodiversity Position Statement.

Position or committee
Other, please specify (Global Head of Sustainable Investment)

Climate-related responsibilities of this position
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our investing activities

Reporting line
Investment - CIO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Annually

Please explain
The Global Head of Sustainable Investment oversees the assessment, development, implementation, monitoring and reporting of the investment management climate strategy and progress. This role manages and/or has oversight of the different business areas and asset classes across the Group. In collaboration with the Global Head of Corporate Sustainability (for our corporate activities), they provide information, recommendations and updates to the Group Sustainability and Impact Committee. They are supported and informed by the Group-wide Climate Change Working Group and Climate Change Task Force to manage and monitor climate-related issues.

Position or committee
Other, please specify (Global Head of Corporate Sustainability)

Climate-related responsibilities of this position
Developing a climate transition plan
Implementing a climate transition plan
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our own operations

Reporting line
Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Annually

Please explain
The Global Head of Corporate Sustainability oversees the assessment, development, implementation, monitoring and reporting of the operational climate strategy and progress. This role sits across and co-ordinates across the different operational departments to pull together the different elements of the operational climate strategy. In collaboration with the Global Head of Sustainable Investment (for our investing activities), they provide information, recommendations and updates to the Group Sustainability and Impact Committee. They are supported and informed by the Group-wide Climate Change Working Group and Climate Operations Working Group to manage and monitor climate-related issues.

Position or committee
Risk committee

Climate-related responsibilities of this position
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our investing activities
Risks and opportunities related to our own operations

Reporting line
Risk - CRO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Half-yearly

Please explain
The executive oversight of risk is delegated by the Group Chief Executive to the CFO. The Group Risk Committee (GRC) assists the CFO in discharging his responsibilities

in respect of risk and controls. The GRC reviews and monitors the adequacy and effectiveness of the Group's risk management framework, including relevant policies and limits. It also reviews emerging risks and developments to our internal key risks, one of which is 'ESG risk including climate change'. All internal key risks (excluding strategic risk as this risk type mainly comprises factors that are external to our operating model) have a Risk Appetite statement which is set by the Board. Each Risk Appetite statement is supported by a number of metrics and tolerances to enable us to provide an assessment of risk position against Risk Appetite. On an annual basis, risk position versus appetite is formally assessed and is reviewed and challenged by the GRC prior to the GMC, BARC and Board. On a quarterly basis, risk position versus appetite is monitored through the BARC dashboard. Any issues in respect of 'ESG risk including climate change' would be identified and flagged through the Risk Appetite process or through ad hoc escalations or papers presented to the GRC. The GRC monitors progress against climate-related corporate targets.

Position or committee
Other, please specify (Group Sustainability and Impact Committee)

Climate-related responsibilities of this position
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our investing activities
Risks and opportunities related to our own operations

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Annually

Please explain
The Group Sustainability and Impact (GSI) Committee provides advice to the Group Chief Executive to assist him in discharging his responsibilities regarding sustainability and impact. The GSI 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 Group Management Committee and the Board. The GSI Committee monitors progress towards our goals, including progress towards our science-based targets.
The Committee is advised and informed by (and provides challenge to) the Sustainability Executive Committee, Sustainability Regulations Steering Committee, Climate Change Working Group and Climate Operations Working Group.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Chief Executive Officer (CEO)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Achievement of a climate-related target
Increased engagement with investee companies on climate-related issues
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
The annual bonus award is determined by assessing performance against pre-defined measures and targets set out in a scorecard comprised of 70% financial and 30% non-financial measures, including key strategic sustainability objectives.

In 2022, performance was assessed with consideration for:
- Target for engaging with companies representative of 20% of AUM in-scope of our science-based targets;
- Target to be on-track to meet financed emissions target of 2.2C by 2030;
- Target to maintain a leadership level in CDP climate assessment.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
As an asset manager, the primary lever through which we can influence meaningful progress toward our climate ambitions is by engaging and influencing the behaviours of

the companies we invest in. Our engagement approach and climate targets help track our progress and impact. Additionally, it is imperative to our credibility with the companies that we engage with to demonstrate the importance of our own sustainability and climate matters. The use of the firm's strategic climate KPIs directly in the scorecard used to reward executives ensures the matters are regularly monitored and reviewed by the executives as well as the members of the Board that comprise the Remuneration Committee responsible for determining the awards.

Entitled to incentive
Chief Financial Officer (CFO)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Achievement of a climate-related target
Increased engagement with investee companies on climate-related issues
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
The annual bonus award is determined by assessing performance against pre-defined measures and targets set out in a scorecard comprised of 70% financial and 30% non-financial measures, including key strategic sustainability objectives.

In 2022, performance was assessed with consideration for:
- Target for engaging with companies representative of 20% of AUM in-scope of our science-based targets;
- Target to be on-track to meet financed emissions target of 2.2C by 2030;
- Target to maintain a leadership level in CDP climate assessment.

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
As an asset manager, the primary lever through which we can influence meaningful progress toward our climate ambitions is by engaging and influencing the behaviours of the companies we invest in. Our engagement approach and climate targets help track our progress and impact. Additionally, it is imperative to our credibility with the companies that we engage with to demonstrate the importance of our own sustainability and climate matters. The use of the firm's strategic climate KPIs directly in the scorecard used to reward executives ensures the matters are regularly monitored and reviewed by the executives as well as the members of the Board that comprise the Remuneration Committee responsible for determining the awards.

Entitled to incentive
Chief Executive Officer (CEO)

Type of incentive
Monetary reward

Incentive(s)
Shares

Performance indicator(s)
Increased share of renewable energy in total energy consumption
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Long-Term Incentive Plan

Further details of incentive(s)
During 2021, the Remuneration Committee determined that Schroders’ commitment to preserving our planet, which is central to our long term strategy, should also be reflected in the Long Term Incentive Plan (LTIP) for the CEO and CFO. For 2022 onwards, a new climate-related metric has therefore been introduced in to the LTIP.

For the 2022 award (performance period 2022 - 2025), the climate metric is linked to our aim to achieve 100% of our global electricity from renewable sources by 2025. For the 2023 award (performance period 2023 - 2026), the LTIP will include a climate metric assessing the performance of our 'portfolio temperature score' that measures the forward-looking climate ambitions of our investment portfolio against our own public commitments to the Science-Based Targets initiative (SBTi).

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
As an asset manager, the primary lever through which we can influence meaningful progress toward our climate ambitions is by engaging and influencing the behaviours of the companies we invest in. Our engagement approach and climate targets help track our progress and impact. The use of the firm's strategic climate KPIs directly in the scorecard used to reward executives ensures the matters are regularly monitored and reviewed by the executives as well as the members of the Board that comprise the Remuneration Committee responsible for determining the awards.

Entitled to incentive
Chief Financial Officer (CFO)

Type of incentive
Monetary reward

Incentive(s)
Shares

Performance indicator(s)
Increased share of renewable energy in total energy consumption
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Long-Term Incentive Plan

Further details of incentive(s)

During 2021, the Remuneration Committee determined that Schroders' commitment to preserving our planet, which is central to our long term strategy, should also be reflected in the Long Term Incentive Plan (LTIP) for the CEO and CFO. For 2022 onwards, a new climate-related metric has therefore been introduced in to the LTIP.

For the 2022 award (performance period 2022 - 2025), the climate metric is linked to our aim to achieve 100% of our global electricity from renewable sources by 2025. For the 2023 award (performance period 2023 - 2026), the LTIP will include a climate metric assessing the performance of our 'portfolio temperature score' that measures the forward-looking climate ambitions of our investment portfolio against our own public commitments to the Science-Based Targets initiative (SBTi).

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
As an asset manager, the primary lever through which we can influence meaningful progress toward our climate ambitions is by engaging and influencing the behaviours of the companies we invest in. Our engagement approach and climate targets help track our progress and impact. The use of the firm's strategic climate KPIs directly in the scorecard used to reward executives ensures the matters are regularly monitored and reviewed by the executives as well as the members of the Board that comprise the Remuneration Committee responsible for determining the awards.

Entitled to incentive
Corporate executive team

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Reduction in absolute emissions
Increased alignment of portfolio/fund to climate-related objectives

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
In general, all employees below the CEO and CFO participate only in a short-term incentive plan which is determined annually by reference to individual, business unit and firm performance against a range of financial and non-financial criteria linked to the delivery of the firm's strategic, long-term objectives. A significant proportion of variable remuneration for higher-earning employees is granted as fund awards and shares, thereby aligning the interests of employees with clients and shareholders.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The Group Management Committee (GMC), made up of senior representatives from across the business, has a collective and area responsibility for achieving our net zero target. Performance against this target forms part of the annual compensation review process.

Entitled to incentive
Facilities manager

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Reduction in absolute emissions
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
In general, all employees below the CEO and CFO participate only in a short-term incentive plan which is determined annually by reference to individual, business unit and firm performance against a range of financial and non-financial criteria linked to the delivery of the firm's strategic, long-term objectives.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Facilities managers within the organisation have targets set during the annual appraisals process incentivising energy efficiency and recycling improvements related to climate change risk management. Performance against these targets is a key factor in annual compensation decisions.

Entitled to incentive
Environment/Sustainability manager

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Implementation of employee awareness campaign or training program on climate-related issues
Other (please specify) (Engage our employees in environmental responsibility, including those related to climate change)

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
In general, all employees below the CEO and CFO participate only in a short-term incentive plan which is determined annually by reference to individual, business unit and firm performance against a range of financial and non-financial criteria linked to the delivery of the firm's strategic, long-term objectives.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
We have corporate sustainability and responsibility employees who have a key objective to engage our people in environmental responsibility, including those related to

climate change. Achievement against this objective is a key factor in annual compensation decisions.

Entitled to incentive
Dedicated Responsible Investment staff

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Progress towards a climate-related target
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
In general, all employees below the CEO and CFO participate only in a short-term incentive plan which is determined annually by reference to individual, business unit and firm performance against a range of financial and non-financial criteria linked to the delivery of the firm's strategic, long-term objectives.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
We have a sustainable investment team who have a key objective to engage and equip our investment teams to take ESG factors into consideration as part of the investment process. Achievement against this objective is a key factor in annual compensation decisions.

Entitled to incentive
Portfolio/Fund manager

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Other (please specify) (All fund managers are required to consider ESG factors as part of their investment decisions)

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
In general, all employees below the CEO and CFO participate only in a short-term incentive plan which is determined annually by reference to individual, business unit and firm performance against a range of financial and non-financial criteria linked to the delivery of the firm's strategic, long-term objectives.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Having achieved ESG integration, all fund managers are required to consider ESG factors as part of their investment decisions. Adherence to this is measured through the annual performance management framework which is a key factor in annual compensation decisions. In 2022, we established engagement targets for fund managers and analysts working on fundamental investment strategies, including engagement on climate-related issues, delivery of which is considered as part of their annual performance review.

Entitled to incentive
Procurement manager

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Other (please specify) (Our procurement team have sustainability-related objectives, including an assessment of climate being a mandatory part of the evaluation of suppliers)

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
In general, all employees below the CEO and CFO participate only in a short-term incentive plan which is determined annually by reference to individual, business unit and firm performance against a range of financial and non-financial criteria linked to the delivery of the firm's strategic, long-term objectives.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Our procurement team have sustainability-related objectives, including an assessment of climate being a mandatory part of the evaluation of suppliers. Achievement against objectives is a key factor in annual compensation decisions.

Entitled to incentive
All employees

Type of incentive
Non-monetary reward

Incentive(s)
Internal company award
Other, please specify (Charitable donation matching, paid volunteer leave, employee benefits)

Performance indicator(s)
Reduction in absolute emissions

Reduction in emissions intensity
Other (please specify) (Support of various sustainability-related initiatives, charities and benefits)

Incentive plan(s) this incentive is linked to
Not part of an existing incentive plan

Further details of incentive(s)
We provide various incentives for our employees for the management of climate-related issues. We run an annual global £200k charity competition, where our people can nominate charities of their choice and have the chance to win up to £50k, £30k, £15k or £5k, plus up to an additional 20 £5k awards through our 'People's Choice' Award which asks employees to vote on their favourite impact video created by the finalist and charity of choice.

Through our grants programme we support charities addressing the climate crisis through their community impact. In 2021 we started a new partnership with The Felix Project, a UK charity, who collect surplus food and create meals for vulnerable people in London, our employees volunteer their time to create the meals and reduce the amount of food going to landfill. We also started a new partnership in Hong Kong with the Ocean Recovery Alliance, an organisation focused on reducing plastic pollution and run talks and initiatives our people take part in to address the issue.

We also run generous employee charitable matching and volunteering schemes. For volunteering, employees can claim up to two days' paid volunteer leave per year for a charitable organisation or community group where the volunteer activity is demonstrating positive social, environmental or economic impact. We also offer monetary matching schemes for volunteering in the UK, offering £20 per hour for every hour volunteering outside of traditional working hours, up to an annual cap, as well as matching for fundraising and payroll giving.

Our UK employee reward offering also includes the option for employees to participate in a range of climate-focused benefits, including cycle work scheme, electric car scheme and carbon offsetting monthly subscription.

During 2022, we established a Sustainability Innovation Challenge, which invited employees to identify initiatives able to help accelerate delivery of group sustainability goals. That initiative yielded several ideas linked to emission reduction and climate management, some of which are being taken forward. Successful proposals were offered an opportunity to present their ideas to members of the Group Sustainability and Impact committee, including the CEO and CFO.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Our offering to employees further emphasises the strategic importance of climate matters to the firm by further embedding them throughout the organisation in an organic manner.

Entitled to incentive
Other, please specify (Global Head of Corporate Sustainability)

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Achievement of climate transition plan KPI

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
In general, all employees below the CEO and CFO participate only in a short-term incentive plan which is determined annually by reference to individual, business unit and firm performance against a range of financial and non-financial criteria linked to the delivery of the firm's strategic, long-term objectives.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Our Global Head of Corporate Sustainability has sustainability-related objectives, including responsibility for the implementation of our climate transition plan. Achievement against objectives is a key factor in annual compensation decisions.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as the default investment option for all plans offered	The main pension savings vehicle is the Schroders Retirement Benefit Scheme. There are a mix of 30 active and passive funds available. The Trustee includes the Schroder Sustainable Multi-Factor Equity Fund as part of the Scheme's default investment option. The Fund integrates ESG risk factors into a systematic investment approach. The Fund is also available as a self-select option along with the Schroder Life QEP Global Sustainable fund. The Trustee believes that ESG issues can be financially material to long-term investment portfolios and are therefore considered as part of the Scheme's investment process. Investment managers are given full discretion to evaluate ESG issues in the selection, retention, and realisation of investments. The Trustee believes that good active managers have considered, and will continue to consider, how best to account for ESG factors. The Trustee expects all its fund managers to monitor investee companies and engage with management on all relevant stewardship matters including performance, strategy, risk, social and environmental impact, and corporate governance. The Scheme's Statement of Investment Principles (SIP) sets out the Trustee's beliefs on ESG and the process followed by the Trustee in relation to voting rights and stewardship. The Scheme's Implementation Statement shows how the SIP has been adhered to, including examples of significant votes across the funds containing equity. Having undertaken an ESG beliefs session and assessment of the level of ESG integration in the Scheme, the Trustee has produced a standalone Responsible Investment and Voting Policy – capturing its beliefs and approach to ESG and climate change. The identified priorities were incorporated in the 2022 investment strategy review, which led to the continued monitoring of ESG ratings and investment manager diversity and inclusion polices, along with the inclusion of two new sustainable funds as self-select options. The Trustee continues to receive regular training on ESG. ESG and climate related risks are included in the risk register and specific ESG objectives are in place with investment advisers. Climate change metric and scenario analysis has been undertaken and targets set. Schroders also offers access to a SIPP provided by Hargreaves Lowdown, for employees who want to have a broader range of investment options. The default is the HL growth fund, however, members have access to a full range of funds which incorporate ESG considerations.	<Not Applicable>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	0–5 years is the approximate time for which our clients hold their investments with us. This time horizon is in line with our RCA methodology, which states that business areas identify and assess risks that may crystalise in the next five years. For example, our physical climate risk assessments for our offices are aligned with the RCA methodology. This time horizon is also used for financial planning purposes, in order to maintain outcomes accuracy and validity.
Medium-term	5	10	This time horizon is defined as 'near term' by the SBTi so can be used interchangeably. This is the timeframe over which we would expect to see the effects of our engagement with management teams result in material changes in the climate exposures of portfolio companies, and that failure to do so should lead us to conclude that those engagements are not delivering the targeted outcomes.
Long-term	10		In periods longer than 10 years, the physical impacts of climate change will become particularly pronounced and the strength of political action to tackle climate change will have become clearer. Currently, different climate scenarios can have varying implications for our business.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Schroders has a robust Risk Management Framework in place to identify, evaluate, monitor, and proactively manage its risks. Risks are assessed using a 'top-down' and 'bottom-up' approach. The 'top-down' approach uses analysis from Group Risk and discussion with Group Management Committee (GMC) members and subject matter experts around the Group. The 'bottom-up' approach uses the results from Risk Control Assessments, trends in risk events and high-impact issues logged in our operational risk database, Archer.

The results of these assessments are used to inform our internal key risks which are presented to the Group Risk Committee (GRC) prior to the GMC, Board Audit and Risk Committee (BARC) and Board. We have 19 internal key risks across three categories: Strategic, Business and Operational risk.

We review our internal key risks to identify a sub-set that are the principal risks to the firm. These are the risks that are most likely to impact our strategy, business model, external reputation and future performance. These risks include those that may significantly impact its results, liquidity, or capital, affecting its financial health. Stress tests are used, as part of the risk management framework, to understand the potential impact of certain adverse scenarios on the business. The stress testing exercise analyses potential risk events that, if they materialise, could pose a threat to the Group's five-year financial plan and the long-term strategic plan.

The Board sets risk appetite statements for all our key risks (excluding strategic risk as this risk type mainly comprises factors that are external to our operating model), which are supported by a number of metrics and tolerances to enable us to provide an assessment of risk position against risk appetite. This is formally assessed on an annual basis and reviewed and challenged by the GRC, GMC, and BARC. In 2022, we further enhanced ESG risk dashboards and analytical techniques to support the review and challenge of ESG risks, including at the Asset Class Risk and Performance Committees.

Substantive financial or strategic impact refers to an event with such an impact and probability that it could prevent the Group from achieving its overall strategy and financial targets, damage its resources to carry out its activities, clients' expectations, or its brand image, requiring major effort to manage and resolve to avoid detrimental impacts on the viability of the business. This would equate to a loss of more than 20% of our assets under management from net outflows.

Our climate change scenario analysis performed as part of our TCFD disclosures for 2022 did not indicate a significant climate-related financial risk to our five-year viability assessment period. We will continue to further assess potential climate change-related financial/strategic risks to our business.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
A key element of the direct operation of our business is how we operate, in particular the availability of our buildings, systems and staff, and therefore our ability to carry out our investment activities on behalf of clients. The risks associated with our buildings and ability to operate, for example the risk of flood or need to comply with regulation, exist today but may be exacerbated as a result of climate change. The climate change impacts that may affect our ability to maintain operations include physical risks such as acute weather events, which may result in certain offices being unavailable due to damage or infrastructure failures, or ability for staff or clients to travel to work. In addition, the way in which we manage our buildings may be impacted by transitional risks, such as changes in regulations.

Transition risk assessment

Individual business functions are responsible for identifying and assessing climate change transition risks that impact their business areas and functional responsibilities. The identification process is supplemented by second line functions, including Compliance, who provide insight on relevant risks and regulatory requirements. For example:
- Our Workplace Services, Global Technology and Procurement teams carry out first line assessment of technology and market risks and opportunities regarding capital goods or new technology for our offices and services from external suppliers. At present, our primary offices are located in the central business districts of major financial centres around the world and are well maintained premises. A significant proportion of our properties are held on relatively short leases, which enables us to be moderately flexible in making changes to our buildings should serious risks be identified.
- Business-wide policy and legal risks are assessed and monitored by our second line Compliance team and Sustainability Regulations Steering Committee.
- Business-wide reputational risks are monitored by our Corporate Sustainability, Sustainable Investment, Group Risk and Communications teams.

Physical risk assessment

We carry out a strategic review of our offices on a periodic basis, which includes a detailed assessment of risks and opportunities associated with our existing offices. We are committed to certifying our largest offices to the ISO 14001 EMS standard. For the offices certified, risks and opportunities are identified and managed in line with this standard. To date, our global headquarters in London (in 2020), New York and Hong Kong (in 2021) have achieved certification. In 2022, we certified our Horsham estate, Luxembourg and Singapore offices.

To measure the physical risk to our owned and leased offices, we undertake an annual mapping exercise to generate risk scores for each office location. We use data from Verisk Maplecroft (a research firm specialising in global risk analytics), in line with our Real Estate investment business, to assess physical risks against a set of 23 individual risk indicators, which review both acute shocks (for example, wildfire hazard) and chronic stress (for example, air quality). The risk indicators have a high spatial resolution so that we can understand conditions on a very localised basis. The indicators primarily focus on risks our offices are currently exposed to; however, we have also selected several indicators to assess future risk exposure including average temperatures and heat stress. Annually, we determine what specific actions need to be taken in respect of this assessment, which are prioritised by the Group Management Committee, based on the degree of impact determined.

When reviewing new building office locations, detailed environmental assessments are carried out as part of the acquisition due diligence through third-party consultants. We assess the associated risks relating to the new building and its location, including those that we believe will be impacted by current or emerging climate change related regulations and longer-term physical risks. In advance of each lease renewal, acquisition of a new building or as part of periodic review of properties, our Workplace Services management team carry out risk profiling exercises, which include reviewing the age of a building, its risk of flood or extreme heat and its environmental status versus local regulation and desired accreditation. The profiling uses our management's industry knowledge, best practice and benchmarking against other buildings. We also use professional advisers to help identify potential issues. This covers both physical and transitional risks. Where risks are identified, more formal risk assessments are obtained (for example flood assessments) from professional consultants to determine the potential impacts. These assessments factor in longer term trends relating to climate change. Opportunities for building improvements may also arise where risk profiling identifies gaps in relation to regulation or our desired level of environmental accreditation (e.g. BREEAM) or shortfalls in building maintenance.

Risks associated with our ability to operate on a day to day basis are identified via regular assessments of our business continuity arrangements. This is carried out by business areas identifying the key activities and operations that must continue in the event of a significant disruption, and the impact it may have if it can not continue. This process is centrally coordinated and overseen by our Business Continuity specialists. In addition, we have completed the first phase of a programme relating to operational resilience, which has assessed and tested whether we are resilient in our ability to keep key business services operating in the event of a severe but plausible scenario. For example, the loss of a key supplier or our ability to function, which may occur for a variety of reasons, some of which may relate to the physical or transitional impacts of climate change. We are now focussed on enhancing our operational resilience in the areas identified through our scenario testing and vulnerability assessments.

The measures required and the associated costs to respond to risk and opportunities are reviewed and approved by relevant local or senior management, in accordance with our budgeting and procurement processes. In addition, on an ongoing basis, our Group Sustainability and Impact Committee considers recommendations in respect of the firm's own actions in response to climate change, including energy usage, recycling and sustainable sourcing.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
As an asset manager, we attract clients to invest with us and aim to achieve investment performance for them. We have integrated the identification, assessment and response to climate-related risks and opportunities into our multi-disciplinary company-wide process.

Meeting client demand: Meeting our client's demand is a key risk for an investment management business in that we may not offer to clients the products or solutions that meet their requirements, including those with respect to climate change, leading to client outflows or reduced inflows of AUM, and therefore reduced revenues. Ensuring that our clients are provided with the products and solutions they seek in respect of climate change may lead to enhanced inflows.

Risk and opportunities are identified through our assessment of our product range and client demand to ensure our offering effectively meets client needs in respect of climate change mitigation. As part of this activity, we monitor the strength and direction of asset flows into sustainable and climate-related funds, and look for opportunities to create new products and solutions, which help clients meet their goals and obligations including mitigating climate change risk. This information and insight informs our product strategy, which is discussed in whole or in part in a number of forums of which the Group Chief Executive is a member, including the Product Strategy Committee (PSC) and the Group Management Committee, which he chairs.

When product requirements are identified, they are subject to detailed assessment, often through quantitative analysis, using external data to assess markets, trends and market share, and insight from external consultant specialists. Where significant gaps are identified in our product offering, we may determine the risk or opportunity of not participating in this part of the market by quantifying the potential revenue gap. Where the PSC agrees that new products are required, specific product solutions are reviewed and approved by our Product Development Committee (PDC). An example of this is our Global Energy Transition Fund. Transitional opportunities were identified within the clean energy sector via research, as well as client demand, approved by the PSC and product proposal presented to the PDC. The fund was subsequently launched. Similarly, we have also developed a number of low and fossil fuel free investment funds, including our QEP ESG fund, Sustainable Systematic Multi Factor Equity Fund, and Emerging Markets Climate Bond Fund, to address the client requirement for direct capital to be put it into areas that can generate positive impacts.

Investment management: Our fund managers across our investment desks, including Equities, Fixed Income and Multi-Asset, will make investment decisions based on detailed analysis (for example, of investee companies and macroeconomic views). In order to review climate-related risks within that investment analysis, we have developed a number of proprietary tools and metrics to support the assessment of each portfolio's exposure to climate-related risks and opportunities. Dashboards are used to provide fund managers with access to our tools, along with measures from external third-party ESG rating providers, and with the coverage. Coverage is defined as the proportion of assets (by value) within each portfolio that have been assigned a score by the tools. Analysis to date has focused predominantly on public equity, and credit markets. These tools include a number of quantitative lenses, such as Carbon Value at Risk (VaR), the portfolio emissions pathway tool and SustainExTM model. Their analysis is complemented by qualitative assessments recorded in our CONTEXT system, which are the result of proprietary insights, meetings and interviews with the portfolio companies.

There are occasions where the assessment for private asset investments can employ the same proprietary tools described above, however, ESG metrics, such as Carbon VaR, and SustainExTM, do not generally provide adequate coverage across private assets. We have developed an Environmental Management System (EMS) for the asset management of our direct real estate in the UK and Europe (certified to ISO 14001) to manage sustainability and impact risks and opportunities, and to develop resilience and performance of our portfolios and assets. To complement, real estate specific tools such as Carbon Risk Real Estate Monitor (CRREM) and Verisk Maplecroft's Global Risk Dashboard help to utilise operational carbon and asset location data to understand specific transition and physical climate risks. In 2022, Schroders developed a unified impact framework aligned to Operating Principals for Impact Management (Impact Principles) and the Impact Management Project (IMP) that brings together the impact expertise from BlueOrchard, asset class-specific expertise from Schroders Capital and sustainability expertise from Schroders, and covers both public and private strategies. This is intended to ensure that a consistent approach to impact investing is used across the firm. For private assets we have developed an umbrella framework inspired by the Impact Principles to align with market best practices. This means that sustainability and impact considerations are gradually embedded wherever relevant across our investment processes, and supports the consistent development of our ESG-integrated, sustainable and impact strategies, while accounting for each business' specificities.

Wealth Management integrates the consideration of ESG factors into its investment process. An initiative is underway to enhance the access to sustainability metrics within the Wealth Management investment process including employing the Group's sustainability data and dashboards where possible.

Value chain stage(s) covered
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Medium-term

Description of process
Upstream risks relate to our vendors/suppliers.

We identify risks with our key suppliers through our procurement due diligence processes performed throughout the supplier life cycle, including during selection, on-boarding and on an ongoing basis throughout the relationship. Such risks are then assessed at both the service level and the aggregated concentration risk at a supplier level. These assessments establish the degree to which we are dependent on the vendor or supplier, the associated risks and the level of due diligence and ongoing monitoring required. Reviews are completed by subject matter experts where necessary and appropriate controls, monitoring and processes are implemented to continually mitigate any identified risks. Our Board Audit and Risk Committee annually reviews our supplier risk assessment framework.

ESG risk is now embedded into our due diligence process for services tendered. This includes scoring that carried an increased weighting for those suppliers who were more mature in their journey to net zero, and therefore of less risk to Schroders.

Following the completion of our first phase of supplier engagement, we have gathered information from our suppliers that enables us to continually update the segmentation our supply chain according to ESG risk. We measure ESG risk by the supplier's level of ESG maturity. All information collated has been input into our ESG tracker, providing us with a risk profile across our supplier base. Our supplier engagement plan has 4 steps: Engage, Collaborate Monitor, and Escalate. Collaboration is currently provided in the form support via the use of internal expertise and by funding of a responsible business programme for selected strategic suppliers. We are reviewing e-learning options and external tools with a view to making these available to those suppliers who require support. In the final stage of the engagement plan, Escalate, we will reconsider supplier relationships where suppliers do not progress towards net zero despite our support.

In addition, we have completed the first phase of a programme relating to operational resilience, this has assessed and tested whether we are resilient in our ability to keep key business services operating in the event of a severe but plausible scenario. For example, the loss of a key supplier, which may occur for a variety of reasons, some of which may relate to the physical or transitional impacts of climate change. We are now focused on enhancing our operational resilience in the areas identified through our scenario testing and vulnerability assessments.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation impacts our investment activities globally as the need to adhere to regulations will impact the value of the companies in which we invest. Such regulations will impact the majority of the asset classes in which we invest. Some business sectors and geographies will be significantly impacted, for example those that have either significant reliance on fossil fuels or provide products/services that produce or rely on renewable energy (such as, energy and car companies). An example of such regulations are the EU large combustion plant directive on power stations and EU VI for automotive companies. If we invest in companies that are negatively impacted by these regulations, their value may decrease and the investment performance may be impacted. As a result, we may lose AUM and associated fees. The Sustainability Regulations Steering Committee determines the impact of sustainability regulations issued by financial services regulators on our current and potential investments (e.g. Taskforce for Climate-related Financial Disclosures mandated by the FCA) and oversees the implementation of sustainability regulatory change. The energy use within buildings is responsible for 40% of global greenhouse gas emissions. Our Real Estate business is impacted by current regulation to address energy efficiency (for example, the UK Minimum Energy Efficiency Regulations and the French Energy and Climate Act of 8 November 2019 which contain specific requirements on the buildings sector). The costs associated with implementing required measures to meet these regulations may impact the investment performance of these real estate assets. As a result, we may lose AUM and associated fees. It is also relevant to our direct operations globally, as we aim to ensure our ongoing compliance with climate-specific regulations across all our locations globally, relating to both the marketing and distribution of our investment products, and the management of our premises. For example, in the UK, we must track and report on our Scope 1 and Scope 2 emissions and our energy consumption in order to comply with the Companies Act and Streamlined Energy and Carbon Reporting (SECR) legislation. Failure to do so could indicate that we are not effectively managing our own climate-related risks.
Emerging regulation	Relevant, always included	Emerging regulation can significantly impact the valuations of companies in which we invest, particularly where it may result in significant cost to implement or provide an opportunity for growth. Such regulations are likely to impact the vast majority of the asset classes in which we invest. We expect that regulations to combat climate change will increase and intensify over the medium to longer term, as governments increase the focus and reinforce the importance to decarbonise. For example, the real estate sector, in which we manage investment, is expected be a prime target for policy action in order to tackle climate change impacts. This is likely to bring increased costs to ensure compliance with these future regulations, which may impact investment performance for these types of assets. Failure to navigate those regulations may result in loss of AUM, and associated fees. As such, we participate in the 'Better Buildings Partnership' to collectively discuss current emerging EU regulation with other asset managers. Whilst we do not have any certainty around the nature of emerging regulations, we expect them to have a substantial impact on the financial performance of many companies we invest in. Failure to consider the risk of falling values or not seeing future growth where such regulations can be capitalised on may impact the investment returns for our clients and our ability to attract and retain clients. For example, the UK requirement to phase out internal combustion engines by 2035 will significantly impact the nature of the car industry and therefore will be a critical factor in the investments we make on behalf of our clients in that sector. Within our own operations, we expect emerging climate-related regulations may also impact our business, in particular on our own business' climate strategy and on the existing, and under development, operational practices and tools in place to support the attainment of the strategy. We seek to participate actively and constructively in relevant consultations and our Sustainability Regulations Steering Committee oversees the process to ensure that new, proposed regulations are identified and monitored as they progress through their consultation phase and are assessed for their high-level impact on both our investment management and our own business operations.

	Relevance & inclusion	Please explain
Technology	Relevant, always included	We consider that the risks associated with advances in technology could have a significant impact on the financial performance and valuation of the companies we invest in. The required shift to low carbon technologies will create both growth opportunities, as well as significant risks to other technologies. For example, the current trends in electric vehicles and renewable energy are expected to continue, impacting demand for combustion engines and fossil-fuel generated electricity which is likely to impact the future profitability of companies currently involved in these activities. This may impact the investment performance of our funds and portfolios, and therefore our revenues, if we do not invest our clients' funds appropriately. In our own operations, we consider the advances in technology to be more of an opportunity than a risk. The greater use of agile working and intelligent heating and cooling systems in office building locations will reduce our energy usage, we are also in the final stages of closing our Datacentres and moving our application infrastructure to Cloud service providers, both of these initiatives will help achieve our climate-related objectives sooner.
Legal	Relevant, sometimes included	As with other risk types, depending upon the particular investment strategy and issuer in question, our investors assess the extent to which companies in which we invest or might invest could be impacted by legal risks, including those related to climate-change. Changes and adaptations (or lack thereof) that such companies make in relation to climate initiatives may be subject to legal challenge by shareholders, governmental bodies or other stakeholders. In addition, disclosures and undertakings made by the company may also be subject to challenge. As a result, company valuations may be impacted by higher costs to adhere to legal requirements or shareholder expectations, or by their failure to adhere to them (for example, regulatory emission standards for the automotive industries). Our clients may therefore be adversely impacted through lower stock valuations, affecting investment performance. Schroders may also suffer reputational harm as a result of being associated with companies that are subject to these risks. Certain of the investment mandates under which we manage our clients' capital may contain ESG-related requirements, including climate change related criteria. In such cases we seek to comply with those rules through our investment and product risk and control frameworks. With respect to our own operations, we regard legal risk as the risk that we, our clients, suppliers or other third parties fail to meet or record legal or regulatory obligations applicable to them or us. To date, we are not aware of any material failure to meet our legal or regulatory obligations in respect of climate change, nor are we currently subject to any climate-related litigation claims. Material legal risks that warrant escalation would be raised at our Group Risk Committee or other relevant governance body.
Market	Relevant, always included	We define market risks in this context as changing customer behaviour due to climate change, and recognise that it will present us with both risks and opportunities. The capital invested globally in ESG-focused assets, which includes climate change focused funds, is increasing significantly. Therefore the nature of our product offerings, and our ability to effectively manage investments in accordance with these requirements is key. If we are unable to offer funds or manage mandates in accordance with client expectations or requirements, we may lose assets to competitors. An example of changing customer requirements is the increasing demand for funds that are low carbon. Failure to factor such requirements into our product offering may result in lost assets. Our Sustainable Investment team, along with our Product and Distribution teams, monitor client demand and the changing focus in respect of climate investments.
Reputation	Relevant, always included	Our reputation may be impacted if we do not ensure product ranges and solutions are available to our clients, where climate and environmental issues are becoming more ingrained, which may result in a loss of assets and profitability. Further, our actions may affect our reputation if we are perceived as not having responded appropriately to climate challenges, including with respect to our own operations, for example, our energy use and associated carbon emissions. Investing on behalf of clients may also carry reputational risks. Whilst investment teams carry out research prior to investing, if firms we invest in fall short of expectations or requirements in relation to their management of climate-related risks, we may face scrutiny of our investment activities. For example, if it is discovered that a firm does not perform particular processes, which they claim enables them to manage climate related risks effectively, this could reflect negatively on us as the investment manager of the funds invested in the business and of the research/ investment processes carried out prior to investing. In addition, the degree to which we engage with the businesses in which we invest impacts our reputation. Our Sustainable Investment team regularly assesses and reports on the extent of our ESG activities. In 2022, we initiated our ambitious climate engage plan resulting in over 1,100 engagements with 737 companies. The Corporate Sustainability, Sustainable Investment and Marketing & Communications teams also review latest best practice and have a process in place for assessing voluntary or advocacy public initiatives, which will support our aims.
Acute physical	Relevant, always included	Acute weather events (e.g. hurricanes, flooding, droughts, etc.) may occur in regions where we operate (65 owned or leased offices globally) exposing the company to physical risks that may require us to implement our business recovery plans, and impact our operations. For example, we have offices in Hong Kong, which are often impacted by typhoons, and have to be closed during these times. Our Facilities and Business Continuity teams assess these physical risks, many of which may be exacerbated by climate change. Environmental assessments are also carried out on any new premises we may acquire to determine the likelihood of these risks. Potential acute weather events may impact the future value of investments we make on behalf of our clients. Many industries, for example agriculture, can be significantly impacted by acute weather events. A number of asset classes are more susceptible to severe weather events than others, including our insurance-linked business, where pay-outs may be higher than expected which ultimately could have a substantive impact on our profitability and assets if not managed effectively.
Chronic physical	Relevant, always included	Our own offices may be impacted by changes in climate, including increases in extreme weather events or changes in temperature. Such changes may necessitate greater use of heating or cooling technology. This may also lead to a power shortage within major cities in which we operate. For example, a power outage in London could significantly impact both our ability and the ability of our upstream providers to operate effectively, including whether staff are able to travel, or work remotely. Chronic physical changes are expected to impact the value of numerous companies in which we may chose to invest. Increasing global temperatures may significantly impact profitability of industry sectors, such as agriculture. For example, our Global Climate Change fund has a number of holdings in businesses that specialise in irrigation technologies, seeds and agricultural technologies. To assess the impact these changes could have, our Sustainable Investment team model the changes in insurance premiums to insure assets impacted, including land.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio’s exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Integrated into multi-disciplinary company-wide risk management process	61	Qualitative and quantitative	Short-term Medium-term Long-term	Portfolio temperature alignment Scenario analysis Internal tools/methods	In the face of physical risks from climate change, the increasing commitment by governments to mitigate them is likely to manifest in a number of transition risks to the global economy. As an investor of our clients' portfolios, we recognise that it is our duty to navigate these climate-related risks, and to identify the opportunities created from the transition. To identify climate-related risks and opportunities within our public markets investment portfolios, we have built up our resources and models extensively to help our analysts and fund managers better understand the threat climate change poses to investments. The Climate Analytics Framework, explained in more detail below, focuses on the assessment of these risks. In 2022, the assessment of climate related risks and opportunities was included into our annual desk accreditation framework. This means that in 2023 desks will be required to articulate how they systematically incorporate the consideration of climate risks and opportunities into their investment process. A description of the key tools is as follows: Risk and opportunity evaluation (1-3): 1) SustainEx: This tool quantifies the hidden environmental and social costs that companies create, both positive and negative. This tool enables us to have a holistic understanding of the net impact that portfolio and individual companies have on society and the environment. As with Carbon Value at Risk, this tool has also been through a Model Validation process as performed by our independent Model Validation team which is part of our broader Investment Risk function. 2) Carbon Value at Risk: This measures the extent to which company profits and investment returns could be at risk from higher carbon prices as we transition to a lower carbon economy. Our model examines carbon emissions from companies' operations and supply chains, and elasticity of demand for their products. By estimating supply chain emissions and identifying which companies will suffer the largest potential earnings drop we have been able to do more in-depth analysis than is possible through conventional carbon footprinting. The tool is also useful for identifying winners and losers within sectors. 3) Scenario analysis: Estimates the exposure of our holdings to physical and transition climate risks under a range of outcomes, aligning to an externally defined set of scenarios for transparency and interpretability. Scenario analysis is conducted using both proprietary and third party models to provide a comprehensive, objective and nuanced view. Outcome monitoring and risk mitigation (4-8): 4) Net zero dashboard: Used to enable our investment teams to assess their portfolios' (funds and client mandates) financed emissions and implied temperature score in accordance with the Group's science-based targets. The model enables them to break exposure down by both sector and region. 5) CONTEXT: Provides a customisable qualitative framework where analysts and fund managers can weight the most material environmental indicators to assess the sustainability of a company's business model. 6) Climate change tracker (Beta): Provides insight into the management of climate risks by companies from a number of perspectives, including markers of ambition, internal organisation, strategy and action. This equips investors with signals for how likely companies are to be successful in their decarbonisation plans. 7) Portfolio emissions pathway tool: Provides investments desks with an estimate of the predicted annualised reduction in portfolio emissions based on the emissions targets established by the companies within their portfolio. This enables investment desks to consider climate commitments within portfolio construction, and with the corresponding monitoring of company commitments over time. Engagement tracking: 8) ActiveIQ: Provides a platform to record, monitor and report on our engagement activity. Our Active Ownership team use the annual engagement activities documented, and augment this information with the outputs from the tools listed to the left to inform future climate engagement planning. Finally, we also make use of external measures, such as MSCI Carbon Emissions and MSCI ESG scores.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio
Investing (Asset manager)

Type of climate-related information considered
Emissions data
Energy usage data
Emissions reduction targets
Climate transition plans
TCFD disclosures
Other, please specify (There are many different items that portfolio managers may analyse in their assessment of climate risks and opportunities. some include: decarbonisation momentum, climate policies, management responsibility for climate risks and opportunities)

Process through which information is obtained
Directly from the client/investee
Data provider
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

State how this climate-related information influences your decision-making
We interpret this question from both a) clients' preferences and b) our investment perspectives.
a) For clients, we undertake annual global investor studies for both our retail and institutional clients, which includes an assessment on the importance of managers engaging on the topic of climate change. Gauging the views of our clients enables us to reduce the risk of not providing the right products, informing our product strategy.
b) For investments, in 2021 we published our Climate Transition Acton Plan, outlining how we intend to transition our investments to become in-line with a net zero world. In this document we outline how carbon emissions and climate risks are factored into decision-making, including:
1. the Net Zero Dashboard: measures the commitments companies have made to emission reduction through public targets . It calculates both the implied temperature score and financed emissions for the majority of our investment portfolios so investment teams can track the pace of level of ambition shown by companies and the aggregate view of portfolios.
2. the Climate Tracker tool uses data on a range of company-specific factors covering their level of ambition, their organisational readiness to transition, the actions they take and the progress they demonstrate in decarbonising their businesses. This includes datapoints such as the targets companies have set, the degree to which management is incentivised to deliver climate goals, the investment companies make in developing "green" products and their track record in reducing emissions.

For multi-manager strategies investing in third-party funds, we ask managers how they consider carbon footprint of their portfolios, how they engage on potential stranded asset risk, and how they exercise voting rights as a form of escalation.

Within Schroders Capital we integrate climate-related information within both our client and investee due diligence processes. The level of metrics and significance within decision making depends on each individual asset class – the relative risk or opportunity of climate-related factors is reflected within pre-investment scorecards.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Investing (Asset manager) portfolio

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
Strategic risk

Company-specific description
It is key that we continue to provide the products and solutions that our clients demand in order to maintain and increase our Assets Under Management, and the associated revenues we derive from them. As an active asset manager, we are seeing an increase in client demand for ESG-focused products, including investments that do not further contribute to climate change or that take advantage of the transitional risks and opportunities. Of an assessment of our top 188 strategic clients, over 70% have made a climate commitment.
As at 31 December 2022, our sustainable AUM was approximately GBP111bn of our GBP616.5bn of Group AUM (excluding AUM from joint ventures). As the market for ESG products continues to grow, and whilst our ESG-related products account for a comparable percentage of our AUM to their share of the wider market, we must ensure that we continue to develop investment products that meet this increasing client demand. Failure to do so may result in the failure to win new mandates or fund inflows or the loss of existing clients to competitors, and therefore the loss of the associated revenues. The associated impact to our revenues could be substantive.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
125000000

Potential financial impact figure – maximum (currency)
350000000

Explanation of financial impact figure
The potential financial impact to Schroders is based upon the loss of revenue as a result of not providing appropriate climate-related/ESG products and solutions to the market. As at 31 December 2022, our sustainable AUM is approximately 17% of our total AUM. According to Bloomberg Intelligence, approximately 1/3rd of global AUM may be within sustainable AUM by 2025, and we expect that this to be across asset classes and regions. Assuming that 1/3rd is at the upper end of estimates, we estimate that we may need to increase our AUM in ESG funds by a further 5 to 15% in the next decade. Based on revenues of GBP 2.5bn for 2022, the impact on our revenue is estimated to be GBP125m to GBP350m.

Cost of response to risk
1000000

Description of response and explanation of cost calculation
We assess our product range and client demand continually to ensure our offering effectively meets client needs in respect of climate change and achieving their net zero objectives. As part of this activity, we monitor the strength and direction of asset flows into sustainable and climate-related funds, and look for opportunities to create products and solutions, which help clients meet their goals and obligations including mitigating climate change risk. This information and insight informs our product strategy which is discussed in whole or in part in a number of forums of which the Group Chief Executive is a member, including the Product Strategy Committee and the Group Management Committee, which he chairs. Specific products that are developed by Client Group and Investment teams are reviewed and approved before launch by our Product Development Committee (PDC).

During 2022, we set up the development of new innovative climate products including a new Climate long-term asset fund (LTAF), the first fund of this structure to be launched in the UK.

Case study:
Situation: Our clients require funds that can support their climate mitigation and adaptation goals, whilst generating investment returns.
Task: We need to develop products that meet our clients requirements in relation to climate mitigation and adaptation, and can enable investor access to long-term, illiquid assets.
Action: In 2022, we submitted the Climate + LTAF to the FCA for regulatory approval. The Fund is a multi-private asset impact portfolio targeting climate mitigation, adaptation and capture through nature-based solutions.
Result: The LTAF was submitted to the FCA and uses a UK authorised open-ended fund structure (LTAF) that will enable investment in long-term, illiquid assets relevant for all institutional investors, with the scope to expansion to specific types of retail investor.

Comment

None

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Investing (Asset manager) portfolio

Risk type & Primary climate-related risk driver

Current regulation	Regulation and supervision of climate-related risk in the financial sector

Primary potential financial impact
Reduced profitability of investment portfolios

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
We are responsible for GBP616.5 billion (excluding AUM within joint ventures) of clients' assets under management. We estimate that up to 15% of global investment value could face transition risks and 2-3% of global enterprise values are at risk from physical risks. As such, the companies and other assets, including property, in which we invest may be significantly impacted by a number of factors relating to climate change, including changes in regulations/ laws, physical risks from extreme weather events and the expected increase in the cost of carbon.

We estimate that almost half of listed global companies would face a rise or fall of more than 20% in earnings if carbon prices rose to USD100 a tonne. In addition, using our broader SustainEx tool (which quantifies the hidden environmental and social costs that companies create, both positive and negative, that are evidenced by academic research), we assess that if all of the impacts our research identified were crystallised as financial costs, the GBP3 trillion of profits generated by listed companies could halve. This would impact upon the valuation of these companies.

Therefore, our failure to appropriately understand and assess the impact of these changes to company valuations may lead to fund managers to make poor investment decisions, which may result in substantive poor investment performance for our clients. Poor performance may impact our reputation as an asset manager, and therefore we may see a substantive outflow of AUM and a reduction in our revenues.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
125000000

Potential financial impact figure – maximum (currency)
250000000

Explanation of financial impact figure
The financial impact is based on the loss of AUM and therefore reduced revenues as a result. 2022 revenues were £2.5bn. Based on difference between the average net inflows for the past 5 years (£17bn) to the worst net inflow (-£10bn), is £27bn, or approx 4% of the current AUM of GBP616.5bn (excluding joint ventures AUM). This provides a view on the degree of fluctuation we have seen in AUM flows. A more severe downside is therefore estimated to be a 10% reduction in AUM. Assuming a reduction in AUM results in a comparable reduction in revenues, the financial impact is therefore estimated to be between £125m to £250m (£2.5bn x 5 - 10%).

Cost of response to risk
1000000

Description of response and explanation of cost calculation
Response to the risk of current regulation
Situation: In 2022, a number of regulatory obligations went live, or were ongoing from previous years.
Task: as an international investment firm, Schroders is obligated to adhere to these regulations.
Action: a dedicated ESG regulatory programme was established to help monitor the interpretation and integration of incoming sustainability regulation. This included the forming of three committees: the Regulatory Advisory Group, to assess incoming future regulation; the Regulatory Enterprise Working group, to assess the solutions being developed to implement certain regulations, and; the Sustainability Regulations Steering Committee, to oversee the implementation of regulations across the business.
Result: Schroders continues to successfully adhere to its regulatory obligations, and engage effectively with global regulators to advise on new policy proposals and consultations.

Response to the supervision of climate risks:
Situation: The introduction of a carbon tax could dramatically impact the profitability and viability of certain companies, particularly the most carbon-intense.
Task: Our investment teams need a method of assessing this risks impact to their portfolios
Action: We developed a number of tools, including: CONTEXT, which is designed to support our fund managers' in understanding the sustainability of a company's business model by assessing how it considers a number of key stakeholders, and; Carbon Value at Risk (VaR), provides desks with a view of how exposed a company is to the introduction of a USD100/tonne GHG emissions carbon tax.
Result: Where we have concerns about how a company is managing certain challenges, our tools provide the platform for us to engage with the company directly. This approach is outlined in our Engagement Blueprint, which provides an overview of our engagement priorities aligned to a number of sustainable themes, including climate.

In addition to mitigate this risk, over the course of 2022 we recruited a further 24 members of sustainability focused staff of which we estimate that a quarter of their time is used for climate-related priorities, whether that be related to engaging with underlying issuers or supporting our integrating the impacts of new regulation. Applying an average personnel cost, and including additional data and related costs, this would equate to approximately £1,000,000.

Comment
None

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Investing (Asset manager) portfolio

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
In 2022, our emissions reduction targets were validated by the Science Based Targets initiative (SBTi) and have committed to climate neutrality within our operations. If we fail to meet them, this may have a negative reputational impact for us as a firm and a substantive impact on our AUM (and associated revenue) should clients move to competitors. It may also impact the extent to which Schroders is considered to be a suitable investment for our own shareholders.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
125000000

Potential financial impact figure – maximum (currency)
250000000

Explanation of financial impact figure
The financial impact is based on the loss of AUM and therefore reduced revenues as a result. 2022 revenues were £2.5bn. Based on difference between the average net inflows for the past 5 years (£20bn) to the worst net inflow (-£10bn), is £30bn, or approximately 5% of the current AUM of £616.5bn (excluding joint venture AUM). This provides a view on the degree of fluctuation we have seen in AUM flows. A more severe downside is therefore estimated to be a 10% reduction in AUM. Assuming a reduction in AUM results in a comparable reduction in revenues, the financial impact is therefore from £125m to £250m (£2.5bn x 5 - 10%).

Cost of response to risk
1000000

Description of response and explanation of cost calculation
Volume and sentiment of coverage in media publications across all markets in which we operate and on social media is measured and monitored on an ongoing basis. It is reported to our Group Risk Committee and Board Audit and Risk Committee. We take appropriate action to address areas that either have or may result in impaired reputation.

We have taken the strategic approach to address the associated reputational risks with not excluding specific companies with respect to climate change by actively engaging with companies on specific topics relating to climate change, and to use our influence as an investor to foster change. In 2022, we engaged with 737 companies on the topic of climate, totalling over 1,100 climate-focused engagements.

Case study:
Situation: Investments in carbon-intensive companies may result in a negative reputational impact in respect of climate change.
Task: Prevent negative reputational impacts through active management of carbon-intensive companies to influence their management of climate change related risks.
Action: Initiated an ambitious climate engagement plan focused on, amongst other climate-related factors, those companies that contribute the most to our financed emissions.
Result: From these in-depth engagements we have found that our focus companies engaged since January 2021 were almost 2x more likely to establish a net zero commitment.

Over the course of 2022, we recruited a further 24 members of sustainability focused staff of which we estimate that a quarter of their time is used for climate-related priorities, whether that be related to engaging with underlying issuers or supporting our integrating the impacts of new regulation. Applying an average personnel cost, and including additional data and related costs, this would equate to approximately £1,000,000.

Comment
None

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Cyclone, hurricane, typhoon

Primary potential financial impact
Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification
Operational risk

Company-specific description
With changes in weather patterns and increases in temperatures (and subsequent rises in sea levels), we may be impacted by both extreme weather events and more long term climate impacts.

Whilst we are relatively asset-light (i.e. we don't own the majority of our buildings), the impact on our ability to carry out ongoing operations may be impacted. We have offices located around the world, some of which are located in regions that are more susceptible to severe weather events, for example typhoons in Hong Kong and Jakarta, and potentially hurricanes in New York, where severe storm surges caused major issues following Hurricane Ida in 2021. Our New York office manages approximately 9% of our AUM, and therefore an event that impacted the New York area and our employees that live there would be substantively disruptive to our ability to operate that business. In the longer term, our London office may be susceptible to flood damage if we see a rise in sea levels and the Thames barrier fails.

We are also highly dependent on a number of third party providers for key services. The loss of these providers due to severe weather events would be highly disruptive. For example, the vast majority of our GBP616.5bn of AUM (excluding AUM within joint ventures) is managed on Aladdin, provided by BlackRock Solutions.

Damage to our offices or the associated infrastructure (e.g. data centres) may render these building unavailable or staff may not be able to travel, or even work remotely.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
20000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Whilst we have proven technology to work remotely globally, the impact of a severe weather event that heavily affected a city in which we operate is likely to result in disruption to our business, although we would not expect it to impact multiple offices at the same time. In terms of the cost of disruption, we have estimated the financial impact based on highest level of insurance cover for a single claim of business disruption to the London office, which is GBP20m.

Cost of response to risk
3900000

Description of response and explanation of cost calculation
Our response is to ensure, via active management and monitoring, that we remain operationally resilient at all times.

We have business continuity plans in place globally, which are reviewed and updated on an annual basis at a minimum. With respect to operational resilience, we have established technology set up so that staff can work remotely, but continue to enhance the resilience of our technology (for example, through cloud based technology). Our key vendors are subject to annual due diligence reviews and incident management response planning. We also use IT software to model weather-related events to assess their potential impact in our office locations around the world.

Case study:
Situation: Our business is dependent on our ability to continuously service our clients needs in a number of locations globally.
Task: Ensure we have a technology solution in place so that staff can continue to operate, even when office locations are not available.
Action: We implemented a technology solution globally which enabled remote working for all employees globally, and business continuity plans so that there is adequate cover from other regional hubs (for example in dealing activities) should a particular location be unavailable.
Results: The vast majority of our employees are able to work remotely with little to no interruption to their daily tasks.

Plans to roll out cloud based technology, to ensure continuity of operations globally is calculated at GBP3.9m. This is based on the cost of the planned cloud migration project in 2022.

Comment
None

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Investing (Asset manager) portfolio

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Client demand for funds aligned to, and providing solutions to, the challenge of climate change is growing quickly, evidenced by our assessment that over 70% of our strategic clients have a public climate commitment. We expect that demand to continue to rise in the future, as investors' concerns grow and the financial benefits of exposure to climate solutions increases.

Our focus has been on developing investment strategies that provide our clients exposure to the beneficiaries of a climate transition, spanning both businesses and assets that are transitioning quickly, as well as those providing solutions to the climate challenge.

We have invested heavily to develop models and frameworks to leverage our knowledge and insights, helping to provide a platform on which new strategies and investment products can be developed. For example, our analysis of the pace and ambition of companies' decarbonisation goals has provided a basis to develop portfolios aligned to specific transition pathways.

In 2021 we launched the Global Climate Leaders strategy focused on companies transitioning to net zero emissions through 2040. In 2021 we also launched the Carbon Neutral Credit 2040 strategy, investing in credit securities of companies that are collectively transitioning toward net zero emissions in 2040. The latter builds on the CNC 2025 strategy launched in 2020.

Schroders Capital offers a wide set of opportunities relating to climate change; enabling investments across both climate mitigation and adaptation. For example, Climate+ is a multi-private assets impact solution that contributes positively to climate change and supports the transition towards net zero economies across private markets asset classes and sectors focused on climate and social-related themes. Certain private market asset classes are directly related to climate solutions (opportunities). Schroders Greencoat, our renewable infrastructure business, provides vital capital to the energy transition, key in accelerating efforts towards net zero in numerous geographies; whilst BlueOrchard enables opportunities to invest within the underfinanced climate adaptation theme, through providing access to climate insurance.

With the acquisition of Greencoat finalised at the end of 2022, our climate-focused fund AUM totaled almost £15.5bn (including both our listed markets and private assets businesses).

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
5000000

Potential financial impact figure – maximum (currency)
30000000

Explanation of financial impact figure
Over the last 5 years, the range of inflows of our listed markets climate funds has been between £2bn and £5bn. We therefore estimate that the minimum potential financial impact figure, £5m, is based on the assumption that those newly launched strategies gather assets of £2bn at an approximate fee of 25 basis points (bp). Our maximum potential impact of £30m is based on the assumption that £5bn assets raised at an approximate fee of 60bp.

Cost to realize opportunity
500000

Strategy to realize opportunity and explanation of cost calculation
We will deliver the strategy by continuing to invest in both the information and insights needed to develop industry leading products as well as the capabilities to implement those ideas in innovative and distinctive investment products.

Situation: Schroders has had its net zero commitments validated by the SBTi and has developed tools and measures to assess the alignment of companies and portfolios to a low carbon economy, supporting the development of investment products aligned to more aggressive transitions.
Task: Our investment teams are able to identify companies better or worse placed to transition toward a low carbon economy, and at more or less risk to the impacts of that transition on their valuation.
Action: Schroders built the net zero dashboard with the objective of providing investment teams with a view of company and portfolio emissions and temperature scores. The assessment of climate risk was included as a key tenant of the annual integration process.
Result: Investment teams can assess the regional and sector exposure of listed assets to greenhouse gas (GHG) emissions, and the ambition of those assets to transition. The analysis then feeds into the annual climate engagement prioritisation process. That information helps equip investment teams to identify companies better placed to transition toward net zero, and to construct portfolios aligned to specific temperature pathways.

Our cost estimate (£500,000) is split roughly evenly across four areas: (1) continued investment in developing and strengthening analytical models and research; (2) portfolio management and construction capabilities to establish industry leading investment products; (3) external marketing through a range of channels including paid-for promotion, client events and other materials and (4) internal training and support for our Client Group teams. The value is estimated based on our estimate of the analytical and research time allocated to climate modelling and the budget for that group, compensation costs for fund managers with appropriate skills, the incremental marketing budget focused on climate funds and the approximate time required to deliver training, promotion and events.

Comment
None

Identifier
Opp2

Where in the value chain does the opportunity occur?
Investing (Asset manager) portfolio

Opportunity type
Markets

Primary climate-related opportunity driver
More timely preparation for investors in adhering to current and potentially stricter future regulation in relation to fiduciary duty

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Regulatory pressures are continuing to grow, along with our understanding of how best to measure and portray the risks our portfolios face. Those regulations (for example the FCA's PS21/24 climate disclosure requirements) focus on our funds' exposure to climate risk and require disclosure in regular reporting. We anticipate in many countries that more prescriptive requirements to limit exposure to climate risk, rather than just to measure, will increase in the future due to more climate-related legislation. For example the UK Chancellor has indicated the UK's ambition to become a net zero financial centre.

As a result, we continue to invest in both the measures we believe provide our clients with a robust and comprehensive understanding of the risks and opportunities climate trends present.

We are developing our risk and reporting tools and infrastructure to allow us and our clients to continue to meet regulatory expectations, as they rise and spread to additional jurisdictions. Those tools are typically grounded in the analysis we are developing to help investment teams across Schroders better measure and manage climate risks and opportunities. For example, the Net Zero dashboard has been developed to provide our fund managers and clients with a view of the Implied Temperature Score of their portfolios. This model enables clients to see the regional and sectoral exposure of their portfolios to climate risk.

Our progress in developing rigorous climate reporting and measurement tools is proving important in both establishing commercial relationships with new clients as well as strengthening relationships with existing ones.

For example in 2022, in the UK, where TCFD is already required by our Pension Trustee clients, we introduced the production of the Investment Associations Carbon Emissions Template for all listed assets (credit and equity) held on our platform; for both segregated accounts, and funds. This has been essential to ensure that we can provide clients with timely and appropriate data for their regulatory reporting obligations.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
20000000

Potential financial impact figure – maximum (currency)
100000000

Explanation of financial impact figure
Insofar as a growing proportion of our funds and our clients are required to provide climate reporting, typically based on the TCFD framework, we expect climate reporting to become an increasingly important requirement for our business.

Assuming that £100bn of the assets we manage are held by clients which will face TCFD or similar reporting requirements (based on the assets we manage on behalf of clients likely to be impacted by those requirements, in countries which have already introduced them, or confirmed plans to do so), and that they attach a value of 2 basis points to that information, the implied value of that reporting would be £20m. On the other hand, provision of that information could become a necessary requirement for us with no incremental financial benefit (minimum estimate) or regulatory requirements could spread more quickly to £500bn of group AUM (maximum estimate).

Cost to realize opportunity
500000

Strategy to realize opportunity and explanation of cost calculation
We will continue to invest in developing the data, analysis and information infrastructure to allow us to strengthen our measurement of climate risks and opportunities and to disclose that information to our clients. We will also continue to invest in the training and promotion needed to ensure our clients and prospective clients understand the approach we have taken. Increased technology and data investment represents around half the total cost shown, with the balance split roughly evenly between promotional spending and training.

Case study:
Situation: Many UK pension fund clients are required to publish reports aligned with the recommendations made by the TCFD, and additional clients will be captured by those requirements in the future.
Task: To provide clients with easily accessible emissions data for their investments in Schroders funds, or segregated accounts.
Action: We introduced the production of the Investment Associations Carbon Emissions Template for all listed assets (credit and equity) held on our platform.
Result: Clients have access to a market adopted framework they can use to systematically aggregate emissions data.

The estimate of £500,000 is based roughly equally on: (1) investment in the data and technology capabilities to calculate those climate exposure measures and to apply them group portfolios; (2) working with third party partners to establish reporting templates and automation; (3) investment in marketing and internal training to ensure our clients are aware of that reporting and understand its application to their portfolios. This is assessed based on an approximate allocation of spending in each area – data/ technology, third party reporting partners and marketing on an annual basis.

Comment
Our strategy for the development of new client products is similar to that of the development of the new tools. We bring together our understanding of regulatory requirements and client expectations and assessment of their implications to establish a coordinated plan. Among other forums, we have a regular monthly meeting with representatives across those areas to provide insight in terms of client appetite and changing demands along with perspective of what competitors are doing.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Investing (Asset manager) portfolio

Opportunity type
Resilience

Primary climate-related opportunity driver
New products and services related to ensuring resiliency

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Climate risks and opportunities are building as political commitment to action becomes more galvanised and the physical impacts of climate change rise. Investors are becoming increasingly focused on this, evidenced by the importance placed on climate in our Institutional Investor Survey. As a result, ensuring and demonstrating the resilience of our portfolios to climate change provides an opportunity to protect those assets and to attract clients.

We have therefore prioritised developing tools and analysis to help fund managers and analysts manage climate impacts more effectively, as well as to demonstrate that resilience to our clients.

We have developed a suite of tools to model the impacts of a low carbon transition on the full breadth of investments we manage. These include: (1) Carbon Value at Risk model, (2) SustainEx, (3) CONTEXT and the (4) Net Zero dashboard, (5) Climate Change Tracker, (6) The Portfolio Emissions Pathway tool, and (7) ActiveIQ. All of these tools seek to model the financial impacts of different aspects of climate change at a granular company-specific level and can be aggregated up to provide a portfolio overview. We continue to invest in developing and refining those models as new analysis and data sources become available.

We estimate that up to 15% of global investment value could be at risk from transition risk; 2-3% of global enterprise values could be at risk from physical risks. We believe our detailed modelling of such trends provides significant opportunities to strengthen risk management and avoid losses in our investment portfolios.

The opportunity is to ensure a level of resiliency to clients' investments whilst distinguishing ourselves and our approach to assessing companies' exposure. By incorporating key elements of that analysis into fund reporting, and through engagement with clients, we have leveraged that analysis and modelling to strengthen our relationships with clients.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
300000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Our analysis indicates that c15% of the value of our investments could be at risk from climate change. Applying that percentage to our assets under management, and applying an approximate fee estimate , provides an indication of the exposure we face. Up to £300m annual impact (based on the 15% figure mentioned above applied to the approximately 65% of group assets (£616.5bn) for which that analysis is available, and assuming 50 basis points average fee on those assets). Clearly, these estimates are based on assumptions that will be proven out over time.

We believe our detailed modelling of climate trends provides significant opportunities to strengthen risk management and avoid losses in our investment portfolios, whilst also adding new insights and value to investment analysis. By enabling new ways to analyse companies we hope to increase revenues by modelling future trends, whilst also adding distinguishing factors to our ESG integration process for clients compared to competitors.

Cost to realize opportunity
500000

Strategy to realize opportunity and explanation of cost calculation
We have invested in developing the tools by adding specific resource and expertise to our ESG team. Leveraging the opportunities presented by proprietary climate analysis requires continuing investment in developing and improving those tools, building on detailed domain expertise.

Over the course of 2021, the central Sustainable Investment team worked closely with in technology and data teams across the firm, to incorporate our climate models into the data platforms used by investment teams in Schroders as well as to provide reporting to our clients. In 2022, the focus has been to continue to increase the bar for the consideration of climate risks and opportunities by our investment teams. This came in the form of new resources across climate research and climate strategy, alongside the creation of Integration 2.0, that requires all investment teams, globally, to explicitly consider climate-related risks and opportunities in their annual accreditation submission.

The cost estimate of £500,000 approximates the total attributable to the costs of purchasing and collecting additional data used in modelling, with the balance roughly evenly split between (i) the costs of the climate-focused research and modelling analysts and (ii) the allocated costs for the time of group technology and data teams to support implementation of that revised modelling. In addition, there are costs associated with providing training and support to investment and distribution teams, not explicitly allocated here.

Comment
The tools investors use to measure and manage climate risk will need to evolve and improve as the knowledge and attention of climatic risk increases. Schroders will continue to invest in building and strengthening tools which help us protect clients' investments and demonstrate that resilience to clients.

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
We have a different feedback mechanism in place

Description of feedback mechanism
Investors can feedback at our Annual General Meeting or to our Investor Relations team/Group Company Secretary on any aspect of our business at any time.

Frequency of feedback collection
More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)
Schroders_TCFD_2022_.pdf
climate-transition-action-plan (2).pdf

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios: NGFS scenarios framework	Portfolio	<Not Applicable>	We use MSCI's Climate Value at Risk (VaR) package to assess our listed equity and credit holdings exposure to the NGFS scenarios. This accounts for over 60% of our AUM. This assessment covers the exposure to transition risk of companies across Scope 1, 2 and 3 emissions under several NGFS scenarios. These scenarios cover multiple transition risk stressors such as carbon price, fossil fuel prices and demand, energy mix evolution and emissions pathways. We have chosen NGFS scenarios to aid comparability across companies. The three scenarios we have used to assess against our investment holdings are the following: • 1.5°C – Orderly (Net Zero 2050); • 1.5°C – Disorderly (Divergent Net Zero), and; • Nationally Determined Contributions (NDCs), which implies a long-run temperature rise of 2°C by 2050, and close to 4°C by 2100.
Physical climate scenarios: RCP 8.5	Portfolio	<Not Applicable>	We have used MSCI's Climate Value at Risk (VaR) package to assess our equity and credit holdings exposure to approximately 10 different climate-related hazards; both acute and chronic. This accounts for over 60% of our AUM. These are grouped into Average and Aggressive scenarios (see definitions below) and aggregated to an overall 'Extreme Weather Climate VaR' with some underlying hazards based on the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathway (RCP) 8.5. Aggressive Scenario: The Aggressive scenario relates to the 95th percentile of the cost distribution and can be considered a 'worst-case' scenario. It assumes the most extreme physical impacts from climate change, manifesting in the associated costs from extreme weather events, and other climate-related hazards, to company valuations. Average Scenario: The Average scenario relates to the 50th percentile of the cost distribution, and can be considered as the 'most likely' scenario. Based on the models underlying assumptions, it is the most probable outcome over the modelled 15 year period.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

1. The exposure of our equity and credit holdings to physical and transition risk.
2. The regional and sectoral concentration of this exposure.
3. The proportion of our transition risk that our climate engagement priority list targets.

Results of the climate-related scenario analysis with respect to the focal questions

Response to 1 and 2:
Analysing the exposure of holdings to physical and transition risk separately, it is clear that the negative implications of physical climate impacts are outweighed by the transition risk impacts under the stringent policy scenario that will be needed to deliver global climate goals.

On physical risk, the distribution is more homogenous across different sectors of the economy. The regional variance is more noticeable, reflecting how different parts of the world will be affected by extreme weather events, and that locations closer to the tropics will be more exposed to changes in climate extremes including heat stress and heavy precipitation events.

Conversely for transition risk, our analysis shows there to be less regional variance in the level of exposure within sectors, even for some of the most exposed sectors like oil and gas, utilities and basic materials. This indicates that regardless of the operational footprints of companies in these inherently carbon-intense industries, transition risks will be prominent.

Response to 3:
In 2022, we initiated an ambitious global climate engagement programme with our investee companies, based on our climate-related investee analysis. Given the size of our AUM and the number of companies in which our portfolios are invested, it is necessary to prioritise engagements to concentrate our efforts on the highest emitting companies lacking ambition to transition. An analysis of our transition risk exposure demonstrates the effectiveness of this prioritisation. The companies we prioritised for climate engagements represented about 10% of our investee companies. These companies in turn represented 46% of our Group corporate equity and debt exposure, but 66% of our Group transition risk exposure.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Our assessment of the implications of climate change for companies and financial markets informs the opportunities we identify to develop new investment products, along with our recognition of client appetite for funds offering solutions to climate change, and protected from its impact. This assessment largely occurs on a short term time horizon. The Sustainable Investment team, individual investment teams and Product Strategy teams work together to identify opportunities for those new products. We have had a Global Climate Change fund since 2007, with numerous funds with a sustainability/climate theme added since. For example, we launched the Global Energy Transition fund in 2019, providing our clients an alternative source of exposure to climate solutions. That fund has had an immediate impact on our business, albeit which we expect to grow over time as it attracts new investment. In 2020 and 2021, we have launched two Carbon Neutral Credit Funds, designed to deliver net zero carbon emissions by 2025, or 2040. In 2022, we completed our acquisition of Greencoat Capital, enabling us to expand our private assets offering in the renewable infrastructure sector. We also launched the UKs first Long Term Asset Fund, Climate+, with the aim of providing retail investors to climate-focused opportunities in private markets.
Supply chain and/or value chain	Yes	We assess climate-related risks and opportunities across all funds. This assessment is continuous and ongoing, creating a time horizon that extends from current climate-related risks or opportunities and extends to longer time horizons as far as 2050. Reflecting the magnitude of risks we identify, we have integrated climate risk measures into the risk assessment processes we apply to assess investment risks across the funds we manage. Our ESG Risk dashboard assesses funds' climate exposures regularly and supports our approach to risk management and oversight. That risk assessment has had an immediate impact on our approach to risk assessment, albeit one which becomes increasingly important as the effects of climate change on financial markets become clearer over the coming years and decades. Our climate engagement and escalation framework sets out how we will use our influence to track and hold companies to account and engaging with the most material carbon emitters in our portfolios. We apply this framework across both our listed equities and corporate bond AUM. We understand that our clients are all at different stages of their net zero transition journey. This is why we are building out our three-tiered approach to our climate solutions, expanding the options available to our clients, ensuring we provide products that no only look to reduce carbon emissions but also products that contribute to environmental or nature-based solutions. New material suppliers within our operational supply chain are scored according to the maturity of their net zero transition journey. This means that should two suppliers be shortlisted and both considered front runners but one has a more mature net zero transition journey, they would be the preferred supplier.
Investment in R&D	Yes	We have invested heavily in developing innovative models to better understand the risks and opportunities climate change may present. For example, in 2021, we collaborated with the Singaporean wealth fund, GIC, to develop a method for assessing the 'avoided emissions' attributable to companies and portfolios, in order to better understand the value opportunities from the net zero transition. In 2022, this methodology was embedded into our proprietary tool, SustainEx, to help provide a more balanced assessment of climate risks and opportunities, and to help our investment teams to identify opportunities arising from the net zero transition . Also in 2022, we introduced a number of additional tools into our climate analytics framework. This included: - The climate change tracker (Beta): Provides insight into the management of climate risks by companies from a number of perspectives, including markers of ambition, internal organisation, strategy and action. This equips investors with signals for how likely companies are to be successful in their decarbonisation plans. - Portfolio emissions pathway tool: Provides investments desks with an estimate of the predicted annualised reduction in portfolio emissions based on the emissions targets established by the companies within their portfolio. This enables investment desks to consider climate commitments within portfolio construction, and with the corresponding monitoring of company commitments over time. - ActiveIQ: Provides a platform to record, monitor and report on our engagement activity. Our Active Ownership team use the annual engagement activities documented, and augment this information with the outputs from the tools listed to the left to inform future climate engagement planning. We also introduced one of the industry's first carbon offset shareclass for our Global Climate Leaders fund. This provides investors with the opportunity to offset the emissions of their investment using high quality carbon offsets.
Operations	Yes	We assess climate-related risks and opportunities in relation to our own operations and have made a number of strategic decisions on the basis of this analysis. Reputational risks and resource efficiency/energy source opportunities supported our strategic decision, in 2021, to set science-based targets for our own operations. This has meant developing site-level action plans (including certifying our largest office sites to the ISO 14001 standard), setting new sub-targets (e.g. to transition our company car fleet to hybrid or fully electric by 2025 with the aim to be fully electric by 2030), setting up a supplier engagement programme and updating policies and processes (as well as engagement/behaviour change campaigns) to achieve our goals.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities Provisions or general reserves	The business planning process considers both the risks and opportunities that may materially impact the Group and assesses the need for business model changes to respond to these risks and opportunities. This includes consideration of the potential impacts of climate risks on the Group. Our revenue assumptions consider forecasted AUM and what impact changes of client behaviour could have on total AUM. Due to the ever increasing investor appetite for sustainability products, the number of these types of products on the market continues to grow rapidly. We have furthered our offering in this space, with the ambition of not only directing capital into sustainable channels, but also increasing revenues for the Group. Our expense and funding assumptions consider the potential impact of planned investment and other changes in the business. The Group also conducts an assessment of the key risks facing its business. As a core element of this assessment, stress testing is performed on the Group's five-year business plan. The stress scenarios include consideration of climate change risks, incorporating deterioration in the value of our AUM (for example, due to transition and physical risks crystallising earlier than expected) and the impact that reputational damage could have on net new business. We perform scenario analysis to model the potential impact of climate change on the assets we manage. In the short-term, the most significant stressed impact would likely relate to transition risk as a result of early policy action by governments. We also consider potential longer-term impacts from climate change risks, and we produce a number of climate change scenario analyses to guide our assessment. These analyses incorporate physical and transition risks, accounting for different trajectories of the economy, society and the global energy system. For example, some scenarios emphasise capturing the financial damage to carbon-intense industries by rising regulatory costs, whilst others capture the costs due to physical damage and greenhouse gas rises, assuming late or ineffective policy action.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
Other, please specify (Maintenance and other costs)

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
1560061

Percentage share of selected financial metric aligned in the reporting year (%)
8

Percentage share of selected financial metric planned to align in 2025 (%)
8

Percentage share of selected financial metric planned to align in 2030 (%)
8

Describe the methodology used to identify spending/revenue that is aligned
The boundary includes total gross premises maintenance spend and includes items such as the following; energy supply costs, cleaning services, mechanical and engineering services, health & safety and security services. It also includes capital spend on equipment and furniture. Of this boundary 8% of gross spend can be defined as aligned to our climate transition in 2022. This 8% comes from spend relating to our global renewable electricity supply contracts, renewable electricity certificates, solar panel installation project costs and equipment costs relating to energy efficiency improvements. These items contribute to our Scope 1 and 2 emissions reduction pathway (to reduce Scope 1 and 2 emissions by 46% by 2030 from a 2019 base year) and our RE100 renewable electricity target (to increase annual sourcing of renewable electricity to 100% by 2025).

We are committed to investing in our climate transition. As we invest more in our premises and improve our operational efficiency we expect to see a return on investment and ultimately a reduced operating costs. However, due to uncertainties and rising energy costs this may be outweighed and it is therefore challenging to quantify future spend. On this basis we estimate 8% climate transition aligned spending in 2025 and 2030 based on 2022 levels.

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

	Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies	Explain why the policy framework for your portfolio activities do not include climate-related requirements for clients/investees, and/or exclusion policies
Row 1	Yes, our framework includes both policies with climate-related client/investee requirements and climate-related exclusion policies	<Not Applicable>

C-FS3.6a

(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.

Portfolio
Investing (Asset manager)

Type of policy
Other, please specify (Climate Transition Action Plan)

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
climate-transition-action-plan (2).pdf

Criteria required of clients/investees
Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Disclosure of Scope 3 emissions
Set a science-based emissions reduction target
Be on track to achieving a science-based emissions reduction target
Develop a climate transition plan
Develop pathways to net-zero by 2050 or sooner

Value chain stages of client/investee covered by criteria
Direct operations and supply chain

Timeframe for compliance with policy criteria
No timeframe

Industry sectors covered by the policy
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Exceptions to policy based on
<Not Applicable>

Explain how criteria required, criteria coverage and/or exceptions have been determined
Our Climate Transition Action Plan outlines our strategy to reach net zero by 2050. This includes our near term (2030) and long term (2040) targets for our portfolios to be aligned to an Implied Temperature Rise (ITR) of 2.19C and 1.5C. There are no exceptions as this plan covers 100% of our AUM, though this is predicated on appropriate methodologies being made available by the Science Based Targets initiative (SBTi). The document outlines our engagement strategy with investee companies, stating our 4 climate expectations:
1. Commit to decarbonise business models toward net zero by mid-century.
2. Set long, medium and short-term targets covering Scope 1, 2 and relevant Scope 3 emissions.
3. Publish a detailed transition plan explaining how they will deliver that transition and meet those targets.
4. Publish their performance and progress annually.

Portfolio
Investing (Asset manager)

Type of policy
Sustainable/Responsible Investment Policy

Portfolio coverage of policy
61

Policy availability
Publicly available

Attach documents relevant to your policy
schroders-esg-policy.pdf

Criteria required of clients/investees
Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Disclosure of Scope 3 emissions
Disclosure of product-related emissions
Other, please specify (Revenue generation from thermal coal assets must be <20% otherwise they shall be excluded.)

Value chain stages of client/investee covered by criteria
Direct operations and supply chain

Timeframe for compliance with policy criteria
Complying with criteria is a pre-requisite for business

Industry sectors covered by the policy
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation

Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Exceptions to policy based on
Line of Business

Explain how criteria required, criteria coverage and/or exceptions have been determined
Within the context of climate, this policy focuses on promoting the integration of the recommendations made by the TCFD into the business practices of our investee companies. Given the complex and wide-ranging nature of Schroders business, the ESG policy specifically focuses on the Public assets we manage on behalf of our clients. Sovereigns are not captured by the requirements, and we believe it is too soon to mandate this across the number of private companies in which are private assets business invests. As we continue to develop our thinking, this policy will evolve.

In 2022, we introduced our thermal coal exclusion policy. This excludes companies from the investable universe that generate >20% of revenues from thermal coal mining. There is one time bound exclusion to this policy, which is Indonesia, which shall be incorporated on the 1 January 2026. This is in relation to the high dependence the local economy places on the fossil fuel.

Portfolio
Investing (Asset manager)

Type of policy
Other, please specify (Engagement Blueprint)

Portfolio coverage of policy
61

Policy availability
Publicly available

Attach documents relevant to your policy
Schroders-Engagement-Blueprint.pdf

Criteria required of clients/investees
Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Disclosure of Scope 3 emissions
Set a science-based emissions reduction target
Set an emissions reduction target
Be on track to achieving a science-based emissions reduction target
Develop a climate transition plan
Develop pathways to net-zero by 2050 or sooner
Other, please specify (Focuses on climate risk and oversight, climate alignment, just transition, climate adaptation, and carbon capture and removal)

Value chain stages of client/investee covered by criteria
Direct operations and supply chain

Timeframe for compliance with policy criteria
No timeframe

Industry sectors covered by the policy
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Exceptions to policy based on
Line of Business

Explain how criteria required, criteria coverage and/or exceptions have been determined
The climate theme of the Engagement Blueprint focuses on our corporate universe, specifically a list of focus companies that is defined at the beginning of each calendar year in collaboration with our investors. This focus is list is defined through our prioritisation framework that includes inputs from the climate analytics framework, our exposure and external focus lists such as the one developed and provided by CA100+.

Portfolio
Investing (Asset manager)

Type of policy
Sustainable/Responsible Investment Policy

Portfolio coverage of policy
11.1

Policy availability
Publicly available

Attach documents relevant to your policy
April 2022_SC SI Policy vF (1).pdf

Criteria required of clients/investees
Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Disclosure of Scope 3 emissions
Develop pathways to net-zero by 2050 or sooner

Value chain stages of client/investee covered by criteria
Direct operations only

Timeframe for compliance with policy criteria
No timeframe

Industry sectors covered by the policy
Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Exceptions to policy based on
Line of Business

Explain how criteria required, criteria coverage and/or exceptions have been determined
The policy is Schroder Capital's dedicated Sustainable and Impact policy, which takes the principles applied at the Schroders Group level and ensures they are applied explicitly to our Private Assets investments. The' criteria required' vary depending on the private asset class of focus.

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio
Investing (Asset manager)

Type of exclusion policy
Other, please specify (Fund-specific)

Year of exclusion implementation
2019

Timeframe for complete phase-out
Already phased out

Application
Other, please specify (Specific funds)

Country/Area/Region the exclusion policy applies to
Other, please specify (Article 8 and 9 funds)

Description
Our Article 8 and 9 funds have the following exclusions:
- >10% from thermal coal revenue
- > 30% from thermal coal power generation

Portfolio
Investing (Asset manager)

Type of exclusion policy
Thermal coal

Year of exclusion implementation
2022

Timeframe for complete phase-out
Other, please explain (None currently. Exclusion on companies generating >20% revenue from thermal coal mining)

Application
Other, please specify (Company revenue generation)

Country/Area/Region the exclusion policy applies to
Other, please specify (Global)

Description
In 2022, we introduced our thermal coal exclusion policy. This excludes companies from the investable universe that generate >20% of revenues from thermal coal mining. There is one time bound exclusion to this policy, which is Indonesia, which shall be incorporated on the 1 January 2026. This is in relation to the high dependence the local economy places on the fossil fuel.

C-FS3.7

(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

	Climate-related requirements included in selection process and engagement with external asset managers	Primary reason for not including climate-related requirements in selection process and engagement with external asset managers	Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS3.7a

(C-FS3.7a) Provide details of the climate-related requirements included in your selection process and engagement with external asset managers.

Coverage
Majority of assets managed externally

Mechanisms used to include climate-related requirements in external asset manager selection
Include climate-related requirements in requests for proposals
Preference for investment managers with an offering of funds resilient to climate change
Review investment manager's climate-related policies
Use of external data on investment managers regarding climate risk management

Describe how you monitor and engage with asset managers to ensure investment activities are consistent with your climate strategy
Schroders' manager selection teams factors climate-related issues into their external asset management selection process. They assess the sustainability of a manager through two questionnaires – a firm-wide questionnaire and a strategy-level questionnaire.
The firm-wide questionnaire was sent to almost 180 external managers on our buy list, representing over $50trillion in AUM, asking numerous questions around climate. Our multi manager teams review asset managers' climate-related policies and ask for this information to be attached when looking at fund selection within their models. Within sustainability mandates there is a preference for asset managers with an offering of low carbon products and this is tracked through time. The preference for asset managers with an offering of climate-resilient products is very much factored into the selection process / thinking; over the past year there have been divestments from certain energy funds due to lack of climate-resilience. Our multi-manager teams actively ask managers if they have made a net zero commitment, if they have a coal phase-out policy, if climate change is included within their voting policies, and how they assess carbon footprint and stranded asset risk. Climate-related issues are often a priority for our UK wealth management arm, Cazenove's engagements with managers. For example, in 2022, Cazenove engaged with 21 managers representing £27 trillion of AUM to understand: their climate commitments; decarbonisation targets; approach to coal, oil and gas sectors, and; their active ownership strategy and policies. To monitor climate-related risks and company management, MSCI is used to monitor carbon footprint and implied carbon VaR. Additionally, on a quarterly basis, all clients at Cazenove are provided with the carbon footprint of their portfolios.

Our Private equity business interacts with its investments partners and when feasible the underlying portfolio companies on sustainability and impact matters at least once a year. Such engagement focuses on overall approaches to sustainability and impact, structured and market-aligned data collection and reporting and specifically to climate-related commitments such as TCFD and SBTi, with the purpose of improving practice on an ESG issue, changing a sustainability outcome, and improving transparency.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target
Portfolio target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
1110

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
1110

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
46

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
599.4

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
789

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
789

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
62.8672150411281

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
The target covers 100% of our Scope 1 emissions. The target boundary is the same as our financial control reporting boundary with no exclusions.

Plan for achieving target, and progress made to the end of the reporting year
Our operational climate change strategy focuses on reducing greenhouse gas (GHG) emissions and resource use across our operations. We are doing this by decreasing energy demand, increasing energy efficiency and switching to low carbon electricity sources. We are developing site-specific net zero action plans in order to meet our new emissions reduction targets. These will include further energy efficiency measures, building on best practice, and will take advantage of emerging technologies.

A main cause of reduction to our Scope 1 GHG emissions compared to 2021 was the decrease in fugitive emissions in our London headquarters. We also saw a significant reduction in company car emissions due to less business miles being recorded and an increased uptake of hybrid and electric vehicles.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
5718

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
5718

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
46

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
3087.72

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
3711

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
3711

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
76.3036634882978

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
The target covers 100% of our Scope 2 emissions. The target boundary is the same as our financial control reporting boundary with no exclusions.

Plan for achieving target, and progress made to the end of the reporting year
Our operational climate change strategy focuses on reducing greenhouse gas (GHG) emissions and resource use across our operations. We are doing this by decreasing energy demand, increasing energy efficiency and switching to low carbon electricity sources. We are developing site-specific net zero action plans in order to meet our new emissions reduction targets. These will include further energy efficiency measures, building on best practice, and will take advantage of emerging technologies.

The ongoing decarbonisation of national electricity grids acts as a significant contributor to our Scope 2 electricity emissions reducing over time. This, combined with the implementation of energy efficiency measures, led to the reduction in our Scope 2 emissions in 2022.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 3

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 6: Business travel

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
21852

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
21852

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
21852

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
10926

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
8675

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
8675

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
8675

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

120.602233205199

Target status in reporting year
Achieved

Please explain target coverage and identify any exclusions
The target covers 100% of our Scope 3 business travel emissions. The target boundary is the same as our financial control reporting boundary with no exclusions.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
Our business travel GHG emissions have decreased by 60% from the 2019 base year, but have increased by 404% compared to 2021. The ongoing impact of COVID-19, particularly in the first half of 2022, has resulted in a significant reduction in business travel emissions compared to 2019 levels. However, as travel restrictions continue to be relaxed globally, we have seen an increase in our emissions, with business travel (particularly air travel) increasing quarter-on-quarter in 2022.

We continue to challenge ourselves on the purpose, frequency and mode of travel. This is endorsed by our Travel Policy which encourages business travel to be kept to a minimum by requiring a clearly defined business purpose for each journey. It also promotes the use of more sustainable transport methods where appropriate. So that our employees can meet and collaborate effectively online, we will continue to invest in communication technologies. For example, we are exploring the use of hologram technology to connect with clients; in 2022, we rented a holographic display device for four events in our New York City office. This allowed some of our London-based colleagues, including our Group Chief Executive, to see, hear and interact with attendees in real time and in life-size.

C-FS4.1d

(C-FS4.1d) Provide details of the climate-related targets for your portfolio.

Target reference number
Por1

Year target was set
2021

Portfolio
Investing (Asset manager)

Product type/Asset class/Line of business
All asset classes

Sectors covered by the target
All sectors

Target type
Portfolio temperature alignment

Target type: Absolute or intensity
<Not Applicable>

Scopes included in temperature alignment
Scope 1 + 2 + 3

Metric (or target numerator if intensity)
Degrees of warming

Target denominator
<Not Applicable>

Base year
2019

Figure in base year
3.15

Percentage of portfolio emissions covered by the target
100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Assets under management

Percentage of portfolio covered by the target, using a monetary metric
61

Frequency of target reviews
Quarterly

Interim target year
2030

Figure in interim target year
2.29

Target year
2040

Figure in target year
1.5

Figure in reporting year

2.9

% of target achieved relative to base year [auto-calculated]
15.1515151515152

Aggregation weighting used
Enterprise value (EV) + cash emissions weighted temperature score (ECOTS)

Proportion of portfolio emissions calculated in the reporting year based on asset level data
<Not Applicable>

Proportion of the temperature score calculated in the reporting year based on company targets
100

Target status in reporting year
Underway

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
The target applies to our listed equity (common and preferred stock) credit (corporate bond), real estate investment trusts (REITs) and exchange-rated funds (ETFs) exposure. These real estate investment trusts include the Schroder Real Estate Investment Trust (SREIT) and Schroder European Real Estate Investment Trust (SEREIT). These are the current in-scope asset classes for SBTi, therefore the 61% of our total portfolio coverage is 100% of the current available published methodologies by the SBTi. Our plan is to extend this to additional asset classes over time when SBTi release new, approved methodologies.

Target reference number
Por2

Year target was set
2021

Portfolio
Investing (Asset manager)

Product type/Asset class/Line of business
All asset classes

Sectors covered by the target
All sectors

Target type
Portfolio temperature alignment

Target type: Absolute or intensity
<Not Applicable>

Scopes included in temperature alignment
Scope 1 + 2

Metric (or target numerator if intensity)
Degrees of warming

Target denominator
<Not Applicable>

Base year
2019

Figure in base year
2.92

Percentage of portfolio emissions covered by the target
100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Assets under management

Percentage of portfolio covered by the target, using a monetary metric
61

Frequency of target reviews
Quarterly

Interim target year
2030

Figure in interim target year
2.19

Target year
2040

Figure in target year
1.5

Figure in reporting year
2.6

% of target achieved relative to base year [auto-calculated]
22.5352112676056

Aggregation weighting used
Enterprise value (EV) + cash emissions weighted temperature score (ECOTS)

Proportion of portfolio emissions calculated in the reporting year based on asset level data
<Not Applicable>

Proportion of the temperature score calculated in the reporting year based on company targets
100

Target status in reporting year
Underway

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
The target applies to our listed equity (common and preferred stock) credit (corporate bond), real estate investment trusts (REITs) and exchange-rated funds (ETFs) exposure. These real estate investment trusts include the Schroder Real Estate Investment Trust (SREIT) and Schroder European Real Estate Investment Trust (SEREIT). These are the current in-scope asset classes for SBTi, therefore the 61% of our total portfolio coverage is 100% of the current available published methodologies by the SBTi. Our plan is to extend this to additional asset classes over time when SBTi release new, approved methodologies.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2019

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2019

Consumption or production of selected energy carrier in base year (MWh)
18471

% share of low-carbon or renewable energy in base year
50

Target year
2025

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
95

% of target achieved relative to base year [auto-calculated]
90

Target status in reporting year
Underway

Is this target part of an emissions target?
We have set a target to increase annual sourcing of renewable electricity to 100% by 2025. This target is part of our RE100 commitment and has also been validated by the Science Based Targets initiative.

Is this target part of an overarching initiative?
RE100
Science Based Targets initiative

Please explain target coverage and identify any exclusions
The target covers 100% of our Scope 2 electricity consumption. The target boundary is the same as our financial control reporting boundary with no exclusions.

Plan for achieving target, and progress made to the end of the reporting year
In 2019, we joined RE100, a global corporate renewable energy initiative bringing together the world's most influential businesses to help accelerate change towards zero carbon electricity grids at scale. We have committed to only sourcing renewable electricity across all our owned or leased properties by 2025. Site-level action plans are being developed to look at the opportunities to install onsite renewables, switch to green electricity tariffs or buy Renewable Energy Certificates.

We have increased the percentage of renewable electricity used across our global offices from 50% in 2019 to 95% in 2022. This has been achieved by engaging with landlords to procure a green electricity tariff or through purchasing Renewable Energy Certificates.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2021

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers	Percentage of suppliers (by emissions) with a science-based target

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
1

Target year
2026

Figure or percentage in target year
67

Figure or percentage in reporting year
25

% of target achieved relative to base year [auto-calculated]
36.3636363636364

Target status in reporting year
Underway

Is this target part of an emissions target?
We have set a target to work with our suppliers so that 67% of suppliers by emissions (covering Purchased Goods and Services, Capital Goods and Upstream Transportation and Distribution) will have science-based targets by 2026. This has been validated by the Science Based Target initiative. It is not linked to an emissions reduction target.

Is this target part of an overarching initiative?
Science Based Targets initiative – approved supplier engagement target

Please explain target coverage and identify any exclusions
The target covers 100% of Scope 3 supplier emissions (Categories 1, 2 and 4) are covered by the target boundary. The target boundary is the same as our financial control reporting boundary with no exclusions.

Plan for achieving target, and progress made to the end of the reporting year
In 2022, we contacted more than 200 suppliers to state our climate expectations, understand their existing sustainability commitments and climate targets, and provide links to useful resources. Our engagement approach will be based upon the maturity level of the supplier's sustainability commitments. This will enable us to provide the greatest support to those suppliers who need it most.

As such, this year 25% of our suppliers in scope (by GHG emissions) have set a science-based target. This compared to 10% in 2021 and 1% in 2019. This 25% of suppliers represented 22% of our total supply chain spend. A further 2% of suppliers (by GHG emissions) have committed to set a target within the next two years.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1
Abs2

Target year for achieving net zero
2050

Is this a science-based target?
No, but we anticipate setting one in the next two years

Please explain target coverage and identify any exclusions
In 2020 we committed to setting Science Based Targets aligned to a 1.5°C pathway. In February 2022, the Science Based Targets initiative (SBTi), formally validated our GHG emissions reduction goals. It confirmed that our Scope 1 and 2 targets are in line with a 1.5°C trajectory and that our relevant assets under management (AUM) are also targeted to be fully aligned with a 1.5°C pathway by 2040.

We have committed to achieving net zero by 2050 or sooner, spanning the investments we manage and our own business operations.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Yes

Planned milestones and/or near-term investments for neutralization at target year
Through certified carbon removal projects, with a focus on nature-based solutions.

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	2	467
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Other, please specify (District heat supply)

Estimated annual CO2e savings (metric tonnes CO2e)
169

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
Ongoing

Comment
In 2022 we saw a reduction of 169 tCO2e in scope 1 emissions largely due to a reduction in natural gas use in our London Headquarters as a result of re-calibrating heating systems and prioritising district heating.

Although we saw a decrease in gas we continued to use district heat and electricity for as alternative sources of energy. Electricity use was 4% higher than 2021. 2022 saw high energy costs globally, therefore there were no associated cost savings.

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Hybrid or electric car policy)

Estimated annual CO2e savings (metric tonnes CO2e)
298

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
Ongoing

Comment
In 2022 we saw a reduction of 298 due to electrification of our car fleet and subsequent reduction in fuel. We have 112 leased cars across the world. Company car emissions contribute 15% to our Scope 1 (base year) emissions, which is why we have committed to transition our company car fleet to hybrid or fully electric by 2025. In 2022, 56% of our fleet was hybrid or electric.

Although we saw a decrease in car fuel use we continued to electricity for as alternative sources of energy and entered into new vehicle lease therefore there were no associated cost savings.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	The SECR regulations apply to Schroders and require a mandatory annual report. To ensure we minimise our exposure we develop annual budgets for and invest in various solutions including energy efficient plant replacement, process change and education, to reduce our energy consumption and carbon output. To maintain regulatory compliance, we are certifying our largest offices with the ISO 14001 standard. To date, our global headquarters in London (in 2020), New York and Hong Kong (in 2021) have achieved certification. In 2022, we certified our Horsham estate, Luxembourg and Singapore offices. This requires us to review our compliance against environmental legislation and other compliance obligations annually.
Dedicated budget for energy efficiency	We are developing site-specific net zero action plans in order to meet our new emissions reduction targets. These will include further energy efficiency measures, building on best practice and will take advantage of emerging technologies.
Employee engagement	The company develops an annual budget for and invests in engagement campaigns and other educational activities, such as presentations from specialists, environmental awareness days and a sustainability curriculum for our global online learning platform. Employee awareness is enhanced through interaction with subject matter experts across a range of topics to raise awareness and engagement, drive behaviour change and allow employees to raise suggestions as to where improvements can be made through reasonable investment.
Dedicated budget for other emissions reduction activities	Since 2019, we have been operating our business on a climate neutral basis and intend to continue to do so in the future. This means we have offset our Scope 1, 2 and all relevant and reported operational Scope 3 emissions (for example, emissions from business travel, employee commuting and homeworking) with Climate Impact Partners. The only exclusions are emissions associated with suppliers and our investments, where we have engagement programmes in place. The Climate Impact Partners' carbon finance projects we support are verified to an International Carbon Reduction and Offset Alliance approved international certification standard and have passed Climate Impact Partners' proprietary enhanced due diligence process. Our portfolio includes six projects, five of which (69% by volume) are nature-based solutions projects focused on forest protection and reforestation. 55% of our current project portfolio are removals projects. As the voluntary carbon market continues to grow and develop, we will seek to adopt the Oxford Principles for Net Zero Aligned Carbon Offsetting. As well as adhering to current best practice i sustainable development integrity and transparency, over time we will increase the proportion of carbon removal projects in our portfolio, over emissions reduction projects.

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Investing	Fixed Income

Taxonomy or methodology used to classify product

The EU Taxonomy for environmentally sustainable economic activities

Description of product

The Carbon Neutral Credit strategy is a global, high impact, forward looking thematic carbon reduction credit strategy with an ambitious carbon neutral objective. It uses a unique, intuitive and science-based methodology that identifies, targets and tracks issuers who are leading the way in cutting carbon emissions and issuers who develop carbon savings.

This is a strategy that encourages and supports limiting global warming below the targets of the Paris Agreement.

Product enables clients to mitigate and/or adapt to climate change

Mitigation

Portfolio value (unit currency – as specified in C0.4)

68883278

% of total portfolio value

0.01

Type of activity financed/insured or provided

Green buildings and equipment
Low-emission transport
Renewable energy
Carbon removal
Fortified buildings
Sustainable agriculture
Risk transfer mechanisms for under-insured or uninsured
Paperless/digital service
Other, please specify (Companies across all sectors to reach carbon neutrality by 2025)

Product type/Asset class/Line of business

Investing	Fixed Income

Taxonomy or methodology used to classify product

The EU Taxonomy for environmentally sustainable economic activities

Description of product

The Carbon Neutral Credit 2040 strategy is a global, high impact, forward looking thematic carbon reduction credit strategy with an ambitious carbon neutral objective. It uses a unique, intuitive and science based methodology that identifies, targets and tracks issuers who are leading the way in cutting carbon emissions and issuers who

develop carbon savings.
This is a strategy that encourages and supports limiting global warming below the targets of the Paris Agreement.

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
15376212

% of total portfolio value
0

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy
Carbon removal
Fortified buildings
Sustainable agriculture
Risk transfer mechanisms for under-insured or uninsured
Paperless/digital service
Other, please specify (Companies across all sectors to reach carbon neutrality by 2040)

Product type/Asset class/Line of business

Investing	Fixed Income

Taxonomy or methodology used to classify product
Internally classified

Description of product
The BlueOrchard Emerging Markets Climate Bond aims to support the transition to a low carbon economy and more climate resilient society. By combining climate action issuers and bonds, including green, sustainability, sustainability-linked bonds, with an emerging markets focus, it offers a viable solution for investors looking to tackle both the climate challenge but also support those markets that are most vulnerable to the effects of climate change.

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
97136260

% of total portfolio value
0.02

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy
Carbon removal
Fortified buildings
Sustainable agriculture
Risk transfer mechanisms for under-insured or uninsured
Paperless/digital service
Other, please specify (The fund will invest in bonds issued by governments and companies worldwide, including emerging market countries, which help to advance the United Nations Sustainable Development Goal of taking action to combat climate change.)

Product type/Asset class/Line of business

Investing	Listed Equity

Taxonomy or methodology used to classify product
Internally classified

Description of product
The Global Climate Leaders strategy aims to provide capital growth by investing in equities of companies worldwide which the investment manager believes will contribute to the global reduction of carbon usage, in line with the Paris Agreement to limit climate change, and which meet the investment manager's sustainability criteria.

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
30479915

% of total portfolio value
0

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy
Carbon removal
Fortified buildings
Sustainable agriculture

Risk transfer mechanisms for under-insured or uninsured
Paperless/digital service
Other, please specify (The fund invests in companies that have set targets in relation to the decarbonisation of their business consistent with limiting climate change to 1.5°C warming or less under the Paris Agreement.)

Product type/Asset class/Line of business

Investing	Listed Equity

Taxonomy or methodology used to classify product
Internally classified

Description of product
The Global Climate Change strategy aims to provide capital growth by investing in equities of companies worldwide which the investment manager believes will benefit from efforts to accommodate or limit the impact of global climate change.

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
2737297979

% of total portfolio value
0.44

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy
Carbon removal
Fortified buildings
Sustainable agriculture
Risk transfer mechanisms for under-insured or uninsured
Paperless/digital service

Product type/Asset class/Line of business

Investing	Listed Equity

Taxonomy or methodology used to classify product
Internally classified

Description of product
The Global Energy Transition strategy aims to provide capital growth by investing in equities of companies worldwide that the investment manager believes are associated with the global transition towards lower-carbon sources of energy and which the investment manager deems to be sustainable investments.

Product enables clients to mitigate and/or adapt to climate change
Mitigation

Portfolio value (unit currency – as specified in C0.4)
2150154883

% of total portfolio value
0.34

Type of activity financed/insured or provided
Green buildings and equipment
Low-emission transport
Renewable energy
Emerging climate technology, please specify (lower-carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies)
Carbon removal
Nature-based solutions

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with
Schroders Greencoat Holdings Limited
Schroders Capital Real Estate Netherlands B.V.
Schroders IS Limited
McPhersons Walpole Harding (Financial Services) Limited
Advison Limited

Details of structural change(s), including completion dates
Schroders Greencoat Holdings Limited (formerly Greencoat Capital Holdings Limited) - acquired 11 April 2022 - 75% owned
Schroders Capital Real Estate Netherlands B.V. (formerly Cairn Real Estate B.V) - acquired 31 January 2022 - 100% owned
Schroders IS Limited (formerly River and Mercantile Investments Limited) - acquired 31 January 2022 - 100% owned
McPhersons Walpole Harding (Financial Services) Limited - acquired 25 March 2022 - 100% owned
Advison Limited - acquired 31 October 2022 - 100% owned

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	We review our greenhouse gas (GHG) inventory on an annual basis and will restate our data and/or recalculate our science-based targets when required, to reflect significant changes to our company structure, methodology changes or errors. In line with our emissions recalculation process, we have re-stated our supplier emissions (category 1: Purchased goods and services, category 2: Capital goods; and category 4: Upstream transportation and distribution) from 2019 to 2021 due to the material updates that were made to the emissions factors published by Defra. This allows us to perform a meaningful emissions data comparison using a consistent data set over time.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 3	In line with our emissions recalculation process, we have re-stated our supplier emissions (category 1: Purchased goods and services, category 2: Capital goods; and category 4: Upstream transportation and distribution) from 2019 to 2021 due to the material updates that were made to the emissions factors published by Defra. This allows us to perform a meaningful emissions data comparison using a consistent data set over time.	Yes

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
1110

Comment
Base year emissions reflect our target base year of 2019.

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
5718

Comment
Base year emissions reflect our target base year of 2019.

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
3255

Comment
Base year emissions reflect our target base year of 2019.

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
75202

Comment
Base year emissions reflect our target base year of 2019. In line with our emissions recalculation process, we have re-stated our category1: Purchased goods and services emissions from 2019 to 2021 due to the material updates that were made to the emissions factors published by Defra. This allows us to perform a meaningful emissions data comparison using a consistent data set over time.

Scope 3 category 2: Capital goods

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
12867

Comment
Base year emissions reflect our target base year of 2019. In line with our emissions recalculation process, we have re-stated our Category 2: Capital goods emissions from 2019 to 2021 due to the material updates that were made to the emissions factors published by Defra. This allows us to perform a meaningful emissions data comparison using a consistent data set over time.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
1340

Comment
Base year emissions reflect our target base year of 2019.

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
21

Comment
Base year emissions reflect our target base year of 2019. In line with our emissions recalculation process, we have re-stated our Category 4: Upstream transportation and distribution emissions from 2019 to 2021 due to the material updates that were made to the emissions factors published by Defra. This allows us to perform a meaningful emissions data comparison using a consistent data set over time.

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
261

Comment
Base year emissions reflect our target base year of 2019.

Scope 3 category 6: Business travel

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
21852

Comment
Base year emissions reflect our target base year of 2019.

Scope 3 category 7: Employee commuting

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
2693

Comment
Base year emissions reflect our target base year of 2019. In 2021 we calculated the emissions associated with commuting from 2019 onwards, for the first time.

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
803

Comment
Base year emissions reflect our target base year of 2019. In 2021 we calculated the emissions associated with our upstream leased assets from 2019 onwards, for the first time.

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Assessed and not relevant.

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Assessed and not relevant.

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Assessed and not relevant.

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Assessed and not relevant.

Scope 3 category 13: Downstream leased assets

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
9

Comment
Base year emissions reflect our target base year of 2019.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Assessed and not relevant.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Assessed and not relevant.

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Assessed and not relevant.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
Other, please specify (Partnership for Carbon Accounting Financials standard.)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
789

Start date
January 1 2022

End date
December 31 2022

Comment
Scope 1 emissions include direct greenhouse gas emissions from sources owned or controlled by Schroders, such as building-related emissions from gas, oil, refrigerants and company vehicles.

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Scope 2 emissions include indirect greenhouse gas emissions from sources owned or controlled by Schroders, such as building-related emissions from consumption of purchased electricity, heat or steam.

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
3711

Scope 2, market-based (if applicable)
717

Start date
January 1 2022

End date
December 31 2022

Comment
Scope 2 emissions include indirect greenhouse gas emissions from sources owned or controlled by Schroders, such as building-related emissions from consumption of purchased electricity, heat or steam.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
97982

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Purchased goods and services emissions include all upstream emissions from the production of products purchased or acquired by Schroders in the reporting year. Products include both goods (tangible products) and services (intangible products). We have gathered 100% direct activity data (quantity of spend) and used the spend-based method to calculate emissions, using the economic value of purchased goods and services and multiplying them by the relevant Environmentally Extended Input Output Data (EEIO) emission factors across industry sectors to convert spend data to emissions. The emissions boundary is the same as our financial control reporting boundary with no exclusions. Our total emissions have increased as a result of the integration of suppliers from acquisitions made by Schroders in the reporting year into our supply chain which is reflected by our total number of suppliers increasing by 956 from 2021 to 2022 and our supplier spend increasing by just over £100 million for the same period.

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
5930

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Capital goods emissions include all upstream emissions from the production of capital goods purchased or acquired by the Schroders in the reporting year. We have gathered 100% direct activity data (quantity of spend) and used the spend-based method to calculate emissions and used the spend-based method to calculate emissions, using the economic value of capital goods and multiplying them by the relevant Environmentally Extended Input Output Data (EEIO) emission factors across industry sectors to convert spend data to emissions. The emissions boundary is the same as our financial control reporting boundary with no exclusions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1233

Emissions calculation methodology
Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
97

Please explain
Fuel-and-energy-related activities include emissions related to the extraction, production, and transportation of fuels and energy purchased and consumed by Schroders in the reporting year that are not included in Scope 1 or Scope 2. It also includes emissions associated with the generation (upstream activities and combustion) of electricity, steam, heating, and cooling that is consumed (i.e. lost) in a transmission and distribution (T&D) system. The emissions boundary is the same as our financial control reporting boundary with no exclusions.

To calculate the upstream emissions of purchased fuels, electricity and heat, direct energy and fuel consumption data (kWh, m3 or l) is multiplied by the appropriate grid-average emission factor based on energy type and country location. To calculate T&D losses of purchased electricity and heat, total consumption (kWh) by each energy type is multiplied by the appropriate grid-average emission factor for transmission and distribution energy type and country location. 3% of emissions were estimated where actual electricity use data was not available, using the average emissions per floor area (tCO2e/sq. ft) and applying that to the relevant office floor areas with missing data.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
78

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Upstream transportation and distribution emissions are emissions from transportation and distribution of products purchased in the reporting year, between Schroders direct suppliers and its own operations in vehicles not owned or operated by Schroders. We have used the spend-based method to calculate emissions, using the economic value of the transportation and distribution of products purchased and multiplying them by the relevant Environmentally Extended Input Output Data (EEIO) emission factors across industry sectors to convert spend data into emissions. The emissions boundary is the same as our financial control reporting boundary with no exclusions.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
101

Emissions calculation methodology
Average data method
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
71

Please explain
Waste generated in operations include emissions from third-party disposal and treatment of waste generated in Schroders owned or leased operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater. Data includes all waste streams except for Waste from Electrical and Electronic Equipment (WEEE) waste and other hazardous waste. Waste has been measured by waste stream and waste disposal route. Depending on the type of waste and disposal, an emissions factor has been applied to convert tonnes of waste (or litres of waste water) to metric tonnes of CO2, applying waste disposal and waste water emission factors.

Currently we have verified waste data from 71% of our operations by headcount. For our remaining offices, waste emissions have been estimated based on the total waste produced by waste stream per person and then applied this factor to the remaining head count (out of global total). The emissions boundary is the same as our financial control reporting boundary.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
8675

Emissions calculation methodology
Average data method
Spend-based method
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
86

Please explain
Business travel includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses and passenger cars. Emissions associated with business travellers staying in hotels have also been included. Air, rail and passenger car travel emissions have been calculated using distance travelled which is then multiplied by greenhouse gas conversion factors to calculate the associated emissions. Emissions factors are determined by the emissions source and the emissions location so that the most accurate factor is applied. Hotel emissions have been calculated by annual number of hotel nights multiplied by the relevant hotel emission factor. Emissions relating to taxi travel has been calculated using the economic value of taxi travel and multiplying it by the relevant Environmentally Extended Input Output Data (EEIO) emission factor.

For the Schroders entities where we were not able to obtain actual business data (due to being recently acquired) we estimated the data using average emissions by travel type, per employee based on actual Schroders data. This intensity factor (emissions per employee) was applied to the total head count per entity. This equated to 14% of total business travel emissions. The emissions boundary is the same as our financial control reporting boundary with no exclusions.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
2686

Emissions calculation methodology
Average data method
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
51

Please explain
Employee commuting includes the emissions associated with the transportation of employees between their homes and Schroders worksites. Employee commuting data was collected through Schroders annual commute survey. Data points collected included distance travelled by employees from home to their worksite, the number of days commuting, and transport types used. Emissions were calculated total distance travelled which was multiplied by the relevant Defra emission factors determined by transport mode type. Where the survey was not completed by employees, we have extrapolated the actual survey data to be representative across our full employee population. The average commute distance and commute days were calculated per country and then applied to the whole workforce to calculate the total emissions. We received responses from 51% of our total employees to the survey, therefore estimated 49%. The emissions boundary is the same as our financial control reporting boundary with no exclusions.

Upstream leased assets

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
731

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
99.6

Please explain
Upstream leased assets includes the emissions from the operation of assets that are leased by Schroders in the reporting year and not already included in our Scope 1 or Scope 2 emissions, such as our licensed offices and data centres. To calculate the upstream emissions of our leased assets energy consumption data (kWh, m3 or l) is multiplied by the appropriate grid-average emission factor based on energy type and country location. The emissions boundary is the same as our financial control reporting boundary with no exclusions.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The financial control boundary approach has been applied to our greenhouse gas inventory, which follows our accounting consolidation approach. No category of emissions has been excluded from this boundary. Scope 3 category 9 (downstream transportation and distribution) has been assessed and is not relevant to our business.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The financial control boundary approach has been applied to our greenhouse gas inventory, which follows our accounting consolidation approach. No category of emissions has been excluded from this boundary. Scope 3 category 10 (processing of sold products) has been assessed and is not relevant to our business.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The financial control boundary approach has been applied to our greenhouse gas inventory, which follows our accounting consolidation approach. No category of emissions has been excluded from this boundary. Scope 3 category 11 (use of sold products) has been assessed and is not relevant to our business.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The financial control boundary approach has been applied to our greenhouse gas inventory, which follows our accounting consolidation approach. No category of emissions has been excluded from this boundary. Scope 3 category 12 (treatment of sold products) has been assessed and is not relevant to our business.

Downstream leased assets

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Downstream leased assets include emissions from the operation of assets that are owned by the reporting company and leased to other entities in the reporting year that are not already included in Scope 1 or Scope 2. This is relevant to only 1 building in the portfolio, contributing to 0.02% of Scope 1 and 2 emissions. Primary data was not available and emissions have estimated using the Schroders average Scope 1 & Scope 2 emissions per floor area (tCO2e/sq. ft) and applying that to the downstream leased asset floor area. The emissions boundary is the same as our financial control reporting boundary with no exclusions.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The financial control boundary approach has been applied to our greenhouse gas inventory, which follows our accounting consolidation approach. No category of emissions has been excluded from this boundary. Scope 3 category 14 (franchises) has been assessed and is not relevant to our business.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The financial control boundary approach has been applied to our greenhouse gas inventory, which follows our accounting consolidation approach. No category of emissions has been excluded from this boundary. No other categories of emissions are relevant to our business.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The financial control boundary approach has been applied to our greenhouse gas inventory, which follows our accounting consolidation approach. No category of emissions has been excluded from this boundary. No other categories of emissions are relevant to our business.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date
January 1 2021

End date
December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)
85605

Scope 3: Capital goods (metric tons CO2e)
5080

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)
60

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment
In line with our emissions recalculation process, we have re-stated our supplier emissions (category 1: Purchased goods and services, category 2: Capital goods and category 4: Upstream transportation and distribution) from 2019 to 2021 due to the material updates that were made to the emissions factors published by Defra. This allows us to perform a meaningful emissions data comparison using a consistent data set over time.

Past year 2

Start date
January 1 2020

End date
December 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)
76964

Scope 3: Capital goods (metric tons CO2e)
5439

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)
38

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment
In line with our emissions recalculation process, we have re-stated our supplier emissions (category 1: Purchased goods and services, category 2: Capital goods and category 4: Upstream transportation and distribution) from 2019 to 2021 due to the material updates that were made to the emissions factors published by Defra. This allows us to perform a meaningful emissions data comparison using a consistent data set over time.

Past year 3

Start date
January 1 2019

End date
December 31 2019

Scope 3: Purchased goods and services (metric tons CO2e)
75202

Scope 3: Capital goods (metric tons CO2e)
12867

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)
21

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)
<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment
In line with our emissions recalculation process, we have re-stated our supplier emissions (category 1: Purchased goods and services, category 2: Capital goods and category 4: Upstream transportation and distribution) from 2019 to 2021 due to the material updates that were made to the emissions factors published by Defra. This allows us to perform a meaningful emissions data comparison using a consistent data set over time.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.72627502

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
4500

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
6196

Scope 2 figure used
Location-based

% change from previous year
30

Direction of change
Decreased

Reason(s) for change
Change in output

Please explain
Despite a 10% increase in employees, Scope 1 and 2 emissions per employee have decreased from 1.04 tCO2e in 2021 to 0.73 tCO2e in 2022.

A main cause of reduction to our Scope 1 GHG emissions was the decrease in fugitive emissions in our London headquarters. We also saw a significant reduction in company car emissions since 2019 due to less business miles being recorded and an increase in uptake of hybrid and electric vehicles. The ongoing decarbonisation of national electricity grids acts as a significant contributor to our Scope 2 electricity emissions reducing over time. This, combined with the implementation of energy efficiency measures, led to the reduction in our Scope 2 emissions.

Intensity figure
0.0000015561

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
4500

Metric denominator
unit total revenue

Metric denominator: Unit total
2891700000

Scope 2 figure used
Location-based

% change from previous year
22

Direction of change
Decreased

Reason(s) for change
Change in revenue

Please explain
There was both a reduction in revenue and a reduction in emissions. Our revenue reduced 2% from £2,959.5 million in 2021 to £2,891.7 million in 2022.

A main cause of reduction to our Scope 1 GHG emissions was the decrease in fugitive emissions in our London headquarters. We also saw a significant reduction in company car emissions since 2019 due to less business miles being recorded and an increase in uptake of hybrid and electric vehicles. The ongoing decarbonisation of national electricity grids acts as a significant contributor to our Scope 2 electricity emissions reducing over time. This, combined with the implementation of energy efficiency measures, led to the reduction in our Scope 2 emissions.

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?
No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Despite the increase in the procurement of renewable electricity consumption from 75% in 2021 to 95% in 2022, we have not seen a change in Scope 1 and Scope 2 emissions as Scope 2 emissions are calculated using a location-based method.
Other emissions reduction activities	467	Decreased	8	In 2022 we implemented initiatives to reduce our Scope 1 gas and fuel use. Total metric tonnes of CO2e saved has been subtracted from the total 2022 Scope 1 and Scope 2 location-based emissions figure to show the total emissions after emission reduction activities. The difference between this figure and the total 2021 Scope 1 and Scope 2 location-based emissions has been calculated. Of the total 467 tCO2e reduction in emissions, 169 tCO2e can be attributed to reduced gas use while 298 tCO2e is due to electrification of our car fleet and subsequent reduction in fuel. Our total Scope 1 and 2 emissions in 2021 were 5,888 metric tonnes of CO2e. 5,888 - 467 = 5421 metric tonnes of CO2e. Therefore, we arrived at a 8% decrease by (5421- 5888) / 5888 * 100 = -8%.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology	147	Decreased	2	In 2022 our electricity consumption (kWh) was 4% higher than our consumption (kWh) in 2021. However, our emissions for electricity in 2022 were 4% (147 tonnes of CO2e) lower than our electricity emissions in 2021. This can be attributed to the change in emission factors and grid decarbonisation. Our total Scope 1 and 2 emissions in 2021 were 5,888 metric tonnes of CO2e. 5,888 - 147 = 5741 metric tonnes of CO2e. Therefore, we arrived at a 2% decrease by (5741- 5888) / 5888 * 100 = -2%.
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	774	Decreased	13	In 2022 we saw a significant decrease in Scope 1 emissions primarily due to no incidents of fugitive leakages, leading to a decrease in fugitive emissions (774 tonnes of CO2e). In 2021 we had an incident regarding fire suppression systems leading to high fugitive emissions that year. 774 metric tonnes of CO2e were reduced through fugitive emission reduction activities. Our total Scope 1 and 2 emissions in 2021 was 5,888 metric tonnes of CO2e. 5,888 - 774 = 5114 metric tonnes of CO2e. Therefore, we arrived at a 13% decrease by (5114- 5888) / 5888 * 100 = -13%

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	2720	2720
Consumption of purchased or acquired electricity	<Not Applicable>	13361	759	14120
Consumption of purchased or acquired heat	<Not Applicable>	0	2418	2418
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	13361	5897	19258

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Argentina

Consumption of purchased electricity (MWh)
35

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
35

Country/area
Australia

Consumption of purchased electricity (MWh)
154

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
154

Country/area
Bermuda

Consumption of purchased electricity (MWh)
18

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
18

Country/area
Brazil

Consumption of purchased electricity (MWh)
37

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
37

Country/area
Canada

Consumption of purchased electricity (MWh)
3

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
3

Country/area
Chile

Consumption of purchased electricity (MWh)
21

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
21

Country/area
China

Consumption of purchased electricity (MWh)
272

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
272

Country/area
Denmark

Consumption of purchased electricity (MWh)
1

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
9

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
10

Country/area
Finland

Consumption of purchased electricity (MWh)
1

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1

Country/area
France

Consumption of purchased electricity (MWh)
45

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
45

Country/area
Georgia

Consumption of purchased electricity (MWh)
15

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
46

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
61

Country/area
Germany

Consumption of purchased electricity (MWh)
82

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
109

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
191

Country/area
Gibraltar

Consumption of purchased electricity (MWh)
1

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1

Country/area
Guernsey

Consumption of purchased electricity (MWh)
76

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
76

Country/area
Hong Kong SAR, China

Consumption of purchased electricity (MWh)
203

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
203

Country/area
Indonesia

Consumption of purchased electricity (MWh)

85

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
85

Country/area
Ireland

Consumption of purchased electricity (MWh)
6

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
6

Country/area
Israel

Consumption of purchased electricity (MWh)
10

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
10

Country/area
Italy

Consumption of purchased electricity (MWh)
61

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
61

Country/area
Japan

Consumption of purchased electricity (MWh)
306

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
306

Country/area
Jersey

Consumption of purchased electricity (MWh)
29

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
29

Country/area
Kenya

Consumption of purchased electricity (MWh)
5

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
5

Country/area
Luxembourg

Consumption of purchased electricity (MWh)
296

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
5

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
301

Country/area
Mexico

Consumption of purchased electricity (MWh)
11

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
11

Country/area
Netherlands

Consumption of purchased electricity (MWh)
43

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
43

Country/area
United States of America

Consumption of purchased electricity (MWh)
727

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
727

Country/area
Peru

Consumption of purchased electricity (MWh)
14

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
14

Country/area
Singapore

Consumption of purchased electricity (MWh)
461

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
461

Country/area
Republic of Korea

Consumption of purchased electricity (MWh)
67

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
67

Country/area
Spain

Consumption of purchased electricity (MWh)
16

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
16

Country/area
Sweden

Consumption of purchased electricity (MWh)
18

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
18

Country/area
Switzerland

Consumption of purchased electricity (MWh)
675

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
433

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1108

Country/area
Taiwan, China

Consumption of purchased electricity (MWh)

210

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
210

Country/area
United Arab Emirates

Consumption of purchased electricity (MWh)
13

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
13

Country/area
United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)
10101

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
No

Consumption of purchased heat, steam, and cooling (MWh)
1816

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
11917

C8.2h

(C8.2h) Provide details of your organization’s renewable electricity purchases in the reporting year by country/area.

Country/area of consumption of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Sustainable Biomass

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
408

Tracking instrument used
REGO

Country/area of origin (generation) of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2011

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Ofgem

Country/area of consumption of purchased renewable electricity
Netherlands

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
43

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate Issuer: Statnett

Country/area of consumption of purchased renewable electricity
Denmark

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
1

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate Issuer: Statnett

Country/area of consumption of purchased renewable electricity
Germany

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
31

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Please select

Comment
Certificate Issuer: Statnett

Country/area of consumption of purchased renewable electricity
France

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
45

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate Issuer: Statnett

Country/area of consumption of purchased renewable electricity
Sweden

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
18

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)

2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate Issuer: Statnett

Country/area of consumption of purchased renewable electricity
Ireland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
6

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate Issuer: Statnett

Country/area of consumption of purchased renewable electricity
Finland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
1

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate Issuer: Statnett

Country/area of consumption of purchased renewable electricity
Luxembourg

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type

Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
4

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate Issuer: Statnett

Country/area of consumption of purchased renewable electricity
Argentina

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
35

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Argentina

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2019

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate iusser: Instituto Argentino de Normalizacion y Certificacion

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Country/area of consumption of purchased renewable electricity
Australia

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
154

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Australia

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2022

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Clean Energy Regulator

Country/area of consumption of purchased renewable electricity
Bermuda

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Sustainable Biomass

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
18

Tracking instrument used
REGO

Country/area of origin (generation) of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2011

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Bermuda is a British Overseas Territory. As guided by CDP, this could be interpreted to be part of the same market as the UK, therefore REGOs have been purchased due to lack of availability on the island. Certified by Ofgem.

Country/area of consumption of purchased renewable electricity
Brazil

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
37

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Brazil

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2017

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Instituto Totum

Country/area of consumption of purchased renewable electricity
Canada

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Small hydropower (<25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
3

Tracking instrument used
US-REC

Country/area of origin (generation) of purchased renewable electricity
United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
1997

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: WECC

Country/area of consumption of purchased renewable electricity
Chile

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
21

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Chile

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2016

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
SCX Santiago Climate Exchange

Country/area of consumption of purchased renewable electricity
China

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
272

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
China

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2016

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Other, please specify (The Green Certificate Company)

Comment
Certificate issuer: The Green Certificate Company (Central Issuer)

Country/area of consumption of purchased renewable electricity
Gibraltar

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Sustainable Biomass

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
1

Tracking instrument used
REGO

Country/area of origin (generation) of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2011

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Gibraltar is a British Overseas Territory. As guided by CDP, this could be interpreted to be part of the same market as the UK, therefore REGOs have been purchased due to lack of availability on the island. Certified by Ofgem.

Country/area of consumption of purchased renewable electricity
Guernsey

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
76

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Statnett

Country/area of consumption of purchased renewable electricity
Hong Kong SAR, China

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
203

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
China

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2016

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Other, please specify (The Green Certificate Company)

Comment
Certificate issuer: The Green Certificate Company (Central Issuer). Hong Kong's electrical grid is interconnected with the China Southern Power Grid of Mainland China.

Country/area of consumption of purchased renewable electricity
Indonesia

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Small hydropower (<25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
85

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Indonesia

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2020

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: The Green Certificate Company (Central Issuer)

Country/area of consumption of purchased renewable electricity
Israel

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
10

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Israel

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2018

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Green Energy Services

Country/area of consumption of purchased renewable electricity
Italy

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
61

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Statnett

Country/area of consumption of purchased renewable electricity
Jersey

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
29

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Statnett

Country/area of consumption of purchased renewable electricity
Mexico

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
11

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Mexico

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2017

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: The Green Certificate Company (Central Issuer)

Country/area of consumption of purchased renewable electricity
United States of America

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Small hydropower (<25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
727

Tracking instrument used
US-REC

Country/area of origin (generation) of purchased renewable electricity
United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
1997

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: WECC

Country/area of consumption of purchased renewable electricity
Spain

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
16

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year

2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Statnett

Country/area of consumption of purchased renewable electricity
Peru

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
14

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
Peru

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2016

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: The Green Certificate Company (Central Issuer)

Country/area of consumption of purchased renewable electricity
Switzerland

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
675

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Statnett

Country/area of consumption of purchased renewable electricity
United Arab Emirates

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

13

Tracking instrument used
I-REC

Country/area of origin (generation) of purchased renewable electricity
United Arab Emirates

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2018

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Dubai Carbon Centre of Excellence

Country/area of consumption of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Renewable electricity technology type
Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
1947

Tracking instrument used
Contract

Country/area of origin (generation) of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2021

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Ofgem. Details of commissioning date not provided in contract details.

Country/area of consumption of purchased renewable electricity
Japan

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Renewable electricity technology type
Hydropower (capacity unknown)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
306

Tracking instrument used
J-Credit (Renewable)

Country/area of origin (generation) of purchased renewable electricity
Japan

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Other, please specify (TEPCO Certificate)

Comment
Details of commissioning date not provided in contract details.

Country/area of consumption of purchased renewable electricity
Germany

Sourcing method
Unbundled procurement of Energy Attribute Certificates (EACs)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
51

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2003

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment
Certificate issuer: Statnett

Country/area of consumption of purchased renewable electricity
Luxembourg

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
229

Tracking instrument used
GO

Country/area of origin (generation) of purchased renewable electricity
Croatia

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
1975

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Other, please specify (European Energy Certificate System)

Comment

Country/area of consumption of purchased renewable electricity
Luxembourg

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Renewable electricity technology type
Large hydropower (>25 MW)

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
63

Tracking instrument used

GO

Country/area of origin (generation) of purchased renewable electricity
Croatia

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
1983

Vintage of the renewable energy/attribute (i.e. year of generation)
2022

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
Other, please specify (European Energy Certificate System)

Comment

Country/area of consumption of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Renewable electricity technology type
Sustainable Biomass

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)
7747

Tracking instrument used
REGO

Country/area of origin (generation) of purchased renewable electricity
United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2019

Vintage of the renewable energy/attribute (i.e. year of generation)
2021

Supply arrangement start year
2022

Additional, voluntary label associated with purchased renewable electricity
No additional, voluntary label

Comment

C8.2i

(C8.2i) Provide details of your organization’s low-carbon heat, steam, and cooling purchases in the reporting year by country/area..

Sourcing method
None (no purchases of low-carbon heat, steam, or cooling)

Country/area of consumption of low-carbon heat, steam or cooling
<Not Applicable>

Energy carrier
<Not Applicable>

Low-carbon technology type
<Not Applicable>

Low-carbon heat, steam, or cooling consumed (MWh)
<Not Applicable>

Comment

C8.2j

(C8.2j) Provide details of your organization’s renewable electricity generation by country/area in the reporting year.

C8.2k

(C8.2k) Describe how your organization's renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity. RE100 makes recommendations on how companies can implement impactful renewable electricity sourcing strategies and highlights opportunities for best practice, which Schroders looks to align with. An example of this can be demonstrated by our UK sourcing strategy, where electricity is primarily sourced through green tariffs. Our UK contracts come from local UK sources, which provide security to the supplier enabling greater renewable electricity capacity to be brought into the UK grid. We will continue to pursue the highest impact strategies for purchasing renewable electricity and look to diversify our procurement profile to source not just through indirect methods but also direct methods such as onsite generation or further long-term agreements.

C8.2l

(C8.2l) In the reporting year, has your organization faced any challenges to sourcing renewable electricity?

	Challenges to sourcing renewable electricity	Challenges faced by your organization which were not country/area-specific
Row 1	Yes, in specific countries/areas in which we operate	<Not Applicable>

C8.2m

(C8.2m) Provide details of the country/area-specific challenges to sourcing renewable electricity faced by your organization in the reporting year.

Country/area	Reason(s) why it was challenging to source renewable electricity within selected country/area	Provide additional details of the barriers faced within this country/area
Taiwan, China	Inability to buy Energy Attribute Certificates (EACs) in small quantities Lack of credible renewable electricity procurement options (e.g. EACs, Green Tariffs)	Renewables only represent 6% of total electricity use in Taiwan which means credit availability is very low and therefore opportunities for procurement are limited. There is extremely high demand for the T-REC in Taiwan which means prices are high, and sourcing for small quantities is very challenging.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste

Metric value
494

Metric numerator
Tonnes

Metric denominator (intensity metric only)

% change from previous year
0

Direction of change
No change

Please explain
In 2022, we increased our waste monitoring across our global operations and verified waste production data for the first time so have no prior years for comparison. In 2022, we produced 494 tonnes of waste globally, of which 65% was recycled. In our London headquarters, our total waste produced decreased by 38% from 2019 levels and increased by 40% compared to 2021. Data includes all waste streams except for Waste from Electrical and Electronic Equipment (WEEE) waste and other hazardous waste. Global waste data is based on a sample size of 71% actual data from our global offices.

Description
Energy usage

Metric value
19258182

Metric numerator
kWh

Metric denominator (intensity metric only)

% change from previous year
8

Direction of change
Decreased

Please explain
In 2022 our total energy consumption was 19,258,182 kWh which is 8% lower than consumption in 2021 (20,952,475 kWh). A main cause of reduction to our energy use compared to 2021 was the reduction in company car use due to less business miles being recorded and an increased uptake of hybrid and electric vehicles. We also saw a reduction in gas use globally particularly in our global headquarters.

Description
Other, please specify (Water usage)

Metric value
57403

Metric numerator
Cubic metres

Metric denominator (intensity metric only)

% change from previous year
0

Direction of change
No change

Please explain
In 2022, we increased our water use monitoring across our global operations and verified water use data for the first time so have no prior years for comparison. In 2022, we consumed 57,403 cubic metres of water globally. We have previous year comparisons for our London headquarters, which shows the total water consumed increased by 44% from 2019 levels and increased by 53% compared to 2021. This was due to an increase in building occupancy as well as a decrease in rainfall, resulting in increased consumption of mains water and less availability from our greywater system. Global water data is based on a sample size of 83% actual data from our global offices.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/ section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/ section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/ section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Capital goods

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Waste generated in operations

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Employee commuting

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Upstream leased assets

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement

Page/section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Downstream leased assets

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Page/section reference
Details of Schroders' GHG emissions data assurance by Incendium Consulting captured on pages 1-3. Final breakdown of emissions are detailed on page 4.

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Progress against emissions reduction target	AA1000AS Moderate Assurance	Incendium Consulting Ltd undertook assurance in accordance with AA1000AS Type 2 Moderate Level Assurance. This covered progress made against validated science-based targets from 2019 baseline year for Scope 1 and Scope 2. Details can be found on page 5 of the assurance statement. Schroders 2022 GHG Data Assurance Statement_v2.0.pdf
C8. Energy	Energy consumption	AA1000AS Moderate Assurance	Incendium Consulting Ltd undertook assurance in accordance with AA1000AS Type 2 Moderate Level Assurance. The assurance process is described on pages 1-3. Final energy consumption metrics can be found on page 6. Schroders 2022 GHG Data Assurance Statement_v2.0.pdf
C9. Additional metrics	Waste data	AA1000AS Moderate Assurance	Incendium Consulting Ltd undertook assurance in accordance with AA1000AS Type 2 Moderate Level Assurance. The assurance process is described on pages 1-3. Final waste production metrics can be found on page 6. Schroders 2022 GHG Data Assurance Statement_v2.0.pdf
C9. Additional metrics	Other, please specify (Water consumption)	AA1000AS Moderate Assurance	Incendium Consulting Ltd undertook assurance in accordance with AA1000AS Type 2 Moderate Level Assurance. The assurance process is described on pages 1-3. Final water consumption metrics can be found on page 6. Schroders 2022 GHG Data Assurance Statement_v2.0.pdf
C4. Targets and performance	Other, please specify (Progress against supplier engagement target)	AA1000AS Moderate Assurance	Incendium Consulting Ltd undertook assurance in accordance with AA1000AS Type 2 Moderate Level Assurance. The assurance process is described on pages 1-3. Final progress against target can be found on page 5. Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

Schroders 2022 GHG Data Assurance Statement_v2.0.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Project type
Afforestation

Type of mitigation activity
Carbon removal

Project description
Community Reforestation, Ghana

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
2049

Purpose of cancellation
Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?
Yes

Vintage of credits at cancellation
2021

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project
Investment analysis
Barrier analysis
Other, please specify (Common practice analysis)

Approach(es) by which the selected program requires this project to address reversal risk
Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed
Activity-shifting

Provide details of other issues the selected program requires projects to address
No other issues disclosed.

Comment
Project is registered on Verra's VCS registry under ID 987, where relevant project documents are publicly available.

Project type
Afforestation

Type of mitigation activity
Emissions reduction

Project description
Darkwoods, Canada

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
1118

Purpose of cancellation
Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?
Yes

Vintage of credits at cancellation
2018

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project
Investment analysis
Barrier analysis
Market penetration assessment
Other, please specify (Common practice test)

Approach(es) by which the selected program requires this project to address reversal risk
Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed
Activity-shifting
Ecological leakage

Provide details of other issues the selected program requires projects to address

No other issues disclosed.

Comment
Project is registered on Verra's VCS registry under ID 607, where relevant project documents are publicly available.

Project type
Afforestation

Type of mitigation activity
Carbon removal

Project description
Qianbei Afforestation, China

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
6333

Purpose of cancellation
Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?
Yes

Vintage of credits at cancellation
2019

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project
Barrier analysis
Other, please specify (Common practice analysis, Alternate scenarios analysis)

Approach(es) by which the selected program requires this project to address reversal risk
Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed
Activity-shifting

Provide details of other issues the selected program requires projects to address
No other issues disclosed.

Comment
Project is registered on Verra's VCS registry under ID 2082, where relevant project documents are publicly available

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Project type
Afforestation

Type of mitigation activity
Carbon removal

Project description
Mississippi Valley, USA

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
1862

Purpose of cancellation
Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?
Yes

Vintage of credits at cancellation
2017

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
ACR (American Carbon Registry)

Method(s) the program uses to assess additionality for this project
Consideration of legal requirements
Investment analysis
Barrier analysis
Market penetration assessment

Approach(es) by which the selected program requires this project to address reversal risk
Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed
Activity-shifting

Provide details of other issues the selected program requires projects to address
Details on other issues: If sampling uncertainty exceeds a level (±10% of the mean estimated carbon stock), the project must deduct from the mean estimated carbon sequestered when calculating the number of offsets generated in order to be conservative.

Comment
Project is registered on the American Carbon Registry under ID 114, where relevant project documents are publicly available.

Project type
Wind

Type of mitigation activity
Emissions reduction

Project description
Gansu Renewable Energy, China

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
7265

Purpose of cancellation
Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?
Yes

Vintage of credits at cancellation
2020

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
VCS (Verified Carbon Standard)

Method(s) the program uses to assess additionality for this project
Investment analysis
Market penetration assessment
Other, please specify (Common practice analysis)

Approach(es) by which the selected program requires this project to address reversal risk
No risk of reversal

Potential sources of leakage the selected program requires this project to have assessed
Upstream/downstream emissions

Provide details of other issues the selected program requires projects to address
No other issues disclosed.

Comment
Project is registered on Verra's VCS registry under ID 728, where relevant project documents are publicly available.

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price
Other, please specify (Proprietary model developed to stress company exposure to policy risk of a carbon price of USD 100/tonne greenhouse gas emissions.)

How the price is determined
Other, please specify (This price was determined based on our estimates of the carbon cost required to incentivise emission reductions consistent with Paris-aligned decarbonise goals, based on analysis of marginal abatement costs.)

Objective(s) for implementing this internal carbon price
Stakeholder expectations
Stress test investments

Scope(s) covered
Scope 1
Scope 2
Scope 3 (upstream)
Scope 3 (downstream)

Pricing approach used – spatial variance
Differentiated

Pricing approach used – temporal variance
Static

Indicate how you expect the price to change over time
<Not Applicable>

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)
100

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)
100

Business decision-making processes this internal carbon price is applied to
Risk management
Value chain engagement
Other, please specify (Investment risk management)

Mandatory enforcement of this internal carbon price within these business decision-making processes
No

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan
Carbon VaR provides our investors with a lens to assess how their underlying portfolio companies may be impacted by policy risk, specifically by aligning different carbon prices with external transition risk scenarios. Over the course of 2022, it has been upgraded to provide greater insight into the potential opportunities arising from the net zero transition; not just the risks that are often the focus of third-party approaches. The aim is to provides investors with a signal to identify alpha generation opportunities that are more aligned with the net zero transition.

In 2022, this modelling indicated that some of our funds could experience significant value creation due to their exposure to companies with products & services focused on catalysing the net zero transition.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers/clients
Yes, our investees
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Provide training, support, and best practices on how to set science-based targets

% of suppliers by number
0.05

% total procurement spend (direct and indirect)
0.42

% of supplier-related Scope 3 emissions as reported in C6.5
0.73

Rationale for the coverage of your engagement
In 2022, we created a supplier engagement plan with 4 steps: Engage, Collaborate, Monitor and Escalate. Recognising that we needed to find ways to support our suppliers through the process of setting a science based target, we started a pilot. Five suppliers were given fully funded places on a 12 month SME (Small and Medium Sized Enterprises) Responsible Business Programme run by the charity Heart of the City. It was open to UK based SMEs only. Suppliers who met the Heart of the City criteria were chosen on the basis of their percentage of supplier spend and their strategic priority to Schroders. The course covered all aspects of responsible business including climate, setting science based targets, human rights, inclusion and diversity and governance.

Impact of engagement, including measures of success
The course finishes in June 2023. As at end December 2022, three of the suppliers have indicated that they are either in the process of setting a science based target or intend to do so within the next 12-18 months. Our expectations are that all participants will commit to setting a target. We now recognise that support that specifically focuses on climate, including setting science based targets has a greater potential to drive change and contribute to our progress towards our supplier engagement science based target. We hope to launch a new programme in 2023 aimed at driving maximum progress towards our supplier engagement science based target.

Comment

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect GHG emissions data at least annually from suppliers
Collect targets information at least annually from suppliers
Collect climate-related risk and opportunity information at least annually from suppliers
Collect climate transition plan information at least annually from suppliers
Collect other climate related information at least annually from suppliers

% of suppliers by number
2

% total procurement spend (direct and indirect)
40

% of supplier-related Scope 3 emissions as reported in C6.5
44

Rationale for the coverage of your engagement
We have focused on those suppliers responsible for close to half of our supplier emissions. These are also the suppliers with whom we have the largest relationships, highest spend and the greatest potential ability to influence.

Impact of engagement, including measures of success
Direct engagement along with desk based research has enabled us to segment our supply chain according to the maturity of their emissions reduction activities, goals and targets. Based upon this segmentation we have categorised suppliers to form a view on those that presented the greatest challenge to Schroders ability to meet our 2026 supplier engagement science based target. 'High' risk being a supplier who has either not started or barely begun to measure or reduce their greenhouse gas emissions. 'medium risk' being a supplier who has either measured their emissions and/or put in place an emissions reduction programme but has not yet set a science based target; and 'low' risk being a supplier who has either set a target or committed to do so by 2026. This is enabling is us to design targeted engagement for our next phase by creating tailored support, guidance and training depending on the supplier's level of risk. The supplier size will also be taken into account given the differing routes to setting targets available such as the SME route.

In addition, we have established an 'internal alternative validation process' for those suppliers who have set science based targets but who have not had these validated by SBTi. This process requires us to obtain detailed information from the suppliers so that we can check that their target aligns with the methodology outlined by the SBTi.

Our ambition for 2022 was to engage the top 150 of our suppliers by emissions. We actually engaged 201 thereby successfully achieving and exceeding our goal.

Comment

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients
Clients of Asset Managers (Asset owners)

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate clients about your climate change performance and strategy
Run an engagement campaign to educate clients about the climate change impacts of (using) your products, goods, and/or services
Run an engagement campaign to educate clients about climate change
Share information about your products and relevant certification schemes (i.e. Energy STAR)
Provide asset owner clients with information and analytics on net zero investing and climate risk and opportunity

% client-related Scope 3 emissions as reported in C-FS14.1a
61

Portfolio coverage (total or outstanding)
100

Rationale for the coverage of your engagement
Other, please specify (We consider managing climate related risks and opportunities important for almost all of our clients.)

Impact of engagement, including measures of success
Consistent with our membership of the Net Zero Asset Manager's Initiative, including commitment (a) - work in partnership with asset owner clients on decarbonisation goals - we deliver periodic training to our intermediary and asset owner clients to support them in the identification, integration and consideration of climate-related risks. Given our commitment to the Science Based Targets initiative (SBTi) in 2021, this engagement has focused on educating our clients on the merits of different target setting approaches, how to go about setting a net zero target and how to engage with their managers on this topic. This engagement is not one-way. Both through our annual investor surveys, and bilateral conversations, client are able to raise the issues that of most concern to them.
With the increasing global momentum of achieving net zero, and the increasing volume of climate-aligned regulation, our client engagement has been focused on supporting those organisations navigate these challenges, whilst educating them on the methodology we have used to set our own net zero commitments. With the publication of our Climate Transition Action Plan at the end of 2021, clients now have access to our calculation methodology and strategy to reach net zero emissions by 2050. This includes our four engagement priorities: 1. Commit to decarbonise business models toward net zero by mid-century 2. Set long, medium and short-term targets covering Scope 1, 2 and relevant Scope 3 emissions 3. Publish a detailed transition plan explaining how they will deliver that transition and meet those targets 4. Publish their performance and progress annually. We believe that our clients should engage with the managers they work with to achieve the above goals, both within their own operations, and the companies in which they invest. We do not directly quantify our measures of success, but aim to become a trusted partner and advisor for our clients, which we will monitor through the impact on the assets they entrust us to manage on their behalf. This includes supporting our clients with their approach to portfolio decarbonisation.

C-FS12.1c

(C-FS12.1c) Give details of your climate-related engagement strategy with your investees.

Type of engagement
Information collection (Understanding investee behavior)

Details of engagement
Include climate-related criteria in investee selection / management mechanism
Climate-related criteria is integrated into investee evaluation processes
Collect climate-related and carbon emissions information from new investee companies as part of initial due diligence
Collect climate-related and carbon emissions information at least annually from long-term investees

% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b
31

Investing (Asset managers) portfolio coverage
26

Investing (Asset owners) portfolio coverage
<Not Applicable>

Rationale for the coverage of your engagement
Other, please specify (We encourage companies that have not published Scope 1-3 emissions do to so)

Impact of engagement, including measures of success
Though demonstrating additionality is challenging when engaging with underlying portfolios companies, particularly when investing in listed securities, we have assessed the rate of change in net zero target setting across our priority list of companies vs those companies not engaged.

There will be instances of double counting for the ratio of portfolio coverage, and % Scope 3 emissions covered in question 12.1c. This is due to a number of companies being engaged more than once for different purposes over the course of 2022.

As outlined in our Climate Transition Action Plan, our measure of success will be achieving our mid and long-term temperature score objectives validated by the SBTi. This includes a portfolio temperature score of 2.2C across financed Scope 1 and 2 emissions by 2030, and a score of 1.5C across financed Scope 1, 2 and 3 emissions by 2040.

We track our engagement with companies through 4 milestones: 1. Engagement opportunity identified and communication started, 2. Acknowledgement by company of issues raised, 3. The company communicates that plans are in place to address the issue and 4. The company meets our objective.

Over the course of 2022, we engaged with 737 companies and 60% of these pertained to gathering insights from investee companies around their existing climate-related disclosures, targets and decarbonisation strategies. 42% of these insight-driven conversations subsequently led to an outcomes-driven engagement over the course of 12 months, frequently reflecting improved disclosures by those companies.

It is important to note that whilst Schroders has been engaging companies on climate-related issues for a number of years, 2022 was the first year of the climate engagement programme being delivered with the expectation that progress against milestones will evolve over the years as part of on-going dialogue with companies.

Type of engagement
Engagement & incentivization (changing investee behavior)

Details of engagement
Exercise active ownership
Support climate-related shareholder resolutions
Support climate-related issues in proxy voting
Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner
Initiate and support dialogue with investee boards to set Paris-aligned strategies
Encourage better climate-related disclosure practices among investees
Encourage investees to set a science-based emissions reduction target

% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b
48

Investing (Asset managers) portfolio coverage
38

Investing (Asset owners) portfolio coverage
<Not Applicable>

Rationale for the coverage of your engagement
Other, please specify (Our climate strategy targets engaging approx. 1000 companies to 2030. The priority list is based on factors incl. those that make the biggest contribution to our Scope 3 financed emissions + our top 100 holdings whose mid-term target alignment is >2C)

Impact of engagement, including measures of success
Though we appreciate demonstrating additionality is challenging when engaging with underlying portfolios companies, particularly when investing in listed securities, we have assessed the rate of change in net zero target setting across our priority list of companies vs those companies not engaged. From our analysis, we have found that companies engaged on climate since 2021 were almost two times more likely to set a below 2°C target. It is important to note that this impact cannot be 100% attributed to Schroders given the multiple other stakeholders (including but not limited to: other investors; governments, and; NGOs) placing pressure on companies to establish net zero commitments.

There will be instances of double counting for the ratio of portfolio coverage, and % Scope 3 emissions covered in question 12.1c. This is due to a number of companies being engaged more than once for different purposes over the course of 2022.

We focus engagement efforts on companies contributing the most to our financed emissions, and where our influence is greatest. Our modelling suggests that in the period until 2030, we will need to focus activity on over 1,000 of the 10,000+ in-scope companies we invest in. We review engagement priorities annually, taking into account the progress and objectives established in previous years. Of the more than 1,000 companies we believed would be necessary to engage with by 2030 to reach our climate commitments, we engaged with 737 companies in 2022. We identified 517 of these to be priority companies. This marks an increase in activity which has been driven further by the implementation of our climate engagement strategy outlined above. This led to 961 objectives being set, of which 83% were related to climate alignment, 15% to climate risk and 2% to oversight and other climate sub-themes.

A key impact of our engagement efforts was that companies engaged on climate since 2021 were almost two times more likely to set a below 2°C.

As outlined in our Climate Transition Action Plan, our measure of success will be achieving our mid and long-term temperature score objectives validated by the SBTi. This includes a portfolio temperature score of 2.2C across financed Scope 1 and 2 emissions by 2030, and a score of 1.5C across financed Scope 1, 2 and 3 emissions by 2040.

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Carry out collaborative engagements with other investors or institutions
Other, please specify (Look for opportunities to co-file climate shareholder resolutions with other investors and organisations on climate-related issues.)

% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b
5

Investing (Asset managers) portfolio coverage
7

Investing (Asset owners) portfolio coverage
<Not Applicable>

Rationale for the coverage of your engagement
Other, please specify (Our engagement strategy targets a priority list of companies based on a number of factors, including: climate risks and opportunities, decarbonisation commitments and progress against these commitments)

Impact of engagement, including measures of success
Co-chair and co-lead collaborative engagements, for example, the IIGCC's banks working group on climate change. Schroders also contributes to a number of working groups.

Though we appreciate demonstrating additionality is challenging when engaging with underlying portfolios companies, particularly when investing in listed securities, we have assessed the rate of change in net zero target setting across our priority list of companies vs those companies not engaged. From our analysis, we have found that companies engaged on climate since 2021 were almost two times more likely to set a below 2°C target. It is important to note that this impact cannot be 100% attributed to Schroders given the multiple other stakeholders (including but not limited to: other investors; governments, and; NGOs) placing pressure on companies to establish net zero commitments.

There will be instances of double counting for the ratio of portfolio coverage, and % Scope 3 emissions covered in question 12.1c. This is due to a number of companies being engaged more than once for different purposes over the course of 2022.

We focus engagement efforts on companies contributing the most to our financed emissions, and where our influence is greatest. Our modelling suggests that in the period until 2030, we will need to focus activity on over 1,000 of the 10,000+ in-scope companies we invest in. We review engagement priorities annually, taking into account the progress and objectives established in previous years. Of the more than 1,000 companies we believed would be necessary to engage with by 2030 to reach our climate commitments, we engaged with 737 companies in 2022. We identified 517 of these to be priority companies. This marks an increase in activity which has been driven further by the implementation of our climate engagement strategy outlined above. This led to 961 objectives being set, of which 83% were related to climate alignment, 15% to climate risk and 2% to oversight and other climate sub-themes.

A key impact of our engagement efforts was that companies engaged on climate since 2021 were almost two times more likely to set a below 2°C.

As outlined in our Climate Transition Action Plan, our measure of success will be achieving our mid and long-term temperature score objectives validated by the SBTi. This includes a portfolio temperature score of 2.2C across financed Scope 1 and 2 emissions by 2030, and a score of 1.5C across financed Scope 1, 2 and 3 emissions by 2040.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

The other partners in the value chain that we have a climate-related engagement strategy with are Schroders employees. We engage with them both in terms of their professional roles and responsibilities, and as members of wider society. We run awareness campaigns throughout the year to boost engagement and build a greater understanding on the topic, while empowering them to take their own actions. We leverage key dates identified by trusted bodies including the United Nations to run engagement campaigns for our people. In April, Schroders joined a billion people around the world to take part in Earth Day – the world's largest environmental movement. In total, nine impact-led environmental activities were run by colleagues from six of our global Schroders offices. Almost 100 of our colleagues volunteered more than 290 hours towards these projects. From tree planting outside of Tokyo to planting up a vegetable garden in an inner city primary school in London and clearing waterways from kayaks in the Marina Reservoir in Singapore. In October, during COP27, we launched another campaign asking colleagues to take a planet challenge through our purpose-led platform, Alaya. From reducing your carbon footprint by deleting emails to opting for veggie options. Our aim is to instil positive environmental behaviour changes and offer ways to support our people in doing this.

Our people are our greatest asset and with their help, we can solve some of our own internal sustainability challenges through innovative thinking. We launched our first Sustainability Innovation Challenge, encouraging our people globally to share ideas on ways we can improve in our operations or investments. We received almost 60 ideas from with over 550 of our people taking part. Four ideas are now being developed and two will go on to be designed further and implemented.

Our employee advocacy platform, Schroders Planet Positive, shines a light on climate actions as well as stories from colleagues around the world who have already made changes in their daily lives. We now have over 230 members and ran a pop-up event in line with London Fashion Week, called #TakeBackFastFashion. We had internal and external speakers, highlighting the damaging impacts of fast fashion and hosted a Swap Shop for colleagues to swap clothes with each other in London. The platform will continue to grow and drive behaviour change globally.

Our Internal Communications team produce a monthly global newsletter, Step Change, sharing actions the firm is taking to meet its sustainability objectives. We share climate-related milestones achieved by the firm as well as ways employees can join us in creating that positive impact, such as voting for our carbon offsetting projects to help us achieve our net zero target. We can also gather engagement data from this newsletter, seeing how many employees read and interact with our content.

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

	Exercise voting rights as a shareholder on climate-related issues	Primary reason for not exercising voting rights as a shareholder on climate-related issues	Explain why you do not exercise voting rights on climate-related issues
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS12.2a

(C-FS12.2a) Provide details of your shareholder voting record on climate-related issues.

Method used to exercise your voting rights as a shareholder
Exercise voting rights through an external service provider

How do you ensure your shareholder voting rights are exercised in line with your overall strategy or transition plan?
Vote tracking
Review external service provider's climate-related policies
Other, please specify (We use ISS for all our voting activity. Accordingly, all climate related proposal are referred back to Schroders for further consideration by our governance and climate focused analysts.)

Percentage of voting disclosed across portfolio
98

Climate-related issues supported in shareholder resolutions
Climate transition plans
Climate-related disclosures
Aligning public policy position (lobbying)
Emissions reduction targets
Board oversight of climate-related issues

Do you publicly disclose the rationale behind your voting on climate-related issues?
<Not Applicable>

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
We publish positions through our website eg https://www.schroders.com/en/about-us/sustainability/planet/
Schroders Group Climate Change Position Statement.pdf
Schroders_TCFD Report 2021.pdf
climate-transition-action-plan.pdf
Group Climate Change Position Statement 2022.pdf
Schroders_TCFD_2022_.pdf
climate-transition-action-plan (2).pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
The public policy team is a member of Schroders' Sustainability Regulations Steering Committee (see the climate governance structure in our TCFD Report 2022).

- The Sustainability Regulations Steering Committee oversees the progress of in-flight sustainability regulatory change programmes, as well as monitoring emergent sustainability regulations and determining their high-level impact on our Group sustainability strategy and supporting operations. The Sustainability Regulations Steering Committee receives input on forthcoming climate-related regulation from our in-house public policy team. This team actively engages with relevant regulators, industry trade associations and other sustainability initiative bodies, in addition to our in-house ongoing monitoring of the regulatory horizon, including climate regulations.
- Additionally, there are monthly meetings between the Sustainable Investment team and the public policy team.
- Sustainability regulatory policy developments are also discussed in the Group Management Committee.

In 2022 we also formed a 'Sustainable Finance Squad' bringing together individuals within the business who will be specifically tasked with working together on policy topics on a permanent basis, steered by the central public policy team and sponsored by Schroders Global Head of Sustainable Investment. Engagement of the squad is supported by a set of 'public policy high level key messages' which are designed to conform with our stewardship activity, particularly the Engagement Blueprint.

A central coordination and approval process governs requests to make new sustainability-related commitments, such as membership of industry initiatives that could implicitly or explicitly require Schroders to meet specific objectives Requests to join such initiatives are submitted to that group for review, approval, decline or escalation where necessary. The approval group includes our Global Head of Sustainable Investment, Global Head of Corporate Sustainability and Global Head of Marketing and Communications.

These touchpoints ensure coherent messaging and activities, so that our contributions to formal and informal policy consultations are aligned with Schroders' overall perspective and commitments on sustainability including climate change.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Mandatory disclosure of key risks and indicators as well as widening the scope of reporting companies by amending non-financial reporting requirements, e.g. CSRD (for the EU), climate-related disclosures by standard-listed companies (FCA initiative in the UK), climate disclosures (SEC initiative in the USA), Financial Stability Board TCFD guidance on climate-related metrics, targets, and transition plans (global).

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate-related reporting
Climate-related targets
Climate transition plans
Emissions – CO2
Emissions – methane
Emissions – other GHGs
Transparency requirements
Verification and audits

Policy, law, or regulation geographic coverage
Global

Country/area/region the policy, law, or regulation applies to
<Not Applicable>

Your organization’s position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Leveraging our proprietary analysis of the significant exposure global companies face to physical climate risks, we have engaged with policy makers in the UK, EU and elsewhere, including numerous face-to-face meetings with MEPs, MPs, the European Commission, the EU Council and regulators etc in London, Brussels and other

capitals, publicly supporting TCFD recommendations as well as encouraging stronger audit/verification requirements related to non-financial reporting.

We've also vocally called for tougher and clearer climate policies through the global framework of the UNFCC at annual COP events and joined other investors to call for tougher mandatory reporting of key climate risks across all sectors, with a particular emphasis on fossil fuel producers, including through coordinated public letters and joint policy positions. Key messages are: (i) Expand the scope beyond large listed companies; (ii) Disclose non-financial information in the annual management report; (iii) Strengthen the social and governance aspects; (iv) Develop minimum mandatory reporting requirements; (v) Build on existing reporting initiatives (to achieve comprehensive non-financial reporting); (vi) Keep up the international role for reporting standards; (vii) Ensure legislative consistency and avoid duplication of reporting legislation. For our detailed position, please see e.g. https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13128-Corporate-reporting-improving-its-quality-and-enforcement/public-consultation_en and https://www.ifrs.org/projects/work-plan/general-sustainability-related-disclosures/exposure-draft-and-comment-letters/#view-the-comment-letters.

In 2022, we've also continued working with other stakeholders and NGOs along the lines of the 2021 joint statement (https://www.schroders.com/en/mediarelations/newsroom/all_news_releases/schroders-supports-seven-recommendations-for-the-upcoming-non-financial-reporting-directive/).

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
We believe this is a central issue: Our role as an active investment manager gives us the ability to engage with our investee companies and help drive sustained change. We seek value in the potential opportunities created when companies transition their business models. Reporting by companies on key risks and indicators and publishing transition plans with verified by strong audit and assurance tools are key for this dialogue and for identifying the key weak spots in companies' sustainability strategies.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
- US SEC: ESG fund disclosures
- UK FCA: Sustainability Disclosure Requirements and investment labels
- ESMA Guidelines on sustainability preferences (MiFID)

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Circular economy
Sustainable finance

Policy, law, or regulation geographic coverage
Global

Country/area/region the policy, law, or regulation applies to
<Not Applicable>

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Drawing on our expertise in various fields relating to sustainable finance/sustainable investments we contributed to numerous consultations:
- US SEC File s7-17-22 (see our response https://www.sec.gov/comments/s7-17-22/s71722-20136244-307276.pdf)
- UK FCA Sustainability Disclosure Requirements and investment labels (our response available on request)
- ESMA Guidelines on sustainability preferences (MiFID) (see our response https://www.esma.europa.eu/press-news/consultations/consultation-guidelines-certain-aspects-mifid-ii-suitability-requirements-0)

Our position is, in short:
- We strongly support broader developments around the world on sustainable finance strategies. As such, fund and investment disclosures are part of a broader sustainability strategy around policy and regulation that involves investee company reporting, distributors and the broader financial market ecosystem.
- We advocate for any regional or local policies to align with global standards.
- We strongly support plans to emphasise not only activities that are already generally regarded as "sustainable" but also actions that can support the transition to sustainability, including the role of active ownership.
- Ultimately, the goal should be simple, understandable and consistent information that allows clients to compare financial products against each other. Addressing these points will help ensure informing investors in their decision making and minimising the risk of confusion in the market, which could undermine confidence in sustainability labels, and as a result, the credibility and effectiveness of sustainable investing.

We have voiced our views and recommendations in bilateral engagements with policy makers in the EU (MEPs, Commission, Council) and the UK.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Simple, understandable, accurate and consistent information that allows clients to make fully informed decisions about what they are investing in and understand the aims of, and differences between, financial products (so that they can also compare financial products against each other) is key in promoting sustainable investing and hence bringing capital to those companies and projects which try to align economic activity with the goals of the Paris Agreement. Addressing these points will help ensure informing investors in their decision making and minimising the risk of confusion in the market, which could undermine confidence in sustainability labels, and as a result, the credibility and effectiveness of sustainable investing. We therefore consider these policies as central to our commitments.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
EU Requirements on ESG rating and data providers.

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate-related reporting
Climate-related targets
Climate transition plans
Emissions – CO2
Emissions – methane
Emissions – other GHGs
International agreement related to climate change mitigation
Low-carbon, non-renewable energy generation
New fossil fuel energy generation capacity
Renewable energy generation
Traceability requirements
Transparency requirements
Verification and audits

Policy, law, or regulation geographic coverage
Regional

Country/area/region the policy, law, or regulation applies to
EU27

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
We support regulators and policy makers looking into the increasingly concentrated market for ESG data and rating providers. There needs to be greater transparency in the methodologies used, good governance (avoiding conflicts of interest) and a consistent international standard for accessing this data. We recognise that different providers rightly reach different conclusions and do not encourage a convergence to a single approach to ESG analysis, but are concerned that some users of those ratings consider them more "definitive conclusions" than they can reasonably provide.
We articulated our view in various consultations, see e.g.:
- European Commission Targeted consultation on the functioning of the ESG ratings market in the European Union and on the consideration of ESG factors in credit ratings (see our response https://finance.ec.europa.eu/regulation-and-supervision/consultations/finance-2022-esg-ratings_en)
- ESMA Call For Evidence on market characteristics for ESG Rating Providers in the EU (response available at request)

We have voiced our views and recommendations in bilateral engagements with policy makers in the EU (MEPs, Commission, Council).

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
ESG rating and data providers act increasingly as 'gatekeepers' to ESG investments, not the least as asset managers are often reliant on these ratings and data for their own investment processes and disclosures to investors. Hence, ESG data and rating providers hold a lot of power, which has to be matched with higher standards of transparency and governance which is, unfortunately still lacking. This raises questions about the level of trust investors can have in information provided by ESG data and rating providers. We therefore consider policies in this area as central contribution to our commitments.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
EU Shareholder Rights Directive (SRD)

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Sustainable finance

Policy, law, or regulation geographic coverage
Regional

Country/area/region the policy, law, or regulation applies to
EU27

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Active ownership is a core part of how we approach sustainable investing. An ongoing dialogue with company leadership provides us with an extra dimension of understanding of a company's operations, and enables us to help them transition towards a more sustainable business model. In this context, SRD2 is an important component for us.
We're advocating on these issues:
- requirements to complete Power of Attorneys both at the market and meeting level should be removed, we consider this requirement to be an administrative barrier to successfully voting particularly for minority shareholders;
- blocking rules for the CSDs often restrict voting;
- further regulation should not risk the unintended consequences of reducing competition in the proxy advisor market further.

We've voiced our views through ESMA's Call for Evidence on the implementation of SRD2 provisions on proxy advisors and the investment chain (our response is available at request).

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
As explained above, an ongoing dialogue with company leadership provides us with an extra dimension of understanding of a company's operations, and enables us to

help them transition towards a more sustainable business model. Voting is an integral part of this engagement, that's why we think SRD is an important piece of the puzzle in achieving our commitments.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Confederation of British Industry (CBI)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
For CBI's position please see:
https://www.cbi.org.uk/articles/telling-your-sustainability-story-separating-fact-from-fiction/
https://www.cbi.org.uk/articles/why-should-business-care-about-nature/
https://www.cbi.org.uk/articles/six-reasons-green-growth-is-still-a-bigopportunity-for-the-uk/ https://www.cbi.org.uk/articles/how-going-green-can-lower-your-costs-and-your-consumers-bills-too/
The views outlined overall concur with our supportive stance on sustainability. While generally taking a consistent view with CBI, in some instances, Schroders takes a more ambitious approach than the CBI. In 2022, we continued engaging directly with CBI's FS Sustainable Finance Working Group particularly on regulatory initiatives in the area of disclosures for financial products.
(NB: Schroders resigned from CBI in April 2023.)

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (EFAMA)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
As the voice of the European investment management industry, EFAMA fully supports the objectives of the EU Green Deal and the Paris Agreement as well as the Sustainable Finance Action Plan. Currently, EFAMA is focusing on how to make the new EU rules work in practice in a well-sequenced, consistent and coordinated manner. Another priority is the need to address the ESG data gap. Insufficient availability of meaningful, reliable, comparable, and public ESG data is a key impediment to the realisation of the full potential of sustainable finance. EFAMA also sees merits in a well-balanced framework of incentives for non-financial corporates, as well as a better alignment of sectoral and national rules with the objectives of the EU Green deal. EFAMA is mindful of the potential negative socio-economic impacts of the transition, which may lead to the disappearance of certain economic activities, assets and business models. This may disproportionately affect different regions or sectors of the economy, and induce job cuts especially at the low-skilled and low-pay end of the market. Hence, EFAMA believes that a clear EU-wide trajectory on greenhouse gas emission reductions, based on the objectives set out in the Green Deal, could translate into a better defined transition path for companies. This could be complemented by incentives including public guarantees, public-private partnerships, fiscal incentives and carbon pricing. Schroders is an active member of EFAMA, with substantive management and staff involvement in EFAMA's activities. EFAMA actively contributes to the development and implementation of EU's sustainable finance initiatives. Among them are a comprehensive transparency framework for financial market participants, standards and labels for green financial products, classification of green economic activities and policies enhancing corporate sustainability reporting.
Schroders' Head of Public Policy Europe is a member of the ESG and Stewardship Committee as well as of the Public Policy Platform. We have actively participated in the drafting of position papers to the EU authorities (including the European Supervisory Authorities, the Commission, Council and European Parliament). While generally taking a consistent view with Efama, in some instances we have taken a more ambitious position than Efama, e.g. on non-financial reporting and the interpretation of EU disclosure requirements.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (The Investment Association (IA))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
See the IA's position: https://www.theia.org/campaigns/sustainability-and-responsible-investment
The IA has worked closely with policy makers to inform initiatives such as the EU Sustainable Finance package and recent UK initiatives such as SDR. We consider

coordinated policy action important and that its design must ensure rigorous and innovative solutions to the shared climate challenge. In 2019, the IA launched its Responsible Investment Framework which categorises, and provides standard definitions for, the different components of responsible investment. With the launch of our first ever industry-agreed Responsible Investment Framework and supplementary definitions, the IA is aiming at bringing clarity and consistency to the way responsible investment products are described to clients and at making it easier for all savers to understand the opportunities available to them. Schroders is an active member of the IA, with substantive management and staff involvement in the IA's activities. Our Group Chief Executive is on the Board. We actively participate in the Sustainability and Responsible Investment Committee as well as the Sustainable Finance Public Policy Working Group. The Head of Public Policy is a member of the Corporate Affairs Committee, which covers advocacy activity, the Head of Public Policy Europe is chairing the International and European Policy Committee dealing with the overall EU sustainable finance policy. We have actively participated in the drafting of position papers to the UK authorities (including the FCA and politicians) as well as to the European authorities. We have joined the Investment Association in leading discussions at international level. We also joined their delegation at meetings with EU and UK policymakers on sustainable finance issues. While generally taking a consistent view with the IA, in some instances we have taken a more ambitious position than the IA.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (International Regulatory Strategy Group (IRSG))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The International Regulatory Strategy Group is a practitioner-led body comprising leading UK-based figures from the financial services and professional services industry. It aims to be one of the leading cross-sectoral groups in Europe for the financial and related professional services industries to discuss and act upon regulatory developments. It is an advisory body both to the City of London Corporation and to The CityUK. It has a workstream specifically focused on ESG, and has published a number of reports on various sustainability-related topics:
- 'Accelerating the S in ESG: a roadmap for global progress on social standards': https://www.irsg.co.uk/resources-andcommentary/accelerating-the-s-in-esg-a-roadmap-for-global-progress-on-social-standards/
- Recommendations for reviewing the EU Taxonomy for UK application:
https://www.irsg.co.uk/publications/irsg-recommendations-for-reviewing-the-eu-taxonomy-for-uk-application/ - IOSCO consultation report on ESG ratings and data product providers: https://www.irsg.co.uk/publications/irsg-response-iosco-consultation-report-on-esg-ratings-and-data-product-providers/
- EU Corporate Sustainability Reporting Directive (CSRD): https://www.irsg.co.uk/publications/irsg-narrative-eu-corporate-sustainability-reporting-directive-csrd/
- ESG Ratings and ESG Data in Financial Services
– A view from practitioners: https://www.irsg.co.uk/publications/irsg-report-2/
- Corporate Sustainability Reporting Directive and related Article 8 Taxonomy disclosures: https://www.irsg.co.uk/publications/irsg-joint-position-paper-corporate-sustainability-reporting-directive-csrd-and-related-article-8-taxonomy-disclosures/
Schroders Head of Public Policy chairs the IRSG Board, through which the workstream reports and which signs off on IRSG reports such as this. The Head of Public Policy Europe is an active member of the IRSG's EU Regulation Committee, looking i.a. at EU sustainability related initiatives. While generally taking a consistent view with the IRSG, in some instances we have taken a more ambitious position than the IRSG.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (ICMA)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
ICMA includes both buy-side and sell-side representation. ICMA's buy-side members include asset managers, institutional investors, private banks, pension funds and insurance companies, among others. ICMA also serves as Secretariat to the Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) and the Sustainability-Linked Bond Principles (SLBP), providing support while advising on governance and other issues. The Principles are backed by a global market initiative bringing together all market participants and stakeholders from the private and official sectors. For more information, please contact ICMA at greenbonds@icmagroup.org. ICMA also leads numerous other initiatives in sustainable finance. ICMA is at the forefront of the financial industry's contribution to the development of sustainable finance and in the dialogue with the regulatory and policy community. For ICMA's positions, please see e.g.:
https://www.icmagroup.org/sustainable-finance/icma-and-other-sustainable-finance-initiatives/
As an active member, we contribute to ICMA's position papers and work on standards. While generally taking a consistent view with ICMA, in some instances we have taken a more ambitious position than ICMA.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Various national associations, eg ASIFMA, SIFMA, ALFI, AFG, Assogestioni, BVI))

Is your organization’s position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
As national associations representing the asset management industry of various jurisdictions, they all acknowledge the important role the industry has in contributing to the sustainability goals. Each of them is committed to national and international ESG initiatives and engages in policy discussions concerning this topic. While the particular approach might differ from region to region, the objectives are the same and focus, similar to EFAMA, on ensuring an uptake of sustainable investments, integrating sustainability risks in the investment decision process and avoiding greenwashing. Schroders is an active member of these trade associations, partly represented at Board Level, partly at Committee level. We’re participating in discussions forming positions and comments to national authorities. While generally taking a consistent view with these trade associations, in some instances we have taken a more ambitious position than these.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Climate Financial Risk Forum)

Is your organization’s position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
In 2022, the CFRF published various documents such as on:
- disclosure, data and metrics;
- transition to net zero;
- scenario analysis.

see https://www.fca.org.uk/cfrf
Schroders actively contributes to the disclosure and innovation technical working groups of the CFRF. The CFRF, co-chaired by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA), builds capacity and shares best practice across financial regulators and industry to advance our sector’s responses to the financial risks from climate change.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Asia Investor Group on Climate Change)

Is your organization’s position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
The AIGCC is an initiative to create awareness and encourage action among Asia’s asset owners and financial institutions about the risks and opportunities associated with climate change and low carbon investing. The AIGCC has several work streams including on Engagement and Policy, Net Zero Investment, Physical Risk and Resilience and Climate Change Training. We are an active member and Schroders' Head of ESG Integration, APAC serves as the Vice-Chair of AIGCC.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization’s funding
<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Hong Kong Green Finance Association)

Is your organization’s position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
The HKGFA creates a platform that offers channels and opportunities to facilitate the development of green finance and sustainable investments in Hong Kong and beyond. It aims to mobilize both public and private sectors resources and talents in developing green finance policies, to promote green finance business and product innovation within financial institutions. This is in line with the global trend of implementing the UN Sustainable Development Goals and the Paris Agreement. Schroders actively participates in two working groups: ESG Disclosure and Integration, and Green Bonds and Product Innovation.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (UKSIF)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, and they have changed their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
UKSIF brings together the UK's sustainable finance and investment community as well as research providers and NGOs, among others. UKSIF is very active in, and supportive of, efforts to promote the sustainable finance agenda and worked closely with policymakers and others to find new ways to overcome the barriers to the growth of sustainability and deliver progress towards decarbonisation of the economy. We are an active member and Schroders' Cazenove Head of Impact and Philanthropy serves a member of UKSIF's Board of Directors.
UKSIF's recent policy successes include:
• Mandatory climate risk disclosure being rolled out across the UK economy;
• Incorporation of the Paris Agreement and TCFD disclosure in the UK's forthcoming pensions legislation;
• A recent commitment by the UK government to 'green gilts';
• A new UK Investment Bank to support a more resilient UK;
• Recognition of ESG and climate change as financially material issues for investors and particularly pension scheme trustees;
• A new registry for trustees' Statement of Investment Principles to improve scrutiny of pension schemes' investment policies on ESG;
• Developing the drafts that were adopted as the definition of stewardship in the UK's new Stewardship Code;
• Ensuring our language on the need for the UK to 'match the ambition' of the EU's Sustainable Finance Action Plan was adopted by government;
• Secured, with our Eurosif partners, increased flexibility in the EU Taxonomy.
see https://uksif.org/what-we-do/policy-influencing/

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
Schroders Annual Report and Accounts 2022.pdf

Page/Section reference
Group Chief Executive Statement's statement pp. 6-11; Strategic context p. 12; Our approach to sustainable leadership pp. 26-33; Section 172 statement p. 39; Risk assessment pp. 42-44; Climate-related financial disclosures pp. 46-47; Non-Financial Reporting Directive p. 48; Viability statement p. 49; Corporate governance report p. 59, 62; Audit and Risk Committee Report pp. 68, 70 - 73; Remuneration report pp. 76 - 104; Directors' report p. 110; Financial statements, p. 168.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
The Task Force on Climate-related Financial Disclosures (TCFD) summary in our Annual Report and Accounts should be read together with our detailed Climate Report.

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
Schroders_TCFD_2022_.pdf

Page/Section reference
Entire report

Content elements
Governance
Strategy

Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
This report is our response to, and is consistent with, all the recommendations and relevant recommended disclosures of the Taskforce for Climate-related Financial Disclosures. These disclosures describe how the Group incorporates climate-related risks and opportunities into governance, strategy, risk management, metrics and targets.

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Annual Sustainability Report 2022.pdf

Page/Section reference
A message from our Global Head of Corporate Sustainability p. 6; Our journey to net zero pp. 9-10; Introducing Schroders' Plan for Nature pp. 13- 15; Governance, Resources and Expertise p. 58.

Content elements
Governance
Strategy
Emissions figures
Emission targets

Comment
This report contains our sustainability governance structure, details of our strategy to net zero as well as our a summary of our emissions targets and progress towards these goals. We also produce quarterly Sustainable Investment Reports, available in our Reporting Centre at www.schroders.com/reporting

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Publication
In voluntary sustainability report

Status
Complete

Attach the document
climate-transition-action-plan (2).pdf

Page/Section reference
Our transition plan pgs. 2-4; Transitioning our clients' investments pgs. 8-23; Transitioning our operations pgs. 24-27; Governance framework pg. 28.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
This report sets out our climate transition action plan across our investments and operations.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Row 1	Asia Investor Group on Climate Change (AIGCC) CDP Signatory Climate Action 100+ Glasgow Financial Alliance for Net Zero (GFANZ) Institutional Investors Group on Climate Change (IIGCC) International Corporate Governance Network (ICGN) Net Zero Asset Managers initiative Principle for Responsible Investment (PRI) RE100 Race to Zero Campaign Task Force on Climate-related Financial Disclosures (TCFD) Task Force on Nature-related Financial Disclosures (TNFD) Transition Pathway Initiative UN Global Compact Other, please specify (Coalition for Climate Resilient Investment, Deforestation Free Finance, Finance for Biodiversity Pledge, Natural Capital Investment Alliance, FAIRR, WWF and Emerging Market Investor Alliance Pilot on Deforestation)	We are committed to making the UNGC and its principles part of the strategy, culture and operations of our company. 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. As signatories to the UN PRI, we are committed to providing transparency on the actions we are taking across our business on responsible investment including climate change. For 2022 we have supported the data, disclosures and metrics working group formed by the UN PRI. Our science-based targets were validated by the SBTi in 2022 and we responded to the consultation on the Net-Zero institutions Foundations Draft in this year. As signatories to the IIGCC we collaborate with the investment community to drive significant and real progress by 2030 towards a net zero future. We were a founding signatory to the CA100+, a five-year collaborative engagement project to engage over 100 of the world's largest corporate greenhouse gas emitters. In 2022 we have engaged unilaterally with 105 CA100+ companies. In 2022 Schroders has been actively supporting the Climate Financial Risk Forum (CFRF) to draft new guidance publications due in early 2023. We are signatories to the CCRI which was launched at the UN Climate Action Summit in 2019. We were a founding member of NZAM, an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5ºC; and to supporting investing aligned with net zero emissions by 2050 or sooner. GFANZ is a global coalition of leading financial institutions committed to accelerating the decarbonisation of the economy. We became a member of GFANZ after joining our net-zero sector specific alliance, NZAM. We are a member of RE100 and have committed to sourcing 100% renewable electricity for our global offices by 2050. In 2022, we responded to their open consultation on technical criteria, which are revised periodically to recognise shifts in markets and sourcing options for renewable electricity. In 2021 we signed the financial sector commitment letter on eliminating commodity-driven deforestation. We are committed to using best efforts to eliminate forest-risk agricultural commodity driven deforestation activities at the companies in our investment portfolios and in our financing activities by 2025. The Finance for Biodiversity Pledge calls on global leaders to agree on effective measures to reverse nature loss in this decade to ensure ecosystem resilience. The Natural Capital Investment Alliance was created by His Royal Highness, King Charles III (then Prince of Wales), as part of his Sustainable Markets Initiative (SMI) launched at Davos in 2020. For 2022 we were actively involved with the TNFD and Global Canopy Pilot on Palm Oil in Singapore through participation in workshops, reviewing proposals and sharing lessons learnt. Race to Zero mobilises actors outside of national governments to join the Climate Ambition Alliance. In 2022 we participated in a collaborative engagement effort FAIRR ran on AMR (Antimicrobial resistance) in animal pharma. We have invited six companies to pilot WWF’s new toolkit on commodity-driven deforestation risk assessments for financial institution. We are involved in reviewing the output and suggesting improvements to the WWF toolkit.

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Investing in all carbon-related assets (Asset manager)

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
129915561539.61

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
40.3

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Details of calculation
This figure includes our listed equity, credit, REITs and ETF exposure because this is the scope of emissions where Schroders targets have been validated by the SBTi. This does not include investments in third-party manager funds.

Investing in coal (Asset manager)

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
4106515269.02

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
1.3

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Details of calculation
This figure includes our listed equity, credit, REITs and ETF exposure because this is the scope of emissions where Schroders targets have been validated by the SBTi. This does not include investments in third-party manager funds.

Investing in oil and gas (Asset manager)

Are you able to report a value for the carbon-related assets?
Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)
23275648863.37

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year
7.2

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets
<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future
<Not Applicable>

Details of calculation
This figure includes our listed equity, credit, REITs and ETF exposure because this is the scope of emissions where Schroders targets have been validated by the SBTi. This does not include investments in third-party manager funds.
The calculation methodology has changed from previous years. Aligned with our calculation of coal exposure, we now assess the revenue companies generate from across the Oil & Gas value chain, providing a more accurate assessment of our investments.

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	Portfolio emissions Other carbon footprinting and/or exposure metrics (as defined by TCFD) Other, please specify (SBTi implied temperature score)	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.1a

(C-FS14.1a) Provide details of your organization's portfolio emissions in the reporting year.

Investing (Asset manager)

Portfolio emissions (metric unit tons CO2e) in the reporting year

113500000

Portfolio coverage

61

Percentage calculated using data obtained from clients/investees

0

Emissions calculation methodology

The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation

We calculate portfolio emissions by using the financial control approach (by calculating the total emissions of the owned percentages of each company, added together). This is considered the total owned carbon emissions figure for our portfolio. Our calculation is in-line with the requirements laid by the the Partnership for Carbon Accounting Financials (PCAF) and, therefore, includes Scope 1, 2 and a subsection of our financed 3 emissions. Specifically, our reported Scope 3 emissions cover the Oil & Gas sector and Metals & Mining sector as required by the PCAF methodology.

Financed Scope 1 and 2 emissions = 22,900,000 metric unit tonnes CO2e

Financed Scope 3 emissions = 90,600,000 metric unit tonnes CO2e

These figures include our listed equity, credit, REITs and ETF exposure because this is the scope of emissions where Schroders targets have been validated by the SBTi.

C-FS14.1b

(C-FS14.1b) Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.

Portfolio
Investing (asset manager)

Portfolio metric
Weighted average carbon intensity (tCO2e/Million revenue)

Metric value in the reporting year
145.8

Portfolio coverage
61

Percentage calculated using data obtained from clients/investees
0

Calculation methodology
At the portfolio level, we find the AUM weighted value for CO2e emissions per $mn of sales. The reported value is then the simple average for all the 'in-scope' portfolios (not AUM weighted). This calculation covers our Scope 1 and 2 financed emissions.
This figure includes our listed equity, credit, REITs and ETF exposure because this is the scope of emissions where Schroders targets have been validated by the SBTi.
This metric has been chosen as it provides a lens for climate risk by assessing our exposure to climate intensive companies. Normalisation for portfolio weights helps to track performance over time.

Portfolio
Investing (asset manager)

Portfolio metric
Portfolio carbon footprint (tCO2e/Million invested)

Metric value in the reporting year
3772.18

Portfolio coverage
61

Percentage calculated using data obtained from clients/investees
0

Calculation methodology
We calculate portfolio carbon footprint by calculating the total emissions of the owned percentages of each company, added together and then normalised by our in-scope AUM.
Our calculation is in-line with the requirements laid by the Partnership for Carbon Accounting Financials and, therefore, includes Scope 1, 2 and a subsection of our financed 3 emissions. Specifically, our Scope 3 emissions cover the Oil & Gas sector and Metals & Mining sector.
This figure includes our listed equity, credit, REITs and ETF exposure because this is the scope of emissions where Schroders targets have been validated by the SBTi.
This metric has been chosen as it normalises the absolute impact of our portfolio to support tracking of impact over time.

C-FS14.1c

(C-FS14.1c) Disclose or restate your portfolio emissions for previous years.

Past year 1 for Investing (Asset manager)

Start date
January 1 2021

End date
December 31 2021

Portfolio emissions (metric unit tons CO2e) in the reporting year
147600000

Portfolio coverage
62

Percentage calculated using data obtained from clients/investees
0

Emissions calculation methodology
The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation
We calculate portfolio carbon footprint by calculating the total emissions of the owned percentages of each company, added together and, normalised by annual revenue. Our calculation is in-line with the requirements laid by the the Partnership for Carbon Accounting Financials and, therefore, includes Scope 1, 2 and a subsection of our financed Scope 3 emissions. Specifically, our Scope 3 emissions cover the Oil & Gas sector and Metals & Mining sector.
Financed Scope 1 and 2 emissions = 34,200,000 metric unit tonnes CO2e
Financed Scope 3 emissions = 113,400,000 metric unit tonnes CO2e

We have restated the figures for 2021 to reflect our aim to use the highest quality data available. This has resulted in substantial changes relative to those reported previously. Changes in our data vendor's methodology for estimating emissions have had a significant impact on our calculations of financed emissions. Our vendor provides data for the Scope 1, 2 and 3 emissions of our portfolio companies. Although a sizeable proportion of global companies now disclose Scope 1 and 2 emissions, few report Scope 3 emissions.
Despite improving transparency and availability of emissions data, the majority of the total carbon emissions of portfolio companies still rely on estimates. Where available, we use the estimates provided by our data vendor, and we use our own methodology, which is based on PCAF principles, where not. The objective of estimation is to provide as complete and representative a picture of portfolio emissions as we believe is possible, but alongside methodology updates and data revisions, this complicates comparisons and can require historical estimates to be restated. The figures should be interpreted against this backdrop of changing assumptions and heavy reliance on estimates. We have followed PCAF principles in calculating our financed emissions, but recognise that the underlying data can change materially as reported data increases and estimation methodologies improve.

Past year 2 for Investing (Asset manager)

Start date
January 1 2020

End date
December 31 2020

Portfolio emissions (metric unit tons CO2e) in the reporting year
149000000

Portfolio coverage
72

Percentage calculated using data obtained from clients/investees
0

Emissions calculation methodology
The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation
We calculate portfolio carbon footprint by calculating the total emissions of the owned percentages of each company, added together and, normalised by annual revenue. Our calculation is in-line with the requirements laid by the the Partnership for Carbon Accounting Financials and, therefore, includes Scope 1, 2 and a subsection of our financed Scope 3 emissions. Specifically, our Scope 3 emissions cover the Oil & Gas sector and Metals & Mining sector.
Financed Scope 1 and 2 emissions = 39,500,000 metric unit tonnes CO2e
Financed Scope 3 emissions = 109,500,000 metric unit tonnes CO2e

We have restated the figures for 2020 to reflect our aim to use the highest quality data available. This has resulted in substantial changes relative to those reported previously. Changes in our data vendor's methodology for estimating emissions have had a significant impact on our calculations of financed emissions. Our vendor provides data for the Scope 1, 2 and 3 emissions of our portfolio companies. Although a sizeable proportion of global companies now disclose Scope 1 and 2 emissions, few report Scope 3 emissions.
Despite improving transparency and availability of emissions data, the majority of the total carbon emissions of portfolio companies still rely on estimates. Where available, we use the estimates provided by our data vendor, and we use our own methodology, which is based on PCAF principles, where not. The objective of estimation is to provide as complete and representative a picture of portfolio emissions as we believe is possible, but alongside methodology updates and data revisions, this complicates comparisons and can require historical estimates to be restated. The figures should be interpreted against this backdrop of changing assumptions and heavy reliance on estimates. We have followed PCAF principles in calculating our financed emissions, but recognise that the underlying data can change materially as reported data increases and estimation methodologies improve.

Past year 3 for Investing (Asset manager)

Start date
January 1 2019

End date
December 31 2019

Portfolio emissions (metric unit tons CO2e) in the reporting year
748200000

Portfolio coverage
66

Percentage calculated using data obtained from clients/investees
0

Emissions calculation methodology
The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation
We calculate portfolio carbon footprint by calculating the total emissions of the owned percentages of each company, added together and, normalised by annual revenue. Our calculation is in-line with the requirements laid by the the Partnership for Carbon Accounting Financials and, therefore, includes Scope 1, 2 and a subsection of our financed Scope 3 emissions. Specifically, our Scope 3 emissions cover the Oil & Gas sector and Metals & Mining sector.
Financed Scope 1 and 2 emissions = 39,000,000 metric unit tonnes CO2e
Financed Scope 3 emissions = 709,200,000 metric unit tonnes CO2e

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's portfolio impact?

	Portfolio breakdown	Please explain why you do not provide a breakdown of your portfolio impact
Row 1	Yes, by asset class Yes, by industry Yes, by scope	<Not Applicable>

C-FS14.2a

(C-FS14.2a) Break down your organization's portfolio impact by asset class.

Asset class	Portfolio metric	Portfolio emissions or alternative metric
Investing / Corporate Bonds	Portfolio carbon footprint (tCO2e/Million invested)	3160.5
Investing / Listed Equity	Portfolio carbon footprint (tCO2e/Million invested)	3898

C-FS14.2b

(C-FS14.2b) Break down your organization's portfolio impact by industry.

Portfolio	Industry	Portolio metric	Portfolio emissions or alternative metric
Investing (Asset manager)	Automobiles & Components	Portfolio carbon footprint (tCO2e/Million invested)	32.32
Investing (Asset manager)	Banks	Portfolio carbon footprint (tCO2e/Million invested)	1.72
Investing (Asset manager)	Other, please specify (Basic resources)	Portfolio carbon footprint (tCO2e/Million invested)	3259.65
Investing (Asset manager)	Other, please specify (Chemicals)	Portfolio carbon footprint (tCO2e/Million invested)	167.75
Investing (Asset manager)	Other, please specify (Construction & materials)	Portfolio carbon footprint (tCO2e/Million invested)	335.83
Investing (Asset manager)	Other, please specify (Financial services)	Portfolio carbon footprint (tCO2e/Million invested)	3.47
Investing (Asset manager)	Other, please specify (Food & beverage)	Portfolio carbon footprint (tCO2e/Million invested)	22.62
Investing (Asset manager)	Health Care Equipment & Services	Portfolio carbon footprint (tCO2e/Million invested)	5.35
Investing (Asset manager)	Other, please specify (Industrial goods & services)	Portfolio carbon footprint (tCO2e/Million invested)	26.59
Investing (Asset manager)	Insurance	Portfolio carbon footprint (tCO2e/Million invested)	2.25
Investing (Asset manager)	Media & Entertainment	Portfolio carbon footprint (tCO2e/Million invested)	2.7
Investing (Asset manager)	Other, please specify (Oil & Gas)	Portfolio carbon footprint (tCO2e/Million invested)	3361.14
Investing (Asset manager)	Household & Personal Products	Portfolio carbon footprint (tCO2e/Million invested)	9.49
Investing (Asset manager)	Real Estate	Portfolio carbon footprint (tCO2e/Million invested)	6.22
Investing (Asset manager)	Retailing	Portfolio carbon footprint (tCO2e/Million invested)	21.36
Investing (Asset manager)	Technology Hardware & Equipment	Portfolio carbon footprint (tCO2e/Million invested)	11.74
Investing (Asset manager)	Telecommunication Services	Portfolio carbon footprint (tCO2e/Million invested)	17.73
Investing (Asset manager)	Other, please specify (Travel & Leisure)	Portfolio carbon footprint (tCO2e/Million invested)	58.65
Investing (Asset manager)	Utilities	Portfolio carbon footprint (tCO2e/Million invested)	336.55

C-FS14.2d

(C-FS14.2d) Break down your organization's portfolio impact by scope.

Portfolio	Clients'/investees' scope	Portfolio emissions (metric tons CO2e)
Investing (Asset manager)	Scope 1	17393936
Investing (Asset manager)	Scope 2 (market-based)	5543077
Investing (Asset manager)	Scope 3	90600000

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	In 2022 we initiated our ambitious climate engagement strategy outlined in our Climate Transition Action Plan. Of the more than 1,000 companies we believed would be necessary to engage with by 2030 to reach our climate commitments, we engaged with 737 companies in 2022. We identified 517 of these to be priority companies. We operate on a two to three year engagement cycle starting with clear articulation of engagement objectives with priority companies. Though we appreciate that we cannot directly attribute the impact of our engagement activity with outcomes, what we have found is that companies engaged on climate since 2021 were almost two times more likely to set a below 2C target versus those that were not engaged. We updated our ESG integration framework to explicitly require the consideration of climate-related risks and opportunities by all investment desks, globally. This will be deployed over the course of 2023. We also introduced our global thermal coal exclusion policy.	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes, for some	Currently our validated SBTi commitment extends to our Credit and Equity portfolios. These are the current in-scope asset classes for SBTi, therefore the 61% of our total portfolio coverage is 100% of the current available published methodologies by the SBTi. Our plan is to extend this to additional asset classes over time when SBTi release new, approved methodologies. In 2022, we developed our target setting methodology to incorporate other asset classes, such as Sovereigns and Real Estate, and to increase our listed equity and credit coverage by including third-party funds. Over the course of 2023, we plan to submit our commitments to these additional asset classes.
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, executive management-level responsibility	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 and also to the Group Chief Executive (CEO). The CEO is responsible for proposing the strategy for the Group and for its execution. The Group Sustainability and Impact Committee (GSI Committee) provides advice to the CEO to assist him in discharging his responsibilities regarding sustainability and impact, which includes forests and water-related issues. 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. As Chair of the GSI Committee, the CEO monitors progress towards our goals, including progress towards our science-based targets. Reflecting that view of the need to measure and manage biodiversity exposures, Schroders has made specific commitments including: Our pledge to eliminate commodity driven deforestation from investment portfolios by 2025. We have also committed to make every effort to contribute to the protection and restoration of ecosystems via our financing and investments. Responsibility for delivering that commitment resides with asset class heads, who sit on the GMC. 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 USD 10 billion investment in natural capital assets in 2022. We commit to 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. Furthermore, we have made a number of investments related to natural capital including in the research organisation Natural Capital Research, which are reviewed by the GMC.	Risks and opportunities to our own operations Risks and opportunities to our investment activities The impact of our own operations on biodiversity The impact of our investing activities on biodiversity

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to respect legally designated protected areas Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples	CBD – Global Biodiversity Framework SDG F4B – Finance for Biodiversity Other, please specify (Members of TNFD and members of the Natural Capital Investment Alliance.)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
Yes

Value chain stage(s) covered
Portfolio activity

Portfolio activity
Investing portfolio (Asset manager)

Tools and methods to assess impacts and/or dependencies on biodiversity
ENCORE tool
ReCiPe
SBTN materiality tool
TNFD – Taskforce on Nature-related Financial Disclosures
Other, please specify (Proprietary framework and tools)

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
We have developed an analytical framework to assess a large universe of publicly listed companies specifically on the topic biodiversity and natural capital, which considers both the dependence on and impacts to ecosystems services.
The assessment quantifies the characteristics of companies in terms of industry and geographic risk exposure, company-specific environmental pressures, management or mitigation of risks through policies and programs, as well as the alignment of products and services with positive outcomes for natural capital.
The analytical framework draws on a number of different data sources including metrics from our proprietary sustainability models (SustainEx, ThemeEx), our internal engagement database (ActiveIQ), public data sources on biodiversity materiality, reporting initiatives (including CDP, Forest 500) and 3rd party ESG metrics where considered valuable and appropriate.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
Yes

Value chain stage(s) covered
Portfolio activity

Portfolio activity
Investing portfolio (Asset manager)

Tools and methods to assess impacts and/or dependencies on biodiversity
ENCORE tool
ReCiPe
SBTN materiality tool
TNFD – Taskforce on Nature-related Financial Disclosures
Other, please specify (Proprietary framework and tools)

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
We have developed an analytical framework to assess a large universe of publicly listed companies specifically on the topic biodiversity and natural capital, which considers both the dependence on and impacts to ecosystems services.
The assessment quantifies the characteristics of companies in terms of industry and geographic risk exposure, company-specific environmental pressures, management or mitigation of risks through policies and programs, as well as the alignment of products and services with positive outcomes for natural capital.
The analytical framework draws on a number of different data sources including metrics from our proprietary sustainability models (SustainEx, ThemeEx), our internal engagement database (ActiveIQ), public data sources on biodiversity materiality, reporting initiatives (including CDP, Forest 500) and 3rd party ESG metrics where considered valuable and appropriate. This provides an assessment across indicators on environmental pressures, change of state of the surrounding natural environment (habitat degradation), benefits to natural capital, as well as response measures including company programs, policies and ecosystem restoration efforts. Such metrics are used by investment desks to monitor performance.

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area
Other biodiversity sensitive area, please specify (Site of Special Scientific Interest (SSSI))

Country/area
United Kingdom of Great Britain and Northern Ireland

Name of the biodiversity-sensitive area
Warnham SSSI

Proximity
Adjacent

Briefly describe your organization's activities in the reporting year located in or near to the selected area
Schroders' Business Campus located in Horsham, UK, is located 0.09km from Warnham SSSI. The site is also known as Langhurstwood Quarry and is quarried for clay to be made into bricks. The site has protected status due to the quality of fossils preserved in the limestone present beneath the clay substrate. The area is also home to protected species.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity
Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area
Project design
Operational controls

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented
We have controls in place to limit dust deposition and noise pollution from the site as a result of its proximity to Warnham SSSI. In addition, we undertake periodic biodiversity surveys with the goal to preserve and promote native flora and fauna at the site. As part of our future on-site solar PV project, we have committed to increasing the biodiversity of the site and have incorporated this into the project design.
In collaboration with ecologists and landscape architects, we will make sure that project design is optimised to avoid disturbance and habitat loss within the vicinity of the site. By developing and implementing a construction environmental management plan, we aim to achieve a 10% biodiversity net gain, following the Defra metric, over time. Mitigation measures in the construction management plan include: dust suppression, no storage of materials within 20m of existing water bodies, translocation of notable plant species, construction phase fencing that allows free passage of fauna, avoidance of creation of potential refuges, prevention of trapping fauna in open excavations, direct search and habitat manipulation for reptiles, bat sensitive lighting, checks for nesting birds, use of track matting to protect grassland and straw bales to protect water bodies from runoff.

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Education & awareness Law & policy

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators Pressure indicators Response indicators Other, please specify (Our SustainEx model provides a detailed assessment of the generation of pressures on the environment resulting from company operations and downstream product impacts. Our ThemeEx model captures wider natural capital opportunities.)

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Risks and opportunities Biodiversity strategy	See all Group Nature and Biodiversity Position Statement 2022.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Impacts on biodiversity Influence on public policy and lobbying Risks and opportunities Biodiversity strategy	See all Plan-for-Nature-FINAL.pdf
In voluntary sustainability report or other voluntary communications	Impacts on biodiversity Details on biodiversity indicators Risks and opportunities	See all 603269_SC_In-Focus-Natural-Capital-v04 (2).pdf
In other regulatory filings	Governance Impacts on biodiversity Risks and opportunities Biodiversity strategy	Page 5 Schroders_TCFD_2022_.pdf
In voluntary sustainability report or other voluntary communications	Impacts on biodiversity Details on biodiversity indicators Risks and opportunities Biodiversity strategy	Pages 15-17 Schroders-Engagement-Blueprint.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Influence on public policy and lobbying Biodiversity strategy	Pages 13-15, 51-52 Annual Sustainability Report 2022.pdf
In mainstream financial reports	Influence on public policy and lobbying	Pages 28. 32. Schroders Annual Report and Accounts 2022.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

This CDP submission has been reviewed by our Group Sustainability and Impact Committee and approved by our Group Chief Executive.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Group Chief Executive	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

The information below is related to the provision of Schroders' services (managing Barclays mandates) based on the amount billed (invoices) to Barclays during the calendar year 2022.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	2891700000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Barclays

Scope of emissions
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 1: Purchased goods and services

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
104.71

Uncertainty (±%)

Major sources of emissions
The major sources of emissions would be those associated with providing financial services, such as energy consumed through office and web-based locations.
These emissions are calculation based on Defra's 'indirect emissions from the supply chain' and are similar to lifecycle emissions.
The emissions factors are based on a model of the economy, known as the input-output model, which describes in monetary terms how the goods and services produced by different sectors of the economy are used by other sectors to produce their own output. These monetary accounts are linked to information about the greenhouse gas emissions of different sectors of the economy.

Verified
No

Allocation method
Other, please specify (Spend-based method: Based on the quantum invoiced by Schroders to Barclays in 2022)

Market value or quantity of goods/services supplied to the requesting member
1774751.02

Unit for market value or quantity of goods/services supplied
Currency

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
In line with the GHG Protocol Scope 3 calculation guidance, we calculated the emissions associated with Schroders services by collecting data on the economic value of the services purchased by the customer and multiplying it by relevant secondary (e.g. industry average) emission factors.
We used Defra's 2019 indirect emissions factors from the supply chain' emissions factor data set and chose what we thought would be the most relevant category - 'Services auxiliary to financial services and insurance services '. It is intended be used primarily as a high-level diagnostic tool for estimating emissions. The estimates can only be indicative as they represent the average emissions relating to each product or service group, and the emission factors relating to specific products or services within the group may be quite different. The factors are based on a model of the economy, known as the input-output model, which describes in monetary terms how the goods and services produced by different sectors of the economy are used by other sectors to produce their own output. These monetary accounts are linked to information about the greenhouse gas emissions of different sectors of the economy. By using the input-output model, the emissions are then attributed to final products or services bought. The result is an estimate of the total upstream emissions associated with the supply of a particular product or service group.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify (We have used the most relevant emissions factor published, which may not wholly accurate for this specific use, but it is difficult to calculate a specific emissions factor associated with fund management services.)	Greater clarity and specificity of emissions factors for more varied products and services. Or further in-house research, based on our own operational carbon footprint data on the emissions associated with fund management. There would have to be assumptions based on material factors, which may not be spend-based.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

We already have and are further developing product (fund) reporting for our clients. This provides clients with the transparency to see the carbon emissions, carbon footprint and Weighted Average Carton Intensity of specific funds: https://www.schroders.com/en/global/individual/corporate-transparency/tcfd-entity-and-product-reports/

This may be more useful to clients in making lower carbon choices, rather than the emissions associated with managing these funds. We report on our our operational climate change strategy, targets and progress in our annual Climate Report: https://mybrand.schroders.com/m/8645ae373488e2e/original/Schroders_TCFD_2022.pdf

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	No, but we plan to within the next two years	n/a
Water	No, but we plan to within the next two years	n/a

FW-FS1.1c

(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

Forests

Board member(s) have competence on this issue area
Yes

Criteria used to assess competence of board member(s) on this issue area
A non-executive Director is involved in carbon capture projects (including afforestation/reforestation projects). This role is intrinsically linked to environmental and social issues.

Primary reason for no board-level competence on this issue area
<Not Applicable>

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
<Not Applicable>

Water

Board member(s) have competence on this issue area
No, but we plan to address this within the next two years

Criteria used to assess competence of board member(s) on this issue area
<Not Applicable>

Primary reason for no board-level competence on this issue area
Important but not an immediate priority

Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future
n/a

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

Position or committee
Chief Executive Officer (CEO)

Issue area(s)
Forests
Water

Forests- and/or water-related responsibilities of this position
Monitoring progress against forests- and/or water-related corporate targets
Assessing forests- and/or water-related risks and opportunities
Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our investing (asset management) activities

Reporting line
Reports to the Board directly

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line
Annually

Please explain
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 and also to the Group Chief Executive (CEO). The CEO is responsible for proposing the strategy for the Group and for its execution. The Group Sustainability and Impact Committee (GSI Committee) provides advice to the CEO to assist him in discharging his responsibilities regarding sustainability and impact, which includes forests and water-related issues. 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. As Chair of the GSI Committee, the CEO monitors progress towards our goals, including progress towards our science-based targets.

FW-FS2.1

(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking – Forests exposure	<Not Applicable>	<Not Applicable>
Banking – Water exposure	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests exposure	Yes	<Not Applicable>
Investing (Asset manager) – Water exposure	No, but we plan to within the next two years	
Investing (Asset owner) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water exposure	<Not Applicable>	<Not Applicable>

FW-FS2.1a

(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.

Investing (Asset manager) – Forests exposure

Type of risk management process

Integrated into multi-disciplinary company-wide risk management process

Proportion of portfolio covered by risk management process

61

Type of assessment

Qualitative and quantitative

Time horizon(s) covered

Short-term
Medium-term
Long-term

Tools and methods used

ENCORE
Internal tools/methods
Sustainability Policy Transparency Toolkit (SPOTT)
Other, please specify (We assess our exposure to commodity-driven 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.)

% of clients/investees (by number) exposed to substantive risk

0.6

% of clients/investees (by portfolio exposure) exposed to substantive risk

0.33

Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities

We have made a commitment to eliminate commodity driven deforestation from our investments by 2025. This methodology enables to identify those investee companies which are at high risk of participating in commodity driven deforestation. The scorecard leverages data from a range of sources including CDP, Forest 500, MSCI, Refinitiv, SPOTT and ENCORE. We identify companies which have a high revenue exposure to the main forest risk commodities and we also consider evidence of management action to manage risks associated with deforestation looking closely at Strategy and ambition; Governance and Oversight; Traceability and Risk Management; Metrics and Targets and Human rights and social issues.
For the proportion of companies with substantive risk above, we have used the companies with high revenue exposure to deforestation risk commodities, that we have identified as likely involved in the direct production and processing of those commodities. We have not included companies with supply chain risk. We use our active ownership approach to engage with these companies to manage that risk, focusing in particular on companies which have a high revenue exposure to forest risk commodities. We are also engaging with companies which have supply chain risk.

FW-FS2.2

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	<Not Applicable>	<Not Applicable>
Banking – Water-related information	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests-related information	Yes	<Not Applicable>
Investing (Asset manager) – Water-related information	No, but we plan to do so within the next two years	We already evaluate key water-related metrics, such as water intensity and pollution, through our proprietary tool SustainEx. We have also engaged with companies on their water consumption and published research on water in the semi-conductor industry.
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>

FW-FS2.2a

(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.

	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests- and/or water-related information influences your decision making
Banking – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Banking – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests-related information	Scope and content of forests policy Commitment to eliminate deforestation/conversion of other natural ecosystems Forests risk commodity volumes Certification of forests risk commodities Proportion of forest risk commodity volumes in compliance with no deforestation/conversion Traceability of forest risk commodities Origin of forest risk commodities Other, please specify (We assess our exposure to commodity-driven 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.)	Directly from the client/investee Data provider Public data sources Other, please specify (We assess our exposure to commodity-driven 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.)	Energy Materials Capital Goods Commercial & Professional Services Transportation Automobiles & Components Consumer Durables & Apparel Consumer Services Retailing Food & Staples Retailing Food, Beverage & Tobacco Household & Personal Products Health Care Equipment & Services Pharmaceuticals, Biotechnology & Life Sciences Software & Services Technology Hardware & Equipment Semiconductors & Semiconductor Equipment Telecommunication Services Media & Entertainment Utilities Real Estate	We assess our exposure to commodity-driven 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. This scorecard enables us to identify companies that are failing to meet our standards on commodity-driven deforestation to the best of our ability and to monitor progress over time. We will engage all companies that we have identified as having material risk of non-compliance with our expectations of companies. Our expectations of companies cover five key pillars across Governance and oversight; metrics and targets and human rights and social impacts; strategy and ambition; risk management and traceability. Further details on these expectations can be found in our Group Nature and Biodiversity Position Statement.
Investing (Asset manager) – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS2.3

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	No	Evaluation in process	Currently only climate-related risks have been identified as having a substantive impact on our Group-level key risks. As forest-related data improves in quality and becomes more widely-available, we will be able to assess how we are impacted.
Water	No	Evaluation in process	Currently only climate-related risks have been identified as having a substantive impact on our Group-level key risks. As water-related data improves in quality and becomes more widely-available, we will be able to assess how we are impacted.

FW-FS2.4

(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	Yes	<Not Applicable>	<Not Applicable>
Water	Yes	<Not Applicable>	<Not Applicable>

FW-FS2.4a

(FW-FS2.4a) Provide details of forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Portfolio where opportunity occurs
Investing (Asset manager) portfolio

Issue area opportunity relates to
Water

Opportunity type & Primary opportunity driver

Products and services	Development and/or expansion of financing products and solutions supporting water security

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company- specific description
We interpret this as the strategy of the Sustainable Food & Water strategy to identify and invest in the opportunities the sustainable water industry presents.
The strategy targets emerging technologies and strategic industries integral to changing the food and water system. It will seek opportunities across key value chains, including the likes of water management, food production and processing, distribution, and recycling.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact figure
n/a

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
We interpret this as the strategy of the Sustainable Food & Water strategy to identify and invest in the opportunities the sustainable water industry presents.
The team will have a high-conviction, unconstrained approach and will look to allocate to 35-60 stocks. The fund will remain focused on finding long-term, sustainable earnings and cash flow growth at a reasonable value.
A ‘focus list’ of around 190 stocks has been developed using stock-level research and Schroders' proprietary tools which will aim to filter the global equity universe for the companies actively contributing to making the food and water system sustainable.

Comment
n/a

Identifier
Opp2

Portfolio where opportunity occurs
Investing (Asset manager) portfolio

Issue area opportunity relates to
Forests

Opportunity type & Primary opportunity driver

Products and services	Development and/or expansion of financing products and solutions supporting sustainable forest risk commodity supply chains

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company- specific description
In 2021, Schroders took a majority stake in Natural Capital Research (NCR), a data led science-based organisation which specialises in measuring natural capital assets globally. Using leading modelling and data techniques, NCR enables landowners and corporates to map the natural capital provided by their landholdings. These include assets important for carbon storage, carbon sequestration, soil erosion protection, flood risk management, biodiversity, water quality and recreation. It also specialises in advising asset owners on how to enhance their natural capital value and providing the tools to report and validate increases in value over time.

Schroders Capital offers a wide set of opportunities relating to climate change; identifying natural capital and biodiversity as a key interrelated theme, largely through carbon sequestration potential. Two examples, Climate+ is a multi-private assets impact solution that contributes positively to climate change whereby one of the four key impact themes is natural capital and biodiversity; and BlueOrchard's Green Earth Impact Fund whereby a key investment area is the protection of water and biodiversity.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact figure
n/a

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
Schroders' investment will aim to accelerate the development of NCR's online platform to map natural capital assets globally, with further investment in leading AI and spatial analytics. With the significant growth in the monitoring and measurement particularly of carbon and biodiversity this platform will become an essential tool for asset owners, asset managers and providers of capital. It also has the potential to validate to the highest standards, nature-based carbon credits and the use of natural capital in flood risk management, water quality and soil improvement.

Comment
n/a

Identifier
Opp3

Portfolio where opportunity occurs
Investing (Asset manager) portfolio

Issue area opportunity relates to
Forests

Opportunity type & Primary opportunity driver

Markets	Increased diversification of financial assets

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company- specific description
We have partnered with leading conservation organisation Conservation International to launch Akaria Natural Capital, one of the first dedicated natural capital impact investment managers in Singapore. Akaria Natural Capital will initially deploy capital towards 15 to 20 high quality natural climate solutions projects across South East Asia over five years. Delivering on the social imperatives around nature action is fundamental to this partnership, to ensure these investments work for people, as well as places. Each project will be assessed in terms of its ability to generate long-term positive environmental benefits, as well as social impacts for indigenous people and communities.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact figure
n/a

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Comment
n/a

FW-FS3.1

(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization’s strategy and/or financial planning?

Forests

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning
Yes, we take these risks and opportunities into consideration in the organization’s strategy and financial planning

Description of influence on organization’s strategy including own commitments
The business planning process considers the longer term headwinds that may materially impact the Group and assesses the need for business model changes. This includes consideration of the potential impacts of environmental (including climate, biodiversity and forests) risks on the Group. Our revenue assumptions consider the expected impact of product development activity, changes in client behaviour and other movements in AUM and pricing due to climate change or other factors. Our expense and funding assumptions consider the potential impact of planned investment and other changes in the business.

Through the Financial Sector Commitment Letter on Eliminating Commodity-Driven Deforestation, we have committed to using "best efforts to eliminate forest-risk agricultural commodity-driven deforestation activities at the companies in our investment portfolios and in our financing activities by 2025”. We have also joined Natural Capital Investment Alliance, which aims to accelerate the development of natural capital as a mainstream investment theme. Its members have plans to launch, or have launched, investment products aligned to natural capital themes. These encompass strategies such as direct investments in sustainable forestry and land management.

Financial planning elements that have been influenced
Revenues
Capital allocation

Description of influence on financial planning
In 2021 Schroders took a majority stake in Natural Capital Research (NCR), a data led science-based organisation which specialises in measuring natural capital assets globally. NCR enables landowners and corporates to map the natural capital provided by their landholdings. These include assets important for carbon storage, carbon sequestration, soil erosion protection, flood risk management, biodiversity, water quality and recreation.

Through our operational climate neutral commitment, we have stated that over time we shall increase our proportion of carbon removal projects over emissions reduction projects, which means financing more nature-based solutions such as afforestation projects. Currently the cost of these projects are more than emissions reduction offset projects.

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning
<Not Applicable>

Water

Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning
Yes, we take these risks and opportunities into consideration in the organization’s strategy and financial planning

Description of influence on organization’s strategy including own commitments
The business planning process considers the longer term headwinds that may materially impact the Group. This includes consideration of the potential impacts of certain environmental-related risks on the Group. Our revenue assumptions consider the expected impact of product development activity, changes in client behaviour and other movements in AUM and pricing due to climate change or other factors, such as flooding and precipitation. Our expense and funding assumptions consider the potential impact of planned investment and other changes in the business.

We measure the physical risk on our owned and leased offices including both acute shocks (e.g. flood hazard) and chronic stress (e.g. water stress). For new building locations, we will use these outputs to complement our existing environmental risk assessment due diligence process. For existing buildings, we will use the outputs to inform the prioritisation of site-specific target setting.

Financial planning elements that have been influenced
Revenues

Description of influence on financial planning
The Group conducts an assessment of the key risks facing its business. As a core element of this assessment, stress testing is performed on the Group’s five-year business plan. The stress scenarios consider how climate change risks, including flooding and precipitation, impact the valuation of our AUM and in turn impact revenues.

Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning
<Not Applicable>

FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

Forests

Scenario analysis conducted to identify outcomes for this issue area
No, we have not conducted any scenario analysis to identify outcomes for this issue area, and we don't plan to in the next two years

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy
<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future
We have conducted a baseline analysis of forests exposure across our credit and equity holdings.
The data availability presents challenges for scenario analysis in deforestation. We do not see this being ready in the next two years, though our stance on this topic will be subject to change should a solution present itself.
We are monitoring the developments of TNFD and will reassess as this is finalised.

Water

Scenario analysis conducted to identify outcomes for this issue area
No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

Type of scenario analysis used
<Not Applicable>

Parameters, assumptions, analytical choices
<Not Applicable>

Description of outcomes for this issue area
<Not Applicable>

Explain how the outcomes identified using scenario analysis have influenced your strategy
<Not Applicable>

Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future
The data availability presents challenges for scenario analysis in deforestation. We do not see this being ready in the next two years, though our stance on this topic will be subject to change should a solution present itself.
We are monitoring the developments of TNFD and will reassess as this is finalised.

FW-FS3.3

(FW-FS3.3) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water Security	No, but we plan to set targets within the next two years	As part of our Engagement Blueprint, we have set expectations for companies to: - Implement a water stewardship strategy including efforts and targets to reduce water consumption and manage wastewater treatment; - Disclose operations in water stressed areas.

FW-FS3.3a

(FW-FS3.3a) Provide details of your targets for deforestation free and/or water secure lending, investing and/or insuring.

Portfolio
Investing (Asset manager)

Issue area(s) the target covers
Forests

Targets set
Targets for proportion of your clients/investees being compliant with your forests- and/or water-related requirements

Sectors covered by the target
All sectors

Target metric
Other, please specify (% of Tier 1 companies meeting expectations.)

Target value (as %)
<Not Applicable>

Target value
100

Target year
2025

% of target achieved

Provide details of the target
As part of our commitment to end commodity driven deforestation from our investments by 2025, in 2022 we identified our exposure to Tier 1 companies who are directly responsible for producing and processing forest risk commodities and published details on our expectations of these companies in our Group Nature and Biodiversity Position Statement. In 2023 we will be engaging with these companies to identify whether they are meeting our expectations. By 2025 we expect 100% of any outstanding exposure to Tier 1 companies to be meeting these expectations.

FW-FS3.4

(FW-FS3.4) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS3.4a

(FW-FS3.4a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.

Product type
Listed Equity

Taxonomy or methodology used to classify product(s)
Internally classified

Product enables clients to mitigate
Deforestation
Water insecurity

Description of product(s)
We have interpreted the question that the mitigation of a risk has to be undertaken in an Article 9 fund where the fund has a clear purpose to mitigate that risk/ target an opportunity.
Our Sustainable Food & Water strategy focuses on identifying the opportunities that present themselves from providing a sustainable food supply to a growing population and mitigating the stress from the water supply in high-stress areas.

Type of activity financed, invested in or insured
Sustainable forest management
Sustainable agriculture
Water supply and sewer networks infrastructure
Water treatment infrastructure
Wastewater treatment infrastructure
Water resources and ecosystem protection

Portfolio value (unit currency – as specified in C0.4)
111088817.82

% of total portfolio value
0.2

FW-FS3.5

(FW-FS3.5) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS3.5a

(FW-FS3.5a) Provide details of the policies which include forests- and/or water-related requirements that clients/investees need to meet.

Portfolio
Investing (Asset manager)

Issue area(s) the policy covers
Forests

Type of policy
Sustainable/Responsible Investment Policy
Investment policy/strategy
Active ownership policy

Portfolio coverage of policy
100

Policy availability
Publicly available

Attach documents relevant to your policy
Group Nature and Biodiversity Position Statement 2022.pdf
Schroders-Engagement-Blueprint.pdf

Requirements for clients/investees
Other, please specify (We interpret this question as how we, as an asset manager, include the assessment of forest-related risks into our ESG policy.)

Value chain stages of client/investee covered by criteria
Direct operations and supply chain

Timeframe for compliance with policy criteria
Clients/investees must be compliant within the next 2 years

Industry sectors covered by the policy
Energy
Materials
Capital goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Forest risk commodities covered by the policy
All agricultural commodities
Timber products
Palm oil
Cattle products
Soy
Rubber
Cocoa
Coffee

Commodities with critical impact on water security covered by the policy
<Not Applicable>

Forest risk commodity supply chain stage covered by the policy
Production
Processing
Trading
Manufacturing
Retailing

Exceptions to policy based on
<Not Applicable>

Explain how criteria coverage and/or exceptions have been determined
We considered industry best practice in line with a number of sources including Global Canopy; Finance Sector Roadmap on Deforestation; Finance Sector Deforestation Action as well as insights and learnings from our own engagements with companies to develop a view of best practice expectations.

Portfolio
Investing (Asset manager)

Issue area(s) the policy covers
Water

Type of policy
Sustainable/Responsible Investment Policy

Portfolio coverage of policy
60

Policy availability
Publicly available

Attach documents relevant to your policy
schroders-esg-policy.pdf

Requirements for clients/investees
Other, please specify (We interpret this question as how we, as an asset manager, include the assessment of water-related risks into our ESG policy.)

Value chain stages of client/investee covered by criteria
Direct operations and supply chain

Timeframe for compliance with policy criteria
No timeframe

Industry sectors covered by the policy
Energy
Materials
Capital goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Forest risk commodities covered by the policy
<Not Applicable>

Commodities with critical impact on water security covered by the policy
Please select

Forest risk commodity supply chain stage covered by the policy
<Not Applicable>

Exceptions to policy based on
Other, please specify (Asset class)

Explain how criteria coverage and/or exceptions have been determined
Exceptions are based on the investment asset class as this policy is only applicable to public assets.

FW-FS4.1

(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	Yes	<Not Applicable>
Clients – Water	No, but we plan to within the next two years	In 2021, we invested heavily in our natural capital capability through our investment in Natural Capital Research. Our engagement with clients has been on an ad-hoc basis, facilitating knowledge sharing and upskilling on the topic of biodiversity. We envisage that as we invest further in our capability and the topic increases in priority then we will begin to engage heavily with our clients.
Investees – Forests	Yes	<Not Applicable>
Investees – Water	Yes	<Not Applicable>

FW-FS4.1a

(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.

Type of clients
Clients of Asset Managers (Asset owners)

Issue area this engagement relates to
Forests

Type of engagement
Education/information sharing

Details of engagement
Engage with clients on measuring exposure to forests-related risk

Portfolio coverage of engagement

Rationale for the coverage of your engagement
Non-targeted engagement

Impact of engagement, including measures of success
We provide a number of educational resources and offer one-to-one meetings with clients to support them to understand and better manage deforestation risk within their portfolio.

FW-FS4.1b

(FW-FS4.1b) Give details of your forests- and/or water-related engagement strategy with your investees.

Issue area this engagement relates to
Forests

Type of engagement
Engagement & incentivization (changing investee behavior)

Details of engagement
Encourage better forests-related disclosure practices
Encourage investees to obtain third-party certifications to verify positive impacts on forests
Encourage investees to engage with suppliers to improve their capacity to comply with the company’s forests-related polices

Investing (asset manager) portfolio coverage of engagement

Investing (asset owner) portfolio coverage of engagement
<Not Applicable>

Rationale for the coverage of your engagement
Engagement targeted at investees with the highest potential impact on forests

Impact of engagement, including measures of success
We assess our exposure to commodity-driven 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. This scorecard enables us to identify companies that are failing to meet our standards on commodity-driven deforestation to the best of our ability and to monitor progress over time. We will engage all companies that we have identified as having material risk of non-compliance with our expectations of companies. Our expectations of companies cover five key pillars across Governance and oversight; metrics and targets and human rights and social impacts; strategy and ambition; risk management and traceability. Our overall scale of engagement on forest and water related issues has substantially increased over the past 5 years. Since 2018 we have conducted 94 events related to companies’ relationship with forests and 24 for water. In 2022 we saw a large increase in the number of forest related events to 52, compared to 2018-2021 average of 5. For water in 2022 we conducted 5 related engagement events; the same as 2020 and 2021.
We have two ways of measuring our engagement success:
1. The growth in number of outcome focused engagement events: we categorize our engagement events as either insight driven (fact finding) or pushing for an outcome from the company. Insight driven events are critical for understanding more about a company and their current practices, but as we move to reach out targets, events will become more outcome focused.
In 2022 we saw an increase in number of outcome forest related engagement events from 6 to 19, representing a 217% increase.
2. Increasing number of objectives set reaching milestone 3 and 4: when we see an opportunity for a company to improve their current practices on material issues, we set an specific objective for that company. As we engage overtime, we aim for this objective to pass through different milestone. The list below explains the definition of each milestone and the current proportion of milestones related to forest focused engagement for objectives set in 2021 and 2022.
Milestone definition 2021 2022
1 Engagement opportunity identified and communication started 100% 52%
2 Acknowledgement by company of issues raised 0% 38%
3 Company commits to an improvement plan 0% 0%
4 Company implements our engagement ask 0% 0%.

FW-FS4.2

(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?

	We exercise voting rights as a shareholder on this issue area	Issues supported in shareholder resolutions	Give details of the impact your voting has had on this issue area	Explain why your organization does not exercise voting rights on this issue area and any plans to address this in the future
Forests	Yes	Halting deforestation	There are limited opportunities to vote on deforestation resolutions however we seek to align with our commitment where the opportunities arise. One example from last year where we voted for the resolution for Home Depot. The Home Depot Inc. Report on Efforts to Eliminate Deforestation in Supply Chain. Resolution: " issue a report assessing if and how it could increase the scale, pace, and rigor of its efforts to eliminate deforestation and the degradation of primary forests in its supply chains." Our vote: FOR Rationale: A vote FOR this resolution is warranted, as shareholders would benefit from additional information on the company's strategy to manage its supply chain's impact on deforestation. Result: PASS, 65% votes for Metro inc: Specify in a Code of Conduct the Corporation's Requirements with its Suppliers the Commitments of the Preservation of Biodiversity ISS recommendation: AGAINST Our vote: FOR Rational: The company is asked to specify biodiversity requirements from suppliers in its code of conduct. We understand that the company encourages suppliers to maintain biodiversity and ecosystem quality in its 2017 code of conduct, and in supplementary policies. Our vote for this proposal is an indication that we wish to see the company continue to build on its approach to biodiversity as good practice evolves. Result: FAIL, 37% for	<Not Applicable>
Water	Yes	Reduce water pollution	There are limited opportunities to vote on on specific water related resolutions. However, we seek to align with our engagement blueprint where these opportunities arise. In 2022 we voted for: Alphabet Inc. Report on Metrics and Efforts to Reduce Water Related Risk Shareholders request that Google annually report, at reasonable cost, quantitative water-related metrics by location, including data centers, and for each location, practices implemented to reduce climate-related water risk." Our vote: FOR Rational: Shareholders would benefit from increased disclosure regarding how the company is managing climate-related water risks. Result: FAIL 22.5% votes for The Kraft Heinz Company: Report on Metrics and Efforts to Reduce Water Related Risk Shareholders request that Kraft Heinz report to shareholders, using quantitative indicators where available, an assessment to identify, considering the growing pressures on water supply quality and quantity posed by climate change, its total water risk exposure, and policies and practices to reduce this risk and prepare for water supply uncertainties associated with climate change . Our vote: AGAINST Rational: A vote AGAINST this proposal is warranted because the requested report would not provide shareholders with information on water risk to the company's operations that is substantially different than what the company already discloses, and shareholders would likely benefit from the company continuing its current efforts to address water risk in its supply chain. Result: FAIL, 6.5% for	<Not Applicable>

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Yes, we engage directly with policy makers Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area	<Not Applicable>	<Not Applicable>
Water	Yes, we engage directly with policy makers Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area	<Not Applicable>	<Not Applicable>

FW-FS4.4a

(FW-FS4.4a) On what policy, law, or regulation that may impact forests and/or water security have you been engaging directly with policy makers in the reporting year?

Issue area(s)
Forests

Focus of policy, law or regulation that may impact this issue area
International law and bilateral agreements

Specify the policy, law or regulation on which your organization is engaging with policymaker
- 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.

Policy, law or regulation coverage
Global

Country/area/region the policy, law or regulation applies to
<Not Applicable>

Your organization's position on the policy, law or regulation
Support with no exceptions

Description of engagement with policymakers
We participated in a number of engagements with policy makers in the run up to and during COP15 to emphasise investors' support for a an ambitious agreement on nature at COP15. This engagement was particularly focused on our support for mandatory reporting.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your engagement on this policy, law, or regulation is aligned with the Sustainable Development Goals?
Yes, we have evaluated, and it is aligned

Issue area(s)
Water

Focus of policy, law or regulation that may impact this issue area
Flood/drought resilience
Mandatory reporting
Responsible water withdrawal and/or consumption
Sustainable finance
Taxonomies
Water allocation/re-allocation
Water quality and/or discharge treatment standards and requirements

Specify the policy, law or regulation on which your organization is engaging with policymaker
Mandatory disclosure of key risks and indicators as well as widening the scope of reporting companies by amending non-financial reporting requirements, e.g. CSRD (for the EU), climate-related disclosures by standard-listed companies (FCA initiative in the UK), climate disclosures (SEC initiative in the USA), Financial Stability Board TCFD guidance on climate-related metrics, targets, and transition plans (global).

Policy, law or regulation coverage
Global

Country/area/region the policy, law or regulation applies to
<Not Applicable>

Your organization's position on the policy, law or regulation
Support with no exceptions

Description of engagement with policymakers
Leveraging our proprietary analysis of the significant exposure global companies face to physical climate risks, we have engaged with policy makers in the UK, EU and elsewhere, including numerous face-to-face meetings with MEPs, MPs, the European Commission, the EU Council and regulators etc in London, Brussels and other capitals, publicly supporting TCFD recommendations as well as encouraging stronger audit/verification requirements related to non-financial reporting.

We've also vocally called for tougher mandatory reporting of key climate risks across all sectors, including impact on water resources, including through coordinated public letters and joint policy positions. Key messages are: (i) Expand the scope beyond large listed companies; (ii) Disclose nonfinancial information in the annual management report; (iii) Strengthen the social and governance aspects; (iv) Develop minimum mandatory reporting requirements; (v) Build on existing reporting initiatives (to achieve comprehensive non-financial reporting); (vi) Keep up the international role for reporting standards; (vii) Ensure legislative consistency and avoid duplication of reporting legislation. For our detailed position, please see e.g. https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13128-Corporate-reporting-improving-its-quality-and-enforcement/public-consultation_en and https://www.ifrs.org/projects/work-plan/general-sustainability-related-disclosures/exposure-draft-and-comment-letters/#view-the-comment-letters.

In 2022, we've also continued working with other stakeholders and NGOs along the lines of the 2021 joint statement (https://www.schroders.com/en/mediarelations/newsroom/all_news_releases/schroders-supports-seven-recommendations-for-the-upcoming-non-financial-reporting-directive/).

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your engagement on this policy, law, or regulation is aligned with the Sustainable Development Goals?
Yes, we have evaluated, and it is aligned

Issue area(s)
Water

Focus of policy, law or regulation that may impact this issue area
Flood/drought resilience
Mandatory reporting
Responsible water withdrawal and/or consumption
Sustainable finance
Taxonomies
Water allocation/re-allocation
Water quality and/or discharge treatment standards and requirements

Specify the policy, law or regulation on which your organization is engaging with policymaker
- US SEC: ESG fund disclosures
- UK FCA: Sustainability Disclosure Requirements and investment labels

- SFDR and Taxonomy Regulation

Policy, law or regulation coverage
Global

Country/area/region the policy, law or regulation applies to
<Not Applicable>

Your organization’s position on the policy, law or regulation
Support with no exceptions

Description of engagement with policymakers
Drawing on our expertise in various fields relating to sustainable finance/sustainable investments we contributed to a number of consultations, e.g.:
- US SEC File s7-17-22 (see our response https://www.sec.gov/comments/s7-17-22/s71722-20136244-307276.pdf)
- UK FCA Sustainability Disclosure Requirements and investment labels (our response available at request)

Our position is, in short:
- We strongly support broader developments around the world on sustainable finance strategies, including impact on water resources. As such, fund and investment disclosures are part of a broader sustainability strategy around policy and regulation that involves investee company reporting, distributors and the broader financial market ecosystem.
- We advocate for any regional or local policies to align with global standards.
- We strongly support plans to emphasise not only activities that are already generally regarded as “sustainable” but also actions that can support the transition to sustainability, including the role of active ownership.
- Ultimately, the goal should be simple, understandable and consistent information that allows clients to compare financial products against each other. Addressing these points will help ensure informing investors in their decision making and minimising the risk of confusion in the market, which could undermine confidence in sustainability labels, and as a result, the credibility and effectiveness of sustainable investing.

We have voiced our views and recommendations in bilateral engagements with policy makers in the EU (MEPs, Commission, Council) and the UK.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your engagement on this policy, law, or regulation is aligned with the Sustainable Development Goals?
Yes, we have evaluated, and it is aligned

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Banking – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Forests	Yes	Our proprietary tool CONTEXT has been fundamental in supporting consistent analysis across a large number of our investment teams. CONTEXT provides a structured approach to analysing a company's relationships across a wide range of stakeholders, such as communities, customers, employees, the environment, suppliers and regulators and governments. When analysing the impact of companies on the environment, CONTEXT provides an assessment across both Forest and Water indicators. Similarly, SustainEx™ has played an important role in measuring the social and environmental impact of the assets in which we invest and allowing our clients to view their portfolios through this same lens. SustainEx™ measures the positive and negative impacts that a company or country may create on the environment and society, quantifying that impact in dollar terms. This includes the measure of a company's water intensity and amount of pollution emitted into waterways from its activities, and products & services.	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Water	Yes	Our proprietary tool CONTEXT has been fundamental in supporting consistent analysis across a large number of our investment teams. CONTEXT provides a structured approach to analysing a company's relationships across a wide range of stakeholders, such as communities, customers, employees, the environment, suppliers and regulators and governments. When analysing the impact of companies on the environment, CONTEXT provides an assessment across both Forest and Water indicators. Similarly, SustainEx™ has played an important role in measuring the social and environmental impact of the assets in which we invest and allowing our clients to view their portfolios through this same lens. SustainEx™ measures the positive and negative impacts that a company or country may create on the environment and society, quantifying that impact in dollar terms. This includes the measure of a company's water intensity and amount of pollution emitted into waterways from its activities, and products & services.	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.2

(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the timber products supply chain	Yes	Yes	<Not Applicable>
Investing (asset manager) to companies operating in the palm oil products supply chain	Yes	Yes	<Not Applicable>
Investing (asset manager) to companies operating in the cattle products supply chain	Yes	Yes	<Not Applicable>
Investing (asset manager) to companies operating in the soy supply chain	Yes	Yes	<Not Applicable>
Investing (asset manager) to companies operating in the rubber supply chain	Yes	Yes	<Not Applicable>
Investing (asset manager) to companies operating in the cocoa supply chain	Yes	Yes	<Not Applicable>
Investing (asset manager) to companies operating in the coffee supply chain	Yes	Yes	<Not Applicable>
Investing (asset owner) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.2a

(FW-FS5.2a) For each portfolio activity, state the value of your financing and/or insurance of companies operating in forests risk commodity supply chains in the reporting year.

Investing (asset manager) to companies operating in the timber products supply chain

Forest risk commodity supply chain stage coverage
Production
Processing
Trading
Manufacturing
Retailing

Portfolio exposure (unit currency – as specified in C0.4)
2535758854

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage portfolio value
0.8

Investing (asset manager) to companies operating in the palm oil products supply chain

Forest risk commodity supply chain stage coverage
Production
Processing
Trading
Manufacturing
Retailing

Portfolio exposure (unit currency – as specified in C0.4)
1521562856

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage portfolio value
0.5

Investing (asset manager) to companies operating in the cattle products supply chain

Forest risk commodity supply chain stage coverage
Production
Processing
Trading
Manufacturing
Retailing

Portfolio exposure (unit currency – as specified in C0.4)
1055968428

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage portfolio value
0.3

Investing (asset manager) to companies operating in the soy supply chain

Forest risk commodity supply chain stage coverage
Production
Processing
Trading
Manufacturing
Retailing

Portfolio exposure (unit currency – as specified in C0.4)
1198888039

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage portfolio value
0.4

Investing (asset manager) to companies operating in the rubber supply chain

Forest risk commodity supply chain stage coverage
Production
Processing
Trading
Manufacturing
Retailing

Portfolio exposure (unit currency – as specified in C0.4)
133134366

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage portfolio value
0

Investing (asset manager) to companies operating in the cocoa supply chain

Forest risk commodity supply chain stage coverage
Production
Processing
Trading
Manufacturing
Retailing

Portfolio exposure (unit currency – as specified in C0.4)
180067160

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage portfolio value
0.1

Investing (asset manager) to companies operating in the coffee supply chain

Forest risk commodity supply chain stage coverage
Production
Processing
Trading
Manufacturing
Retailing

Portfolio exposure (unit currency – as specified in C0.4)
1062743677

New loans advanced in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)
<Not Applicable>

Percentage portfolio value
0.3

FW-FS5.3

(FW-FS5.3) Indicate whether you measure the percentage of clients/investees compliant with your forests- and/or water-related requirements stated in question FW-FS3.5, and provide details.

Portfolio
investing (Asset manager)

Issue area(s) the requirements cover
Forests

Forests risk commodity covered by the requirements
All agricultural commodities

Commodities with a critical impact on water security covered by the requirements
<Not Applicable>

Measurement of proportion of clients/investees compliant with forests- or water-related requirements
Yes

Metric used for compliance with forests-related requirements
We assess our exposure to commodity-driven 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. This scorecard enables us to identify companies that are failing to meet our standards on commodity-driven deforestation to the best of our ability and to monitor progress over time.

Metric used for compliance with water-related requirements
<Not Applicable>

% clients/investees compliant with forests- or water-related requirements

% portfolio value that is compliant with forest- or water-related requirements

Target year for 100% compliance
We have not set a target for 100% compliance

Explain why your organization does not measure the % of clients/investees compliant with forests- or water-related requirements, and any plans to address this in the future
<Not Applicable>

FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Focus of the Publication
Forests

Publication
In voluntary communications

Status
Complete

Attach the document
Group Nature and Biodiversity Position Statement 2022.pdf

Page/Section reference
Entire document.

Content elements
Governance
Strategy
Response to forests- and/or water-related risks and opportunities
Financing and/or insurance of agricultural commodities

Comment
This policy statement sets out Schroders' position on nature and biodiversity. It covers the investments we manage and our own operations with regards to nature and biodiversity, in the context of our Group commitments to environmental management and climate change mitigation and adaptation. It outlines our plan on deforestation, including details of our commitment to eliminate forest-risk agricultural commodity-driven deforestation in the companies held in the investment portfolios we manage by 2025.

Focus of the Publication
Forests

Publication
In voluntary communications

Status
Complete

Attach the document
Plan-for-Nature-FINAL.pdf

Page/Section reference
Entire document.

Content elements
Strategy

Comment
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.

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below
I have read and accept the applicable Terms