

Schroders

SUSTAINABLE INVESTMENT REPORT

**VOTING AND ENGAGEMENT
AT A GLANCE** *OUR ACTIVE OWNERSHIP
STATISTICS FROM THE QUARTER.*

ACTIVE OWNERSHIP IN PRACTICE

Climate change action: How we're voting and engaging to encourage a faster shift towards net zero

Amazon: Our seven year active ownership history

Google, Facebook: How we are acting to protect digital rights

SUSTAINABILITY INSIGHTS

SustainEx™: Updating our proprietary model

How to address the challenges of sovereign sustainability

Understanding the changes to the MiFID II suitability assessment

The Climate Transition in North America

**SECOND
QUARTER
2022**

Marketing material for professional clients and qualified investors only.



Hannah Simons
Head of Sustainability Strategy

Sustainability never stands still

The sustainable investment landscape continues to move at pace and we are committed to responding to these changes and the evolving expectations of our clients.

At the heart of a fast-moving global regulatory agenda, is the theme of transparency. While we have always prioritised sharing our sustainability activities with clients, this quarter we have taken this a step further and pre-declared a number of our voting intentions.

Continuous evolution of our proprietary sustainability tools is also a focus of our team. As new research and data becomes available, we look to evolve our tools. Read more about how we have evolved SustainEx™, including expanding it from assessing the social externalities of companies to countries.

As the landscape evolves, there is a growing emphasis on sustainability beyond companies. Read more about how our fixed income investors are thinking about sustainability in the context of sovereigns.

Finally and hot off the press, we have just released the results of this year's Schroders' Institutional Investor Study, with some interesting findings on approaches to sustainability. [Read more here](#)



OUR ENGAGEMENTS AND VOTING

ENGAGEMENT IN NUMBERS

Type

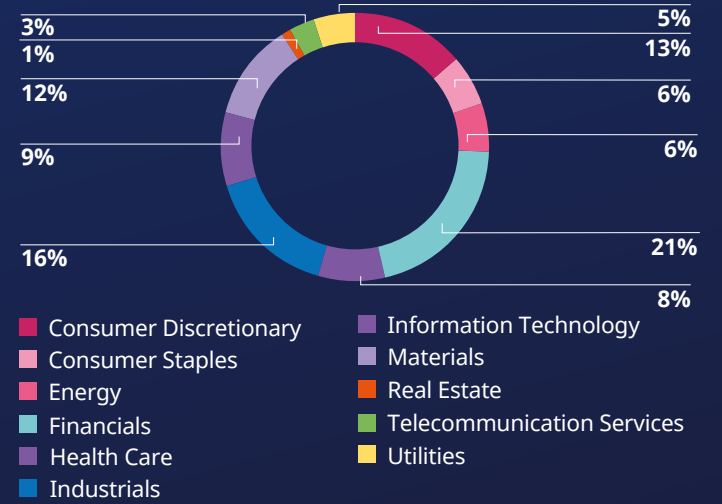
	Narrow scope	↔	Broad scope
Scope	In-depth sustainability engagement		Investor-led engagement Collaborative engagements and communicating expectations at scale
Number of engagements	84		222 847

Region

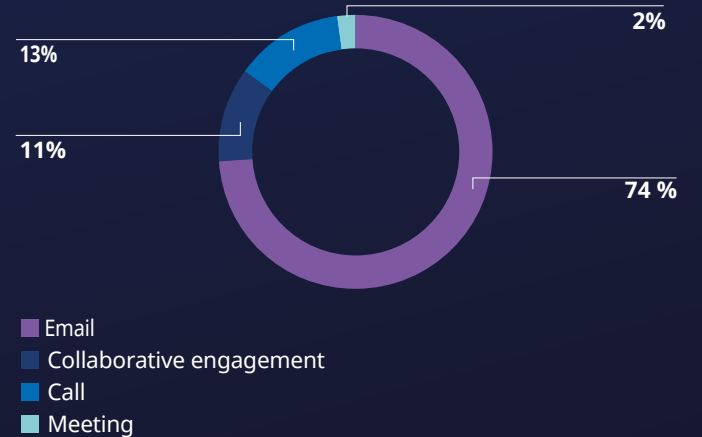
Asia Pacific	28%
Europe (ex-UK)	28%
Latin America	5%
Middle East and Africa	1%
North America	32%
UK	6%



Sector



Format



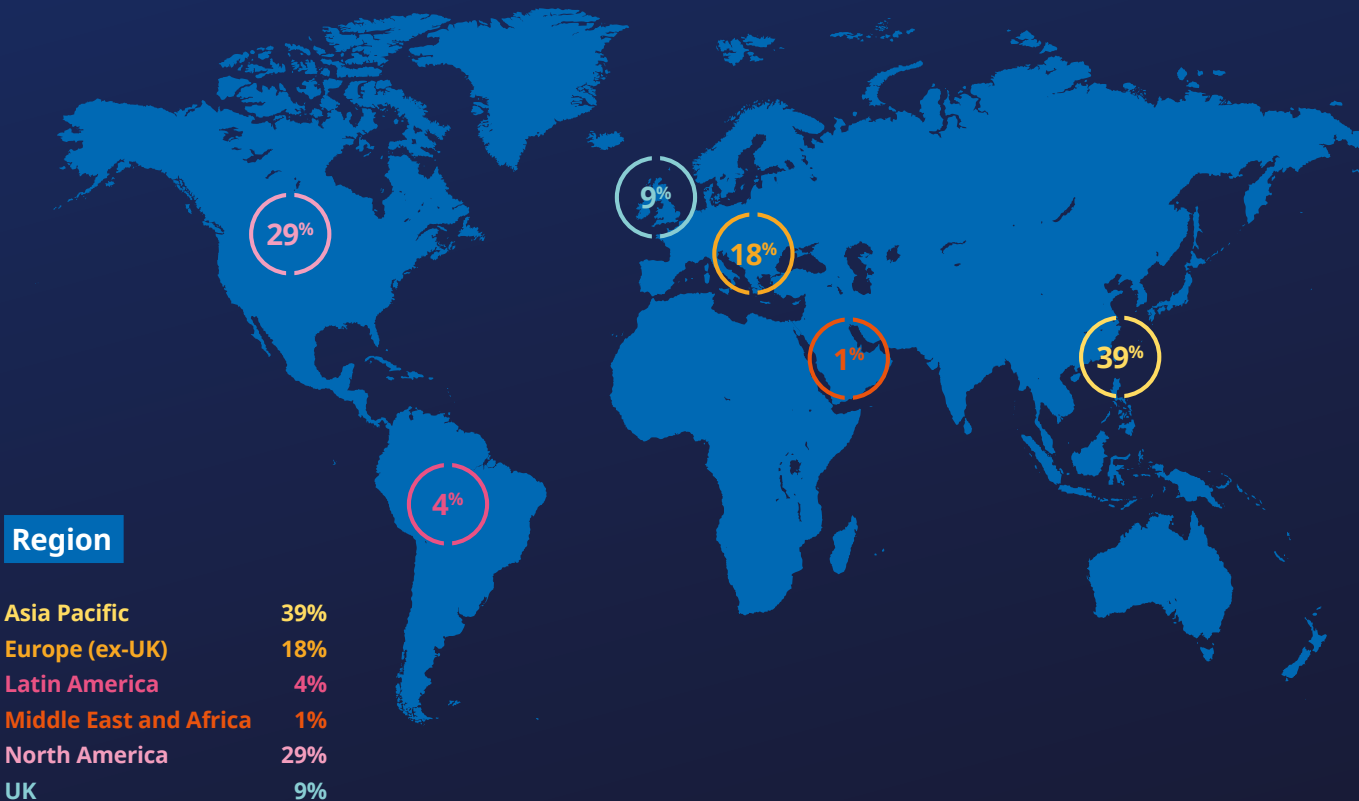
OUR ENGAGEMENTS AND VOTING

VOTING IN NUMBERS

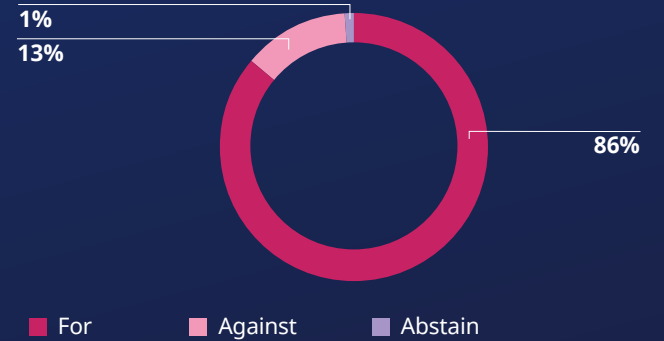
This quarter we voted on 4151 meetings and approximately 96% of all resolutions. We voted on 399 sustainability-related shareholder resolutions, of which we voted with management on 171.

We publish our voting decisions on the [voting section of Schroders' website](#).

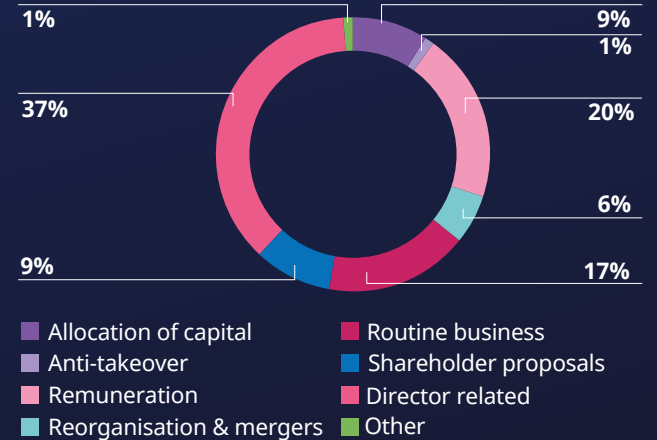
We believe we have a responsibility to exercise our voting rights. We evaluate and vote in line with our fiduciary responsibility to clients. We vote on all resolutions unless we are restricted from doing so, for example through share blocking.



Direction of votes



Category of vote against management



OUR ENGAGEMENTS AND VOTING

ENGAGEMENT PROGRESS

In the second quarter of 2021, Schroders undertook 31 requests for change classified as tier 1 engagements. The pie chart shows the progress we have made on reviewing these engagements in the second quarter of 2022.

The bar chart shows the effectiveness of our requests for change over a three-year period. We have found that typically at least two years of dialogue is required before our requests begin to materialise in the form of measurable change. It is for this reason that the two most recent years are omitted.

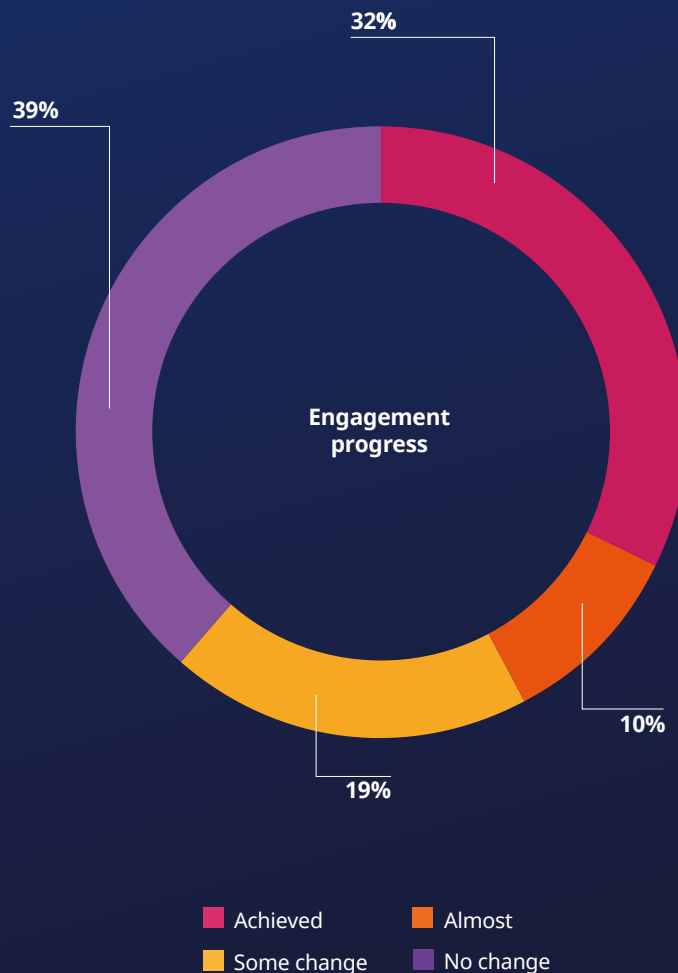
We record our engagement activity in our proprietary research database to facilitate the monitoring of companies in which we are invested. We define expected timeframes for targets, track progress and – if necessary – revise them.

In order to review progress on historical engagements they are categorised as “Achieved”, “Almost”, “Some change”, “No change” or “No further change required”. If no change is required it is usually because we have sold out of the position.

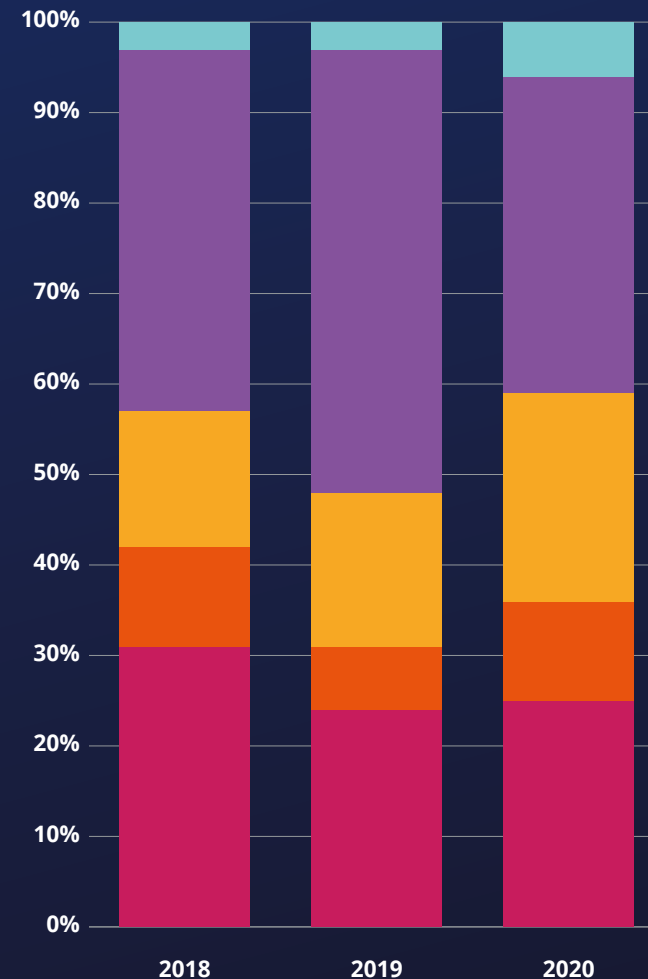
We typically review requests for change one year after they have been made and then on an ongoing basis. We will escalate where necessary.

Requests for change effectiveness

Engagement progress from Q2 2021



Three years: 2018 vs 2019 vs 2020



ACTIVE OWNERSHIP

CLIMATE CHANGE ACTION: HOW WE'RE VOTING AND ENGAGING TO ENCOURAGE A FASTER SHIFT TOWARDS NET ZERO

Schroders has recently pre-declared its intention to vote for shareholder proposals relating to climate change at three oil & gas majors – Chevron, ExxonMobil and Shell in an effort to encourage a faster shift towards net zero.

This followed supporting similar resolutions at BP, ConocoPhillips, Occidental Petroleum and Phillips 66 earlier in 2022.

For Chevron, ConocoPhillips, ExxonMobil and Phillips 66 our decision to vote in favour of these shareholder resolutions reflects our aspiration for these companies to show more ambition and transparency in their transition to net zero.

While most of these companies now have an ambition to achieve net zero greenhouse gas emissions by 2050 or sooner, their ambition is limited to their operational (Scope 1 and 2) emissions only. These companies are lagging behind peers in setting net zero targets that take into account the carbon emissions of the oil and gas they sell (Scope 3).

For BP, Shell and Occidental Petroleum our decision to vote for these shareholder resolutions is a signal of our desire for these companies to continue to demonstrate their focus on reaching net zero, including for Scope 3.

All three have an ambition to achieve net zero greenhouse gas emissions by 2050 or sooner across Scope 1, 2 and 3 emissions relating to operations and the use of energy products, and are making progress in

setting interim climate targets. We also support the 'Say on Climate' resolutions BP and Shell's management have presented to shareholders, reflecting the progress they have made in strengthening and broadening their climate targets and developing their decarbonisation strategies.

THE RISE OF SAY ON CLIMATE PROPOSALS

In 2021, we saw the rise of a new type of climate-related resolutions appearing on AGM agendas proposed by management. The Say on Climate initiative was launched by investors and other stakeholders to encourage companies to put their climate plans, policies and disclosures to a vote to enable shareholders to provide feedback on them. Schroders welcomes companies putting forward a Say on Climate proposal and reviews them on a case by case basis taking into consideration the nuances and complexities that exist with the transition to net zero for each company. This year to date we have supported 69% of 32 Say on Climate proposals and are actively engaging with these companies and others to further understand the progress they are making, and, when necessary, push for more.

Carol Storey

Active Ownership Manager



READ MORE:

Read more on our climate voting and engagements here.

ACTIVE
OWNERSHIPKimberley Lewis
Head of Active Ownership

Tim Goodman

Head of Corporate Governance



AMAZON: OUR SEVEN YEAR ACTIVE OWNERSHIP HISTORY

Schroders has engaged with Amazon for seven years to improve the firm's workers' rights, and at this year's AGM we pre-declared that we would vote in support of three shareholder resolutions on the issue.

Global retailer giant Amazon has come under intense scrutiny for the way it treats its staff and the conditions under which they work.

What shareholder proposals did Schroders support at Amazon's 2022 AGM?

Out of a total 18 shareholder resolutions, three were related to workers' rights.

The resolutions requested a report on worker health and safety differences; additional reporting on freedom of association and for a report on warehouse working conditions.

We believed it was important to support these proposals, which align with our own engagement with the company, call for greater disclosure and promote stronger workers' rights.

How have we been engaging with Amazon?

Workers' rights, which comes under the umbrella heading of "human capital management" (HCM), is one of our six priority engagement themes. This has been identified as a priority at Amazon because developing and retaining people within the company is vital if it is to maintain and grow its competitive advantage.

Our engagement with Amazon also seeks to cover areas such as improving the wages paid to staff and the benefits they are offered;

worker engagement and representation within Amazon; the health and wellbeing of workers; and the working conditions within Amazon's warehouses.

Schroders has engaged with Amazon on these issues since 2015.

Since then we have had 23 meetings with Amazon and many of these engagements have focused on worker issues, specifically health and safety and worker voice.

In 2022, through further engagements with Amazon, we have sought to understand how the company extends its safety provisions to contractors (for example, delivery drivers). Also, why its safety performance is still below its sector peers, and what it is doing to address this.

We have also sought to understand why the company is concerned about its US workers becoming unionised and why its relations with the unions still appear fraught. We have also pushed Amazon to disclose its worker turnover figures.



READ MORE:
about our engagement,
on human rights here.

ACTIVE
OWNERSHIP

GOOGLE, FACEBOOK: HOW WE ARE ACTING TO PROTECT DIGITAL RIGHTS

We pre-declared that at Meta and Alphabet's AGMs, we would vote in support of shareholder resolutions aimed at improving their approach to digital rights – including exploitative content, misinformation and privacy.

We voted for eight shareholder resolutions at the annual meetings (AGMs) of tech giants Meta and Alphabet, parent companies of Facebook and Google.

These resolutions – brought by shareholders rather than the companies' management – seek to improve business practices in a number of fields.

Our voting decisions form part of our wider approach to active ownership, helping protect and enhance the value of clients' shareholdings through active engagement with companies. Schroders is also considering other agenda items at these meetings and is likely to be voting against the recommendations by the boards of both Meta and Alphabet for other proposals in addition to those detailed above.

Human rights is one of Schroders' six priority engagements. Digital rights sits within this category.



Katie Frame
Active Ownership Manager



READ MORE:

About the votes and our other forms of engagement with Meta and Alphabet [here](#).



SUSTAINABILITY INSIGHTS



SUSTAINEX™: EVOLVING OUR PROPRIETARY MODEL

SustainEx™ provides our investment teams with an estimate of positive and negative “externalities” that companies and countries may create for society. It does this by using metrics chosen by Schroders and quantifying positive (for example, paying ‘fair wages’) and negative (for example, the level of carbon an issuer emits) metrics to produce an aggregate measure expressed as a notional percentage of sales (of a company) or GDP (of a country). If a company was handed a bill or a credit note at the end of the year, for the net costs or benefits they created for society, SustainEx™ estimates what that would be. Over the past year made several enhancements to the tool.

We first launched SustainEx™ in 2019. As part of our ongoing governance of our investment models, we look to review and evolve our suite of proprietary tools over time to reflect new research and the changing sustainable investment landscape, as well as the availability of reliable data. Over the last year, we have made a number of enhancements as a result of this process.

EXPANSION TO SOVEREIGNS

Like companies, we believe that sovereigns may also be assessed in terms of the externalities they may create for society, and so we have extended SustainEx™ to cover countries.

This change means we can now estimate the global costs and benefits arising from government activities – such as spending on education and infrastructure, predatory taxation, treatment of refugees and biodiversity loss – and how countries may contribute positively or negatively to these. In respect of sovereigns, SustainEx™ uses 29 metrics and covers 150 countries (as at June 2022).

The net score of each such country – or its “social value” – is normalised as a percentage of GDP so we can compare country scores in our investment analysis. This allows us to expand our SustainEx™ analysis across our fixed income and multi-asset portfolios.

EVOLVING EXISTING METRICS

We have also enhanced the way in which we measure 12 existing company metrics.

One example is how we calculate our estimate of the social value of salaries. Part-time employees are now incorporated into the calculation, where possible, to more accurately estimate average wage figures. The calculation of the value of paying high wages has also

been revised to capture the diminishing marginal benefit as well as the potential to exacerbate social inequalities.

Another example of the enhancements we have made is how we now analyse food waste costs across the food industry’s value chain. These costs are now attributed to companies across the full supply chain, from food producers at one end to retail and hospitality at the other, reflecting their contribution to total food waste, rather than focusing purely on the food manufacturers at the heart of that industry.

ADDING NEW ENVIRONMENTAL METRICS

We have also introduced two new environmental metrics: one to examine the costs of Scope 3 emissions (that is the indirect emissions generated outside of a company’s organisational boundary and includes business travel, deliveries, commuting or waste from a company’s supply chain.) and another to capture the benefits of avoided emissions technologies and products.

Our [avoided emissions framework](#) was developed in collaboration with Singapore’s sovereign wealth fund, GIC, and was recently noted as a climate-pacesetter in a recent Mercer World Economic Forum white paper¹.

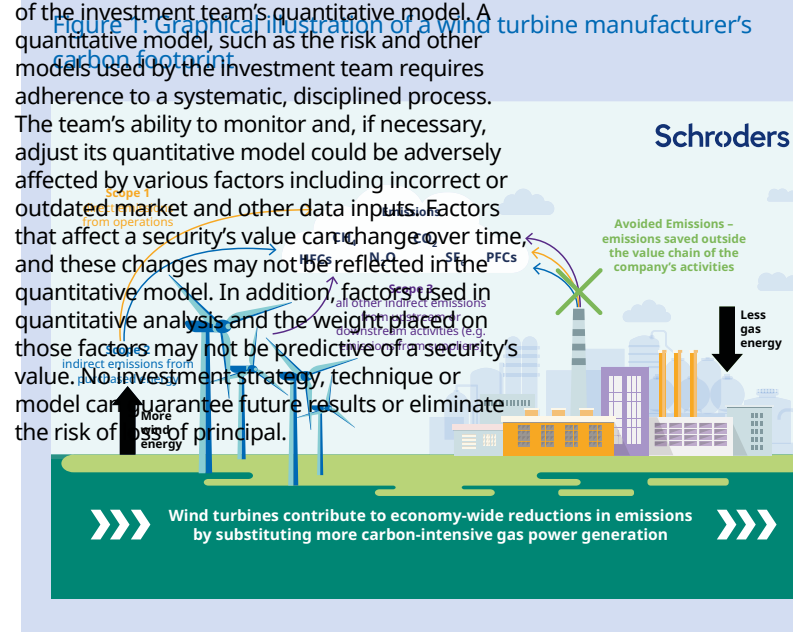
LOOKING AHEAD

These enhancements were made following feedback and consultation with over 100 of our investment professionals across various teams, as well as members of our Data Insights Unit and the Sustainable Investment team.

We continue to look at ways we can enhance our suite of proprietary investment tools as our research, data and our understanding of these issues evolves. Schroders

uses SustainEx™ to estimate the net impact of an investment portfolio on society. Conventional carbon measures in comparison to a product or service that generates value for the emissions companies generate from their own operations and value chains, emphasising the negative impact of their business models but not the benefits stemming from other sustainable technologies. The Avoided Emissions Framework we have developed provides a more complete picture by capturing companies’ contributions to emissions reductions through the substitution of high carbon activities with low carbon alternatives, which are not reflected in their conventional Scope 1, 2 and 3 metrics.

The success of any quantitative ESG research model depends largely upon the effectiveness of the investment team’s quantitative model. A quantitative model, such as the risk and other models used by the investment team requires adherence to a systematic, disciplined process. The team’s ability to monitor and, if necessary, adjust its quantitative model could be adversely affected by various factors including incorrect or outdated market and other data inputs. Factors that affect a security’s value can change over time, and these changes may not be reflected in the quantitative model. In addition, factors used in quantitative analysis and the weight placed on those factors may not be predictive of a security’s value. No investment strategy, technique or model can guarantee future results or eliminate the risk of loss of principal.



¹ Mercer World Economic Forum https://www3.weforum.org/docs/WEF_Setting_the_Tempo_of_Advanced_Climate_Investing_2022.pdf

SUSTAINABILITY INSIGHTS

HOW TO ADDRESS THE CHALLENGES OF SOVEREIGN SUSTAINABILITY

As sustainable investing is gaining momentum, one of the most challenging questions is how to apply it to government bonds.

A number of factors simply makes sustainability more complicated for sovereigns. The World Bank identifies three main challenges: 'the lack of clarity, the ingrained income bias, and data quality'. The Global Fixed Income & Currency (GFIC) team seek to address these issues through a new unique approach.

DEFINING THE UNIVERSE: Our starting point is to create a sustainable sovereign investment universe in which we allocate capital using the GFIC's ESG integrated top down investment process. We use the 17 UN Sustainable Development Goals (SDGs), with equal importance given to each, as an anchor point. The equal weighting prevents us from overlaying our own personal biases into client portfolios. The SDGs are transparent and independent, with deep coverage and widely acknowledged as a blueprint of sustainable issues.

INCOME BIAS: One of the biggest challenges is the income bias whereby the richest countries, based on gross national income per capita, have the highest SDG scores. Taking SDG scores at face value then becomes effectively punitive to poorer countries, even those doing the right thing. It essentially rewards those countries who have benefitted from their historical industrial revolution and penalises those countries who have yet to go through theirs.

To address this we group countries into four income brackets – high, upper-middle, lower-middle and low income – then compare SDG progress for countries of a similar level of development. This identifies the real laggards (which we exclude), while variation in SDG scores within each bracket allows for differentiation.

FURTHER ENHANCEMENT OF SUSTAINABILITY CHARACTERISTICS:

We believe a clear and credible strategy to address climate change is a must and a net zero pledge included in a government policy document – we use the data provided by the 'Energy & Climate Intelligence Unit' to assess this – is a minimum requirement. Additional social criteria is overlaid, using an independent source, 'Freedom House' for an assessment of democracy and political freedom.

SUPRANATIONALS OVERLOOKED:

Sovereign fixed income is not confined to government bonds and one area that is often overlooked are supranational institutions. They notably include regional development banks, which have for many decades been financing sustainable economic and social development.

WHERE NEXT? We recognise the questions and challenges around sovereign fixed income investment and sustainability and that this area is continually evolving. Sustainability is never going to be "one size fits all", but there are ways to develop a clear and credible framework that can integrate ESG.

Paul Grainger
Head of Global Fixed Income
and Currency



Marcus Jennings
Fixed Income Strategist



SUSTAINABILITY INSIGHTS

UNDERSTANDING THE CHANGES TO THE MIFID II SUITABILITY ASSESSMENT

If 2021 was the year of SFDR¹, 2022 is the year of MiFID². The next stage in the EU's sustainable finance package is the addition of "sustainability preferences" in the MiFID suitability assessment in August 2022.

According to MiFID, advisers must carry out a suitability assessment before they recommend a product. This involves understanding the client (e.g. their investment knowledge, financial situation, investment objectives etc.). Then it involves knowing the investment products, their objectives, risks, returns, costs etc. So based on a client's profile and investment goals, an adviser can recommend a "suitable" product.

What is changing from August 2022, is that advisers must include an additional consideration on whether clients have sustainability preferences. According to the regulation, the client can express those in one or a combination of three ways:

1. The percentage of a product's alignment to the EU Taxonomy.
2. The percentage of a product's allocation to sustainable investments as defined in SFDR.
3. Consideration of principal adverse impacts (PAIs); these are indicators aiming to capture material negative effects that investments have on the environment and/or society.

If the client expresses preferences with these options in a way that does not match the available product set, then a product can't be sold unless those preferences are adapted.

There will be practical issues along the way.

As we have [written](#), the order in which different pieces of EU regulation come into effect is such that, currently, the process will be marred by data gaps. Specifically, the option of Taxonomy alignment will be difficult for products to report and for advisers to use. There will also be some gaps in the reporting of PAIs as company reporting of such indicators will become mandatory in waves, starting from 2024 (with the Corporate Sustainability Reporting Directive).

A further complication is that the definition of 'sustainable investment' in SFDR is open to interpretation so the methodologies behind the reported numbers for the second option will be different.

So what can advisers do? First, they will have to explain all this to their clients before the actual preferences conversation starts. It will be important to help retail clients understand the different concepts and what they are trying to capture, as they will probably not be familiar with those.

To prepare, advisers themselves might need to look into detail what products are available, what they are reporting for the three options, the data coverage, any differences in approach or the levels across different asset classes, geographies and sectors. They should also be mindful that these three options, viewed in isolation,

can give only an incomplete picture of a product and would fail to capture the product's investment objective, process, the sustainability characteristics it promotes or sustainable objectives it pursues (if any).

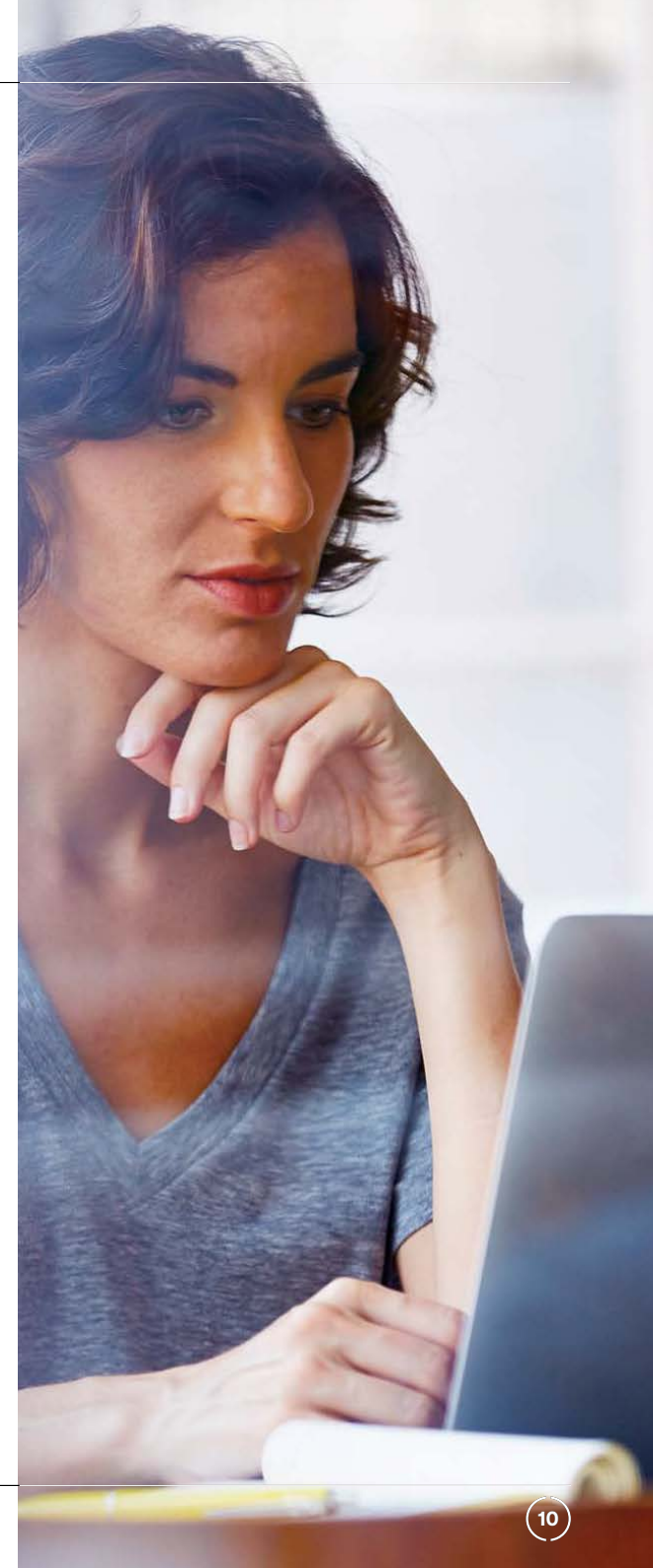
The next big question is how clients will express their preferences, if this will be close to the regulatory definition, and whether preference for specific aspects of product design will emerge.

As always with sustainability regulation: *to be continued.*



READ MORE HERE.

Anastasia Petraki
Investment Director



¹Sustainable Finance Disclosure Regulation ²Markets in Financial Instruments Directive II.

SUSTAINABILITY INSIGHTS

THE CLIMATE TRANSITION IN NORTH AMERICA

A core component of sustainable investing is planning for future risks.

As part of traditional financial risk analysis, investors at times consider how companies and markets reacted under previous scenarios – financial crises, oil price shocks, supply chain disruptions, as well as times of geopolitical and economic conflict. Similarly, investors leverage climate modeling to understand how companies and markets might fare against policy pressures and increased global temperatures.

To ultimately make more informed decisions, while leveraging active ownership as a valuable tool, understanding how companies are planning to strategically and operationally transition their businesses to a more sustainable model is at the top of the agenda for investors. While it is expected that we consider a company's potential losses driven by climate change, it is also essential to understand how people are affected and plan the correct course.

As an active manager, we recognize that in transitioning to a sustainable economy we must ensure that the benefits are shared widely, reducing inequality and ensuring we plan for those at risk of being left behind. In practice, **Schroders Municipal US Sustainability Explorer (MUSE)** tool enables analysts to access sustainability insights across 3,100 counties and close to 13,000 school districts in the U.S., providing a forward-looking lens on the population that supports the municipalities that comprise each county.

HOW WE USE MUSE TO MANAGE RISK

Analysts leverage the interactive tool's structured lens to better understand sustainability risks and opportunities among US counties. This includes insights into environmental vulnerabilities across physical risks, which includes damage to buildings (through wildfires, hurricanes, etc.), and well-being risks (e.g., risks harming people, such as air and water quality).

Focusing on society and human capital, we can evaluate levels of uninsured population and severe housing problems, as well as the evidence of social stability through factors such as income inequality, graduation rates, unemployment rates, and presence of mental health care. **MUSE** enhances our longer term perspective combined with traditional fundamental analysis.

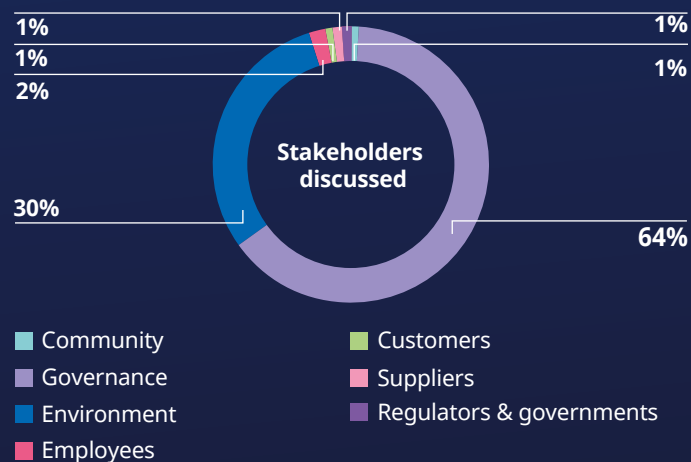


Lazaro Tiant
Investment Director,
North America

OUR ENGAGEMENTS
AND VOTINGCOMPANIES WE'VE
ENGAGED WITH

We undertook 1,153 engagements this quarter with the 1,000 companies listed. We show here whether we were tackling an environmental, social or governance issue with each. The chart shows how we categorised them by stakeholder, from employees and communities to governments and regulators. For further details about active ownership at Schroders, please contact your client director.

Stakeholder breakdown of engagements



Company	E	S	G
Consumer Discretionary			
Accor			✓
Adidas Group			✓
Alibaba	✓		
Alsea		✓	✓
Amazon		✓	✓
Anta Sports			✓
Astra International	✓		✓
Autoliv			✓
Bayerische Motoren Werke	✓		✓
Big Lots			✓
Booking	✓		✓
Bosideng International			✓
Brunswick			✓
Budweiser Brewing			✓
Burlington Stores			✓
Century Communities			✓
Changzhou Xingyu Automotive Lighting Systems			✓
China International Travel Service			✓
China Travel Intl Investment Hong Kong			✓
Chipotle Mexican Grill			✓
Michelin			✓
Construtora Tenda			✓
Continental			✓
Crystal International	✓	✓	✓
Daimler			✓
Dana			✓
Dometic			✓

Company	E	S	G
EZ TEC			✓
Faurecia			✓
Ferrari			✓
Fluidra			✓
Forbo		✓	
Fu Shou Yuan International			✓
Fuyao			✓
Galaxy Entertainment			✓
Giant Manufacturing			✓
Great Wall Motord		✓	✓
Group 1 Automotive			✓
Grupo Televisab			✓
Guangzhou Auto			✓
Hennes & Mauritz			✓
Harley-Davidson			✓
Hermes			✓
Hibbett Sports			✓
Hilton Worldwide			✓
Host Hotels			✓
Hugo Boss			✓
Husqvarna			✓
Hyundai Motors		✓	
InvoCare			✓
Ipsos			✓
Kakao Bank		✓	✓
KB Home			✓
Kering			✓
Kingfisher		✓	
Kohl's			✓
Lear			✓

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

Company	E	S	G
Lennar			✓
Li Ning	✓	✓	
Linamar			✓
LVMH Moet Hennessy Louis Vuitton			✓
M/I Homes			✓
Macy's			✓
Magazine Luiza			✓
Marks and Spencer	✓	✓	✓
Maruti Suzuki India	✓		
McDonalds		✓	✓
Merida Industry	✓		
Metall Zug			✓
Groupe M6			✓
Mips			✓
Mohawk Industries			✓
Momo.Com	✓		✓
Moncler			✓
Musashi Seimitsu Industry	✓		
NavInfod			✓
Newell Brands			✓
Nien Made Enterprised	✓	✓	
Nordic Entertainment Group			✓
Nordstrom			✓
NVR			✓
Omnicom			✓
Fu Shou Yuan International			✓
Future			✓
Galaxy Entertainment			✓
Games Workshop			✓
Gap			✓

Company	E	S	G
Garmin			✓
General Motors			✓
Genuine Parts			✓
GOME Electrical			✓
Great Wall Motor			✓
Grenke			✓
Grupo Televisa			✓
Guangdong Shengyi Science			✓
Entain			✓
H & M Hennes & Mauritz			✓
Hadilao			✓
Hasbro			✓
Hella			✓
Hengli Petrochemical			✓
Hermes			✓
Hero Honda			✓
Hilton Worldwide			✓
Hollywood Bowl			✓
Home Depot			✓
Host Hotels			✓
Huayu Automotive Systems			✓
Huazhu			✓
Hugo Boss			✓
Hunter Douglas			✓
Inchcape			✓
Inditex			✓
Informa			✓
Intercontinental Hotels			✓
Interpublic			✓
Italtile			✓

Company	E	S	G
ITV			✓
J D Wetherspoon			✓
Jc Decaux			✓
JD Sports Fashion			✓
JD			✓
Jiumaojiu			✓
JS Global Lifestyle			✓
JustEat Takeaway			✓
Kaufman & Broad			✓
Kering			✓
Kingfisher			✓
L Brands			✓
La Francaise des Jeux Societe			✓
Las Vegas Sands			✓
Lennar			✓
Li Auto			✓
Liberty Media			✓
Live Nation Entertainment			✓
LKQ			✓
Lowes Cos			✓
Luk Fook			✓
Macauto Industrial			✓
Magna International			✓
Mahindra&Mahindra			✓
Maisons du Monde			✓
Man Wah			✓
MarineMax			✓
Marks and Spencer			✓
Marriott			✓
Maruti Suzuki India			✓

Source: Schroders, 30 June 2022

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Company	E	S	G
McDonalds			✓
MGM China			✓
MGM Resorts			✓
Minth			✓
Mohawk Industries			✓
Mulitchoice			✓
N. Brown			✓
NagaCorp			✓
Naspers			✓
Netflix			✓
New Oriental Education			✓
Newell Brands			✓
News Corporation			✓
Next			✓
Nexteer Automotive			✓
Nielsen			✓
Nien Made Enterprise	✓	✓	
Nike			✓
Ningbo Joyson Electronic			✓
Nokian Tyres			✓
Norwegian Cruise Line			✓
NVR			✓
Omnicom			✓
Pepco	✓	✓	✓
Photo-Me International			✓
Pool			✓
Prada		✓	
Prosus		✓	✓
Pulte			✓
Puma			✓

Company	E	S	G
Q Technology			✓
Renault	✓		✓
Ross Stores			✓
Royal Unibrew			✓
Samsonite International	✓	✓	✓
Sekisui Chemical	✓		
Shenzhou International	✓	✓	
Shurgard Self Storage			✓
Sok Marketler Ticaret			✓
Sports Direct	✓		
Stanley Electric	✓		
Stellantis	✓		
Steven Madden			✓
TAKKT			✓
Taylor Morrison Home			✓
Technogym			✓
Telenet			✓
Television Francaise 1 Group			✓
Tianneng Power International			✓
TopBuild			✓
Toyota Motor	✓		
Tupperware			✓
Tupy			✓
URBI			✓
Vivendi Universal			✓
Volkswagen	✓		✓
Wayfair			✓
Whitbread	✓		
Wynn Resorts			✓
Yamaha Motor	✓		

Company	E	S	G
Yue Yuen Industrial			✓
Yum China			✓
Zhejiang Supor Cookware			✓
Consumer Staples			
AG Barr			✓
Brahma - Ambev			✓
Anadolu Efes			✓
Anhui Kouzi Distillery Company			✓
Austevoll Seafood			✓
Avi	✓		
BIM Birllesik Magazalar	✓		
BRD Groupe Societe Generale			✓
Bunge			✓
Carrefour		✓	
Cencosud	✓		✓
Church & Dwight			✓
Coca Cola	✓		
Coca Cola Icecek			✓
Coles	✓		
Conagra	✓		
Dairy Farm International			✓
Dali Foods			✓
Danone	✓		
Dino Polska	✓	✓	✓
Emmi			✓
Essity	✓		
First Resources	✓		✓
Flowers Foods			✓
Fomento Economico Mexicano			✓

Source: Schroders, 30 June 2022

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

Company	E	S	G
Foshan Haitian Flavouring and Food			✓
Golden Agri	✓		
Greggs	✓		
HelloFresh			✓
Hindustan Unilever			✓
Hypermarcas			✓
Japfa Comfeed Indonesia			✓
Japfa			✓
Jeronimo Martins			✓
Kellogg Co			✓
Kimberly-Clark de Mexico	✓		
LG Household & Health	✓		✓
L'Oreal			✓
Marfrig Global Foods			✓
Marico			✓
Matsumoto Kiyoshi Holdings	✓		
Meituan Dianping			✓
Molson Coors Brewing			✓
Mondelez International			✓
Nestle	✓		✓
OCI			✓
Orior			✓
Pepsico			✓
Philip Morris			✓
Prima Meat Packers	✓		
Raia Drogasil	✓		✓
Robinsons Retail			✓
Shanghai Milkground Food Tech			✓
Sprouts Farmers Market			✓
Tesco	✓		

Company	E	S	G
The Chefs Warehouse			✓
Tiger Brands	✓		
Toly Breadd			✓
Tractor Supply Company			✓
Tyson Foods	✓		
Ulker Biskuvi			✓
Unilever	✓		
US Foods			✓
Vinda International			✓
Wesfarmers	✓		
Weston (George)			✓
Wilmar International	✓		
Energy			
Aker	✓		
Beach Petroleum	✓		
Cabot Oil & Gas			✓
Caltex Australia			✓
Cenovus	✓		
Cheniere Energy	✓		
Chevron Texaco	✓		
China Petroleum & Chemical	✓		✓
CNOOC	✓		✓
Coal India	✓		✓
Continental Resources	✓		
Contura Energy	✓		
Cosan			✓
Delek	✓		
Drilling Company Of 1972			✓
Eni			✓

Company	E	S	G
Euronav			✓
Exxon Mobil	✓		
Formosa Petrochemical			✓
Galp	✓		
Gaztransport et Technigaz			✓
Hunting			✓
Imperial Oil	✓		✓
Inpex	✓		
Kinder Morgan	✓		
Marathon Oil	✓		
Marathon Petroleum			✓
MOL Magyar Olaj - es Gazipari			✓
Neste Oil	✓		
Oil & Natural Gas India	✓		
Oil India	✓		
PBF Energy	✓		
Penn Virginia			✓
Petrobras			✓
PetroChinad	✓		
PGNiG	✓		
Phillips 66	✓		✓
PKN	✓		✓
Plains All America	✓		
Ptt Exploration & Production		✓	
Reliance Industries	✓		
Romgaz			✓
SK Innovation	✓		
SM Energy			✓
S-Oil	✓		

Source: Schroders, 30 June 2022

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

Company	E	S	G
Subsea7			✓
Targa Resources	✓		
Tenaris			✓
Total			✓
Towngas China Company			✓
Tullow Oil	✓		
Ultrapar Participações			✓
Whitecap Resources	✓		
Woodside Petroleum	✓		
Financials			
ABN AMRO			✓
Achmea	✓		
Aegon	✓		✓
Aeon Financial Service	✓		
Affiliated Mangers			✓
AFLAC	✓		
AIA Group			✓
Alinma Bank	✓	✓	
Alior Bank			✓
Allianz	✓		✓
Allied Irish Banks	✓		
Allstate	✓		✓
Ally Financial			✓
American Express			✓
American Financial			✓
American International	✓		
Amundi			✓
Annaly Capital Management			✓
AON	✓		

Company	E	S	G
Arch Capital	✓		✓
Arthur J Gallagher			✓
Ascendas Reit			✓
Asr Nederland			✓
Assicurazioni Generali	✓		
Assurant			✓
AU Small Finance Bank			✓
Aviva	✓		
AXA Equitable	✓		
AXA	✓		✓
Axis Capital			✓
Baloise			✓
Banco do Brasil Seguridade			✓
Bank Central Asia	✓		
Bank Of America			✓
Bank of Montreal			✓
Bank Of The Philippine Islands	✓		
Bank Rakyat Indonesia Persero	✓		
Barclays	✓		
BBVA	✓		
Berkshire Hathaway	✓		
BlackRock			✓
Blackstone Property Partners Europe Holdings	✓		
BNP Paribas			✓
BOC Hong Kong	✓		
BolsaMexicana de Valores			✓
BR Properties			✓
BUPA Finance	✓		

Company	E	S	G
Bure Equity			✓
Canadian Imperial Bank			✓
Capital One Financial			✓
CapitaMall Trust			✓
CBOE Holdings			✓
China Everbright			✓
China Literature			✓
China Resources Land	✓		
Chongqing Rural Commercial Bank			✓
Chubb	✓		✓
Cimb	✓		
Cincinnati Financial			✓
CITIC Securities			✓
CNA Financial	✓		
CNP Assurances	✓		✓
Coface			✓
Commerce Bancshares			✓
Commerzbank	✓		✓
Compass Diversified			✓
Country Garden			✓
Country Garden Services			✓
Cpi Property			✓
Credit Agricole			✓
Credit Suisse			✓
Deutsche Bank			✓
Direct Line Insurance	✓		
Domestic & General	✓		
Egypt Kuwait	✓		
Equity Residential	✓		✓

Source: Schroders, 30 June 2022

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

Company	E	S	G
Erste Bank	✓		
ESR Cayman		✓	✓
Essent			✓
Eurazeo			✓
Everest Re			✓
EXOR	✓		✓
Extra Space Storage			✓
Fibra Uno			✓
Fifth Third Bank			✓
Fineco Bank			✓
First Abu Dhabi Bank	✓	✓	✓
First American Financial			✓
First Merchants			✓
First Republic Bank	✓		
Fonciere des Regions			✓
GAM			✓
Goldman Sachs			✓
Groupama	✓		
Groupe Bruxelles Lambert			✓
Hammerson			✓
Hang Lung			✓
Hang Lung Properties			✓
Hannover			✓
Hargreaves Lansdown			✓
Hartford Financial Services	✓		
Hdfc Bank			✓
Heimstaden Bostad			✓
Hiscox	✓		
Hongkong Land	✓	✓	✓

Company	E	S	G
HSBC	✓		✓
ICBC			✓
Icici Bank	✓		
IGM Financial			✓
Industrivarden			✓
International Personal Finance			✓
Intesa Sanpaolo	✓		
Invesco			✓
Investor			✓
IRB Brasil Resseguros			✓
JP Morgan Chase & Co			✓
KBC Groep			✓
Kennedy-Wilson Holdings			✓
Kerry Properties			✓
KeyCorp			✓
Kina Securities			✓
Lancashire	✓		
LEG Immobilien			✓
Liberty Mutual	✓		
Lincoln National	✓		✓
Loews			✓
M & T Bank			✓
M&G	✓		
Manulife Financial			□
Markel			✓
Marsh & McLennan Cos	✓		✓
MAX India			✓
Merlin Properties			✓
Metlife	✓		

Company	E	S	G
Mid-America Apartment Communities			✓
Morgan Stanley Group			✓
Munchener Ruckversicherungs-Ges	✓		
NatWest	✓		✓
Nexi			✓
NMI			✓
NN			✓
Orix	✓		
OTP			✓
Pacific Mutual Life	✓		
Partners			✓
Phoenix	✓		
Pinnacle Financial Partners			✓
PKO Bank			✓
Polar Capital			✓
Poly Real Estate			✓
Principal Financial	✓		✓
Progressive	✓		
Prudential Financial	✓		✓
Prudential HK			✓
PS Business Parks			✓
Public Bank			✓
Public Financial Holdings			✓
Public Storage	✓		
Quilter	✓		
Realty Income			✓
Reinsurance Group America			✓
RenaissanceRE			✓
Rexford Industrial Realty	✓		✓

Source: Schroders, 30 June 2022

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

Company	E	S	G
Robinsons Land			✓
Rothschild & Co			✓
Royal Bank of Canada			✓
Royal London	✓		
S&P Global			✓
Saga	✓		✓
Sampo	✓		✓
Saudi National Bank	✓		
SBIC-Standard Bank Investment			✓
Charles Schwab			✓
SCOR			✓
Shui On Land			✓
Singapore Exchange		✓	✓
Sino-Ocean Group			✓
St Galler			✓
Standard Chartered	✓	✓	✓
State Street			✓
Sun Communities	✓	✓	✓
Suntec REIT			✓
SVB Financial			✓
Svenska Handelsbanken	✓		
Swire Pacific			✓
Swire Properties			✓
Swiss Life	✓		
Swiss Reinsurance Company	✓		✓
T&D Holdings	✓		
Terreno Realty			✓
Torchmark			✓
Toronto Dominion Bank	✓		

Company	E	S	G
Travelers Cos	✓		✓
UDR	✓		✓
Unipol	✓		
Uniq Insurance	✓		
Unumprovident	✓		
UOL			✓
Ventas			✓
VGP			✓
Voya Financial	✓		✓
Washington Real Estate Investment Trust			✓
Wells Fargo			✓
Welltower			✓
Weyerhaeuser			✓
Wharf			✓
Wharf Real Estate Investment			✓
Wuestenrot & Wuerttembergische			✓
Zenith Bank			✓
Zions Bancorporation			✓
Zug Estates			✓
Zurich Insurance	✓		
Health Care			
Abbott Laboratories			✓
Abbvie	✓		
Alcon	✓		✓
Align Technology			✓
Alnylam Pharmaceuticals			✓
Amgen	✓		✓
ANI Pharmaceuticals			✓

Company	E	S	G
Anthem	✓		
Arjo			✓
Ascom			✓
Astellas Pharma			✓
AstraZeneca			✓
Bayer	✓		✓
Boston Scientific			✓
Bristol Myers Squibb	✓		
Centene			✓
Cerner			✓
Charles River Laboratories International			✓
Chemed			✓
China Medical System			✓
China Resources Pharmaceutical			✓
China Shineway			✓
Cipla/India	✓		
Consun Pharmaceutical			✓
Corcept Therapeutics			✓
CSPC Pharmaceutical			✓
Danaher			✓
Dentsply Sirona			✓
Dermapharm			✓
DexCom	✓		✓
DiaSorin			✓
Edwards Lifesciences			✓
Elanco Animal Health			✓
EssilorLuxottica			✓
Exelixis			✓

Source: Schroders, 30 June 2022

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

Company	E	S	G
Galenica Sante			✓
Getinge			✓
GlaxoSmithKline			✓
HCA	✓		✓
Hikma Pharmaceuticals			✓
Hualan Biological Engineering			✓
IDEXX Laboratories			✓
Illumina			✓
Insulet			✓
Ipsen			✓
Jiangsu Hengrui			✓
Laboratory Corporation of America			✓
Lees Pharmaceutical			✓
Lepu Medical Technology Beijing			✓
Lonza	✓		✓
Masimo			✓
Medacta			✓
Medpace			✓
Medy-Tox			✓
Merck Kgaa	✓		✓
Mettler-Toledo International			✓
Mitra Keluarga Karyasehat			✓
Novartis	✓		
Oak Street Health	✓		
Odontoprev			✓
Pfizer			✓
Piramal Enterprises			✓
Redsense Medical			✓
Repligen			✓

Company	E	S	G
Roche	✓		
Sanofi-Aventis			✓
Shanghai Fosun Pharma	✓		
Ship Healthcare	✓		
Siegfried			✓
Swedish Orphan Biovitrum			✓
Tecan Group			✓
Teleflexorported			✓
Thermo-Fisher			✓
UCB	✓		
Vertex Pharmaceuticals			✓
West Pharmaceutical Services			✓
WuXi AppTecd (H-Share)			✓
Zimmer Biomet			✓
Industrials			
AGC	✓		
Air China			✓
Air France-KLM	✓		
Air Lease			✓
Airbus	✓		✓
Allison Transmission			✓
Ambipar			✓
Ap Moller - Maersk	✓		
Ashok Leyland	✓		
Assa Abloy			✓
ASUR			✓
Atlas Air Worldwide	✓		
Atlas Arteria Group			✓
AviChina Industry & Technology			✓

Company	E	S	G
Azul	✓		
Bodycote	✓		
Bollore			✓
Bouygues			✓
Bpost			✓
Bufab			✓
Bunzl	✓		
C.H. Robinson Worldwide			✓
Canadian National Railway	✓		
Canadian Pacific Railway			✓
Capita			✓
Carel Industries			✓
Carlisle Companies			✓
Caterpillar	✓		
CCR - Cia Concessoes Rodoviaras			✓
China Everbright International			✓
China High-Speed Transmission			✓
Cie De Saint-Gobain	✓		
CNH Industrial			✓
Cognex			✓
Compania Sud Americana de Vapores			✓
Conzeta			✓
Corporacion Moctezuma			✓
Cosco Pacific			✓
CSX	✓		✓
CTCI	✓	✓	✓
Daikin Industries	✓		
Deere & Co	✓		
Delhi International Airport		✓	✓

Source: Schroders, 30 June 2022

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

Company	E	S	G
Deutsche Lufthansa			✓
Deutsche Post World Net			✓
Dover			✓
Edenred			✓
Elis Services			✓
Encore Wire			✓
Estun Automationd			✓
EVE Energyd	✓	✓	
Evergreen Marine	✓		
Expeditors International of Washington			✓
Fischer			✓
Flughafen Zuerich			✓
Fortune Brands Home & Security	✓		
Franklin Electric			✓
Fuji			✓
Gea			✓
Geberit			✓
General Dynamics			✓
Getlink			✓
GOL - Linhas Aereas	✓		
Grupo Aeroportuario del Pacifico			✓
Grupo Mexico Transportes			✓
Haitian			✓
Hamakyorex	✓		
Harsco			✓
Hochtief			✓
Honeywell			✓
Hyundai Heavy Industries	✓	✓	✓

Company	E	S	G
IDEX			✓
Illinois Tool Works			✓
Interroll			✓
Intertek			✓
Intrum Justitia			✓
Jardine Matheson			✓
JetBlue Airways			✓
Kingspan			✓
Kion			✓
Knorr-Bremse	✓		✓
Koc	✓		✓
Koninklijke Boskalis Westminster			✓
Koninklijke Philips	✓		✓
Kubota	✓		✓
Kuehne & Nagel			✓
Larsen & Toubro		✓	
Legrand	✓		✓
Lennox International			✓
Localiza Rent A Car			✓
Lockheed Martin			✓
Lonking			✓
Masco			✓
MasTec			✓
Minebea Mitsumi	✓		
Mitsui	✓		
Montana Aerospace			✓
MTU Aero Engines			✓
Mueller Industries			✓
Munters			✓

Company	E	S	G
Neoen			✓
Nippon Yusen	✓		
Norfolk Southern			✓
Norma			✓
Northrop Grumman			✓
O-film Tech			✓
Old Dominion Freight Line			✓
Paccar			✓
Patrick Industries			✓
Piovan			✓
Proto Labs			✓
Qantas Airways	✓		
QR National	✓		
Recruit	✓		
Regal International Airport			✓
Robert Half International			✓
Rolls-Royce	✓		
Royal Mail			✓
Rps Group			✓
Rush Enterprises			✓
Safran			✓
Sankyu	✓		✓
Sany Heavy Industry			✓
Schneider Electric	✓		
Schweiter Technologies			✓
Securitas			✓
SFS Group			✓
Shandong Linglong Tyred			✓
Siemens	✓		

Source: Schroders, 30 June 2022

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

Company	E	S	G
Siemens Energy	✓		
Simpson Manufacturing	✓		
Sinopec Engineering			✓
Sinotrans			✓
SITC International	✓		
Skf			✓
SMC	✓		
Snap Inc			✓
Solaris Oilfield Infrastructure			✓
Somero Enterprises		✓	
Spie			✓
Spirax-Sarco Engineering	✓		
Spirit Aerosystems			✓
Stadler Rail			✓
Sthree			✓
Teleperformance			✓
Thales			✓
Trainline			✓
Trane Technologies	✓		
TriNet			✓
Union Pacific			✓
United Continental			✓
United Parcel Service			✓
United Rentalsorporated			✓
United Tractors			✓
Univar			✓
Verisk Analytics			✓
Vesuvius			✓
Vinci			✓

Company	E	S	G
Voltaia			✓
Volvo			✓
Wan Hai Lines	✓		
Weg		✓	✓
Weichai Power	✓		
WESCO International			✓
Westinghouse Air Brake Technologies			✓
Wizz Air	✓		
XPO Logistics			✓
Yangzijiang Shipbuilding			✓
Yuexiu Transport Infrastructure			✓
Zehnder			✓
Information Technology			
AAC Technologies			✓
Adobe Systems			✓
Akamai Technologies			✓
Amphenol			✓
ANSYS			✓
Arista Networks			✓
ASM International	✓		✓
ASPEED Technology			✓
Atento		✓	
Atos			✓
Axcelis Technologies			✓
Baidu	✓		
Beijing Kingsoft Office Software			✓
Beijing Sinnet Technology			✓
Cap Gemini			✓
Chipbond Technology			✓

Company	E	S	G
Chroma ATE	✓	✓	✓
Cielo			✓
Constellation Software			✓
Corning			✓
Diodesorporated			✓
Elite Materiald			✓
Equinix			✓
ESPEC			✓
Facebook			✓
Fidelity National Information Servies			✓
First Solar			✓
Gcl New Energy			✓
GCL Poly Energy			✓
General Interface Solution Gis			✓
GigaDevice Semiconductor Beijing	✓	✓	✓
Global Payments			✓
Hefei Meiya Optoelectronic Technology			✓
Hewlette Packard Enterprises			✓
Hitachi	✓		
Ibiden	✓		
IBM, International Business Machines			✓
Innolux	✓		
Intel	✓		
Juniper Networks			✓
Kingboard Chemical			✓
Kingdee International Software	✓		
Kingsoft			✓
KoMiCo			✓

Source: Schroders, 30 June 2022

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

Company	E	S	G
Kruk			✓
Leeno			✓
Lite-On Technology			✓
Longi Green Energy Technology			✓
Manhattan Associates			✓
Maruwa			✓
Mediatek	✓	✓	✓
Motorola Solutions			✓
Mycronic			✓
Nan Ya PCB			✓
Naver	✓		
NCR			✓
Nemetschek			✓
Nippon Electric Glass	✓		
NTT Data			✓
Pagseguro Digital			✓
Park Systems	✓		
PAX Global Technology			✓
Perficient			✓
Power Integrations			✓
Reply			✓
S&T			✓
Sabre			✓
Siltronic			✓
Skyworks			✓
Skyworth Digital			✓
Software			✓
Spectris			✓
SS&C Technologies			✓

Company	E	S	G
STMicroelectronics			✓
Sunny Optical Technology			✓
Tata Consultancy Services	✓		
TDK	✓		
Temenos			✓
Tencent	✓	✓	✓
Texas Instruments	✓		✓
Tianma Microelectronics			✓
Tongcheng-Elong			✓
Trimble			✓
TXC			✓
Uchi Technologies			✓
United Internet			✓
Venture	✓		✓
Verisign			✓
ViaSat		✓	
Visa	✓		
Vishay Intertechnology			✓
WT Microelectronics			✓
Wuhan Jingce Electronic			✓
Materials			
Air Liquide	✓		
Air Water	✓		
Alamos Gold			✓
Alcoa	✓		
Allied Gold	✓		
Anglo American	✓		
AngloGold Ashanti	✓		
Anhui Conch Cement	✓		✓

Company	E	S	G
Aperam	✓		✓
AptarGroup			✓
Arcelor Mittal			✓
Arconic			✓
Arkema			✓
Associated Cement			✓
Barrick Gold			✓
BBMG			✓
BlueScope Steel	✓		
Borregaard			✓
Centamin	✓		
CF Industries			✓
China BlueChemical			✓
China Hongqiao	✓	✓	
China National Building Materials	✓		✓
China Northern Rare Earth Group High-Tech			✓
China Resources Cement Holdings	✓		✓
China Steel	✓		
Empresas CMPC			✓
Coeur d'Alene Mines			✓
Constellium	✓		
Covestro			✓
CRH			✓
Crown			✓
CSN-Cia Siderurgica Nacional	✓		✓
Eagle Materials	✓		
ECOLAB			✓
Endeavour Mining	✓		

Source: Schroders, 30 June 2022

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

Company	E	S	G
Eramet			✓
Eregli Demir	✓		✓
Evonik Industries			✓
Ferrexpo	✓		✓
Fujimori Kogyo	✓		
Glencore	✓		
Gold Fields		✓	
GrafTech International			✓
Grange Resources			✓
Grupa Kety			✓
Grupo Mexico			✓
H&R			✓
Hanwha Chemical	✓		
HeidelbergCement			✓
Henkel		✓	
Hindalco Industries	✓		
Holcim	✓		
Huabao International Holdings			✓
IAMGOLD			✓
Ibstock			✓
Image Resources			✓
IMCD			✓
IMERYS			✓
International Flavors & Fragrances			✓
Johnson Matthey			✓
K+S			✓
KGHM Polska Miedz	✓	✓	✓
Kinross Gold	✓		
Kobe Steel	✓		

Company	E	S	G
Lanxess			✓
Lenzing			✓
Lotte Chemical	✓		
Louisiana-Pacific	✓		
Lundin Mining			✓
LyondellBasell	✓		
Martin Marietta Materials	✓		✓
Mitsubishi Gas	✓		
Mitsui Chemicals	✓		
Nickel Industries			✓
Nippon Sodad	✓		
NOF	✓		
Norsk Hydro			✓
Nucor	✓		✓
Oji Paperd	✓		
PTT Global Chemical		✓	
Recticel	✓		
Resolute Mining			✓
RHI Magnesita			✓
Rio Tinto			✓
Royal Gold			✓
Sappi	✓		
Sealed Air			✓
Shandong Gold Mining			✓
Shandong Sinocera Functional Material			✓
SIG Combibloc			✓
Sika			✓
Silgan			✓

Company	E	S	G
Sociedad Quimica y Minera de Chile			✓
Solvay	✓		✓
Sonoco Products			✓
South32	✓	✓	
Ssab	✓		
Steel Dynamics	✓		✓
Suzano			✓
Symrise			✓
Ternium			✓
Thyssenkrupp	✓		
Tosoh	✓		
Vale	✓	✓	
Vedanta Resources	✓		
Verallia	✓		
Voestalpine	✓		
Vulcan Materials			✓
Wacker Chemie	✓		✓
West Fraser Timber	✓		
Westlake Chemical	✓		✓
Yihai International			✓
Zijin Mining			✓
Real Estate			
Alexandria Real Estate Equities			✓
Americold Realty Trust			✓
Ascendas India Trust			✓
CapitaRetail China Trust			✓
Ctrip.Com International	✓		
DiamondRock Hospitality			✓
Douglas Emmett			✓

Source: Schroders, 30 June 2022

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Company	E	S	G
GLP J-Reit			✓
Healthcare Realty Trust	✓		
Iron Mountain			✓
Jones Lang LaSalle			✓
Keppel DC REIT			✓
Kilroy Realty			✓
Potlatch			✓
Sunstone Hotel Investors			✓
Telecommunication Services			
America Movil			✓
AT&T			✓
BCE			✓
Cellnex Telecom			✓
China Mobile			✓
Consolidated Communications		✓	
CTS Eventim			✓
Deutsche Telekom			✓
Elisa			✓
France Telecom			✓
Frontier Communications		✓	✓
Globe Telecom			✓
Hellenic Telecommunications			✓
KDDI	✓	✓	✓
Megacable Comunicaciones			✓
Okinawa Cellular Telephone			✓
Orange		✓	
PCCW			✓
Tele2			✓
Telecom Italia			✓

Company	E	S	G
Telefonica Deutschland	✓	✓	✓
Telekomunikasi Indonesia Persero	✓		
TeliaSonera			✓
Tower Bersama Infrastructure			✓
Utilities			
Acea			✓
Alliant Energy	✓		
Ameren			✓
American Water Works			✓
BKW Energie			✓
Centerpoint Energy	✓		✓
Cez	✓		
Cheung Kong Infrastructure	✓		✓
China Gas	✓		
China Longyuan Power	✓		
China Resources Gas			✓
Companhia de Saneamento do Parana Sanepar	✓		
Consolidated Edison			✓
Copasa			✓
Dominion Resources			✓
DTE Energy			✓
Edison International	✓		✓
Electricite De France	✓		✓
Endesa			✓
Enel			✓
Enel Chile			✓
Engie Brasil Energia	✓		
Engie			✓
Enn Energy	✓		✓

Company	E	S	G
Energy	✓		✓
Equatorial	✓		
Exelon	✓		
First Energy			✓
Gail			✓
Iberdrola	✓		
Korea Electric Power	✓		
Light Servicos de Eletricidade			✓
Meralco			✓
National Grid	✓		✓
Naturgy Energy	✓		
Nordex			✓
Petro Rio			✓
PG&E			✓
PGE	✓		
Power Assets	✓		
Power Grid Corporation Of India	✓		
Public Service Enterprise	✓		
SABESP-Cia de Saneamento Basico de Sao Paulo			✓
Sempra Energy	✓		✓
Snam Rete Gas	✓		
Southern			✓
Uniper	✓		
Veolia Environnement			✓
Verbund			✓
XCEL Energy	✓		✓
Xiaomi	✓		

Key

E – Environment
S – Social
G – Governance

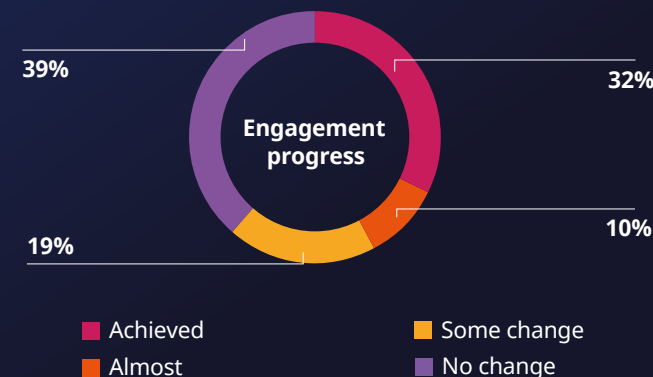
Source: Schroders, 30 June 2022

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OUR ENGAGEMENTS AND VOTING

ENGAGEMENT PROGRESS 12 MONTHS ON

This section reviews progress on engagements from Q2 2021 where we encouraged changes within the company. The following table captures detail on the progress of each specific request for change we made 12 months ago. The chart opposite illustrates a summary of this progress. A summary of companies and topics where no progress has been made is available on page 28. We will continue to review these engagements periodically and escalate where necessary.



Company	Suggestion for change	Result
Consumer Discretionary		
Amazon	Asked Amazon to publish employee health and safety statistics.	Achieved Amazon has since published their first health and safety report. We continue to engage with Amazon on the issue and have set further safety objectives for the company.
Nissan Motor	Requested that Nissan verify its carbon emissions reduction targets with a third party such as the Science Based Target initiative (SBTi) to ensure its strategy is in line with climate science.	Achieved Nissan's targets have been validated by SBTi.
Nordic Entertainment	Asked the company to provide further disclosure around the measures taken to ensure data privacy and protection.	Achieved Further disclosure provided in 2021 sustainability report.
	Urged the company to make progress in setting their SBTi approved environmental targets.	Almost The company has set emissions reduction targets and is awaiting final SBTi validation.
Consumer Staples		
Carrefour	Asked for increased transparency around the performance targets used in the incentive plans, at a minimum we would like to see retrospective disclosure.	Some Change The company improved its retrospective disclosure around some of the annual performance targets used to assess pay outcomes, however some financial measures are still not disclosed.

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Company	Suggestion for change	Result
Financials		
AIA	Asked the company to add another female member to their board	Achieved AIA appointed an additional woman to their board, taking the percentage of women to 18%. This is leading for an Asian company and shows a commitment to diversity beyond the bare minimum of one woman on the board.
Barclays	Asked the company to consider introducing a 'Say on Climate' vote.	Achieved The bank tabled a Say on Climate vote at its 2022 AGM.
	Asked the bank to strengthen their policy on coal and oil tar sands. For example, by ending lending connected to new oil sands projects and the pipelines that connect them, adding further restrictions on coal expanders and introducing stricter thresholds for coal and oil sands revenue.	Some Change The bank strengthened its policy on coal in 2022 but not oil sands. It has taken a different approach to coal phase out vs other banks – phasing out coal in UK and EU by 2030 and US and rest of the world by 2035. Leading practice would phase out North America by 2030.
	Asked the bank to set interim climate targets beyond 2025 (Barclays' BlueTrack approach shows portfolio target pathway to 2040 but has only set specific target for 2025).	Achieved The bank has now added "2030" mid-term targets, alongside its 2025 and 2050 targets.
Land Securities	Asked the company to complete a buyback of shares	Almost In July 2021, a shareholder resolution for the authorization of the market purchase of ordinary shares was approved by 99.2%. The duration for the buy back is 15 months.
Raiffeisen Bank International	Asked the company to develop a commitment to align the bank's financing activities with the goals of the Paris Agreement, plus related milestones and interim targets.	Some Change In its CDP report the bank says that in principle meeting a well-below 2 degree goal is an objective for bank lending. We would like to see concrete commitments in place, plus related milestones and interim targets.
	Asked the company to consider setting out approach to thermal coal (and other sensitive sectors) in more formal policy document, and continue to evolve its fossil fuel policies e.g. by expanding scope to include other fossil fuel activities e.g. unconventional oil & gas.	Some Change The coal policy is now more formally set out in its 2021 sustainability report but there are no changes to the requirements of the policy (e.g. other fossil fuels).
	Asked the company to consider providing further information on the engagements they are having with highest-risk clients on the climate transition e.g. numbers/percentage engaged, success rates, etc.	Almost The company has started to report the number of clients it is engaging with on ESG issues in its sustainability report. We would like to see further disclosure in regards to the questions they ask on climate change e.g. have they asked clients to set Paris-aligned targets? The company plans to do this in their CDP 2021 report.
	Provision of additional climate metrics that would support our analysis of the banking sector e.g. detailed tables relating to credit exposure.	Achieved The company provided additional metric of lending exposure to their financed emissions table, which aids comparison with other banks.

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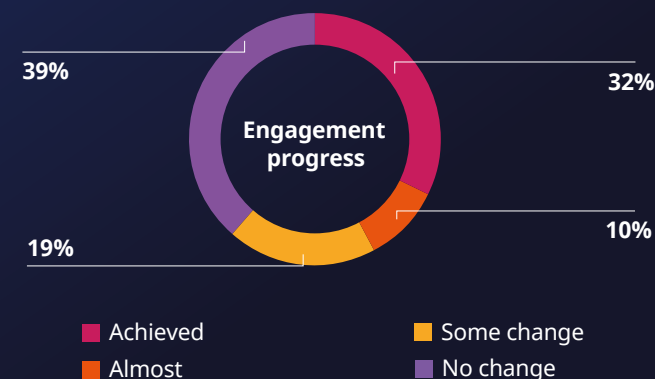
Company	Suggestion for change	Result
Industrials		
Knorr-Bremse	Asked Knorr Bremse to reconsider their interest in acquiring Hella.	Achieved Knorr Bremse announced that they were no longer pursuing the Hella acquisition.
Bunzl	Asked Bunzl to commit to a long-term carbon reduction target (either net zero or Paris-aligned) for Scope 1 and 2 emissions.	Achieved Bunzl has now set long-term net zero targets for Scope 1 and 2 emissions, which it has published in its 2021 Sustainability Report.
	Asked Bunzl to include medium term milestone targets covering Scope 1 and 2.	Achieved Bunzl has now set medium-term net zero targets for Scope 1 and 2 emissions, which it has published in its 2021 Sustainability Report.
	Asked Bunzl to publish Scope 3 emissions reduction targets.	Achieved The group has also announced a long-term net zero target for its Scope 3 emissions. This was also published in its 2021 Sustainability Report.
Information Technology		
ASM International	Asked the company to include ESG metrics as part of management's remuneration.	Achieved 25% of short-term bonus based on non-financial targets of which half relate to ESG in 2021.
	Asked the company to commit to net zero in its Scope 3 emissions.	Achieved In 2021, the company committed to net zero by 2035 (Scope 1, 2 and 3 emissions).
	Asked for product innovation that helps its customers reduce their carbon footprint as well as reduce water usage.	Achieved Company states that improving energy and resource efficiency of products is a key area of focus. We will continue to monitor progress.
Materials		
Recticel	Expressed our concern with the value of the current takeover bid as it did not reflect a fair value for Recticel shares.	Achieved Greiner withdrew their bid.

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OUR ENGAGEMENTS AND VOTING

ENGAGEMENT PROGRESS 12 MONTHS ON

The following table lists the companies involved in tier 1 engagements from Q2 2021 where no progress has been made over the last 12 months. We will continue to review engagements periodically where no progress has yet been made.



Company	Engagement topic
Consumer discretionary	
Amazon	Business Integrity, Human Capital Management
Bayerische Motoren Werke	Remuneration
Hollywood Bowl	Remuneration
Financials	
Bank Of America	Climate Change
Credit Suisse	Climate Change
Huntington Bancshares	Climate Change
JPMorgan Chase & Co	Climate Change
Mitsubishi Ufj Financial	Climate Change
Mizuho Financial	Climate Change
National Australia Bank	Climate Change
Oversea-Chinese Banking	Climate Change
Union Bank of Switzerland (UBS)	Climate Change
United Overseas Bank	Climate Change
Health care	
Dechra Pharma	Remuneration
Thermo-Fisher	Remuneration

Company	Engagement topic
Industrials	
Gea	Remuneration
Hays	Human Capital Management
Mitie	Remuneration
Recruit	Climate Change, Human Capital Management
Royal Mail	Climate Change
Weir	Biodiversity & Ecosystem Services
Information technology	
TT Electronics	Remuneration
Ubisoft Entertainment	Diversity
Materials	
LG Chemical	Pollution
Utilities	
Contourglobal	Climate Change
Terna	Remuneration

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