



## **Group Human Rights Statement**

November 2021

## 1. Executive summary

Schroders is a world-class global asset manager that actively and responsibly manages investments for a wide range of institutions and individuals across Europe, the Americas, Asia, the Middle East and Africa. We are responsible for £716.9 billion<sup>1</sup> of assets for our clients who trust us to deliver sustainable returns.

Our focus on doing the right thing for our clients, our people and wider society lies at the centre of our culture. Our commitment to respect human rights and our approach to avoiding human rights infringements are guided by the United Nations (UN) Universal Declaration of Human Rights, International Labour Organisation's Fundamental Conventions and the UN Guiding Principles on Business and Human Rights (UNGPs or 'Ruggie Principles'). We are a signatory of the UN Global Compact (UNGC) and take a principles-based approach to doing business. We incorporate the UNGC's ten principles on human rights, labour, environment and anti-corruption into our strategy and operations. We also take action to advance broader societal goals, such as the UN Sustainable Development Goals (SDGs).

This statement sets out Schroders' position for its entities and employees in relation to the respect of human rights and the remedy of any infringements relating to its employees, supply chain, clients and investments. The Corporate Responsibility (CR) Committee chaired by our Group Chief Executive, provides the oversight to our human rights approach. The CR Committee meets every two months and reports at least annually to the Group Management Committee and Board of Schroders plc.

## 2. Why is it necessary?

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination. This statement is intended to set out our approach to managing risks and our commitments to support human rights in all of Schroders' interactions.

## 3. Scope

This policy statement applies to all Schroders businesses worldwide. It sets out Schroders' position for its entities and employees (whether permanent, temporary or a contractor) in relation to the respect of human rights and the remediation of any infringements relating to its employees, supply chain, clients and investments.

## 4. Our Statement

We have the corporate responsibility to respect human rights, whether in our role as an employer, as a buyer of goods and services or when carrying out our fiduciary duties as a provider of financial services and an investor in companies. We have governance, policies and processes in place to respect human rights and we have implemented remediation processes to deal with any issues raised.

### Our people

Schroders is committed to ensuring that there is no discrimination, including on the grounds of age, disability, gender identity, civil/marital status, pregnancy, maternity, race, religion or belief, sex or sexual orientation during the recruitment process or any stage of the employee lifecycle. All employees go through an employment verification process, including right to work checks, prior to joining.

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<sup>1</sup> Assets Under Management as at 30 September 2021

We value the views of our employees and promote teamwork, innovation, excellence, passion and integrity. We have a Global Employee Forum to enable the voices of our people to be heard directly by the Board. Twelve appointed representatives from across Asia, Europe and the Americas meet twice a year with the Senior Independent Director of Schroders plc. This forum covers topics such as group strategy, financial performance, diversity and inclusion and employee engagement. We also have 13 Employee Resource Groups (ERGs) which are inclusion networks dedicated to a particular area of inclusion. Groups are open to all employees. The ERGs support a grass roots approach to driving awareness and building an inclusive culture.

We commit to providing fair wages and benefits and a secure working environment for our people. We will protect health and safety at work, promote wellbeing and a culture that fosters workplace flexibility and recognises the need for a work/life balance. We support the principles of freedom of association and collective bargaining. We will not tolerate harassment or discrimination in our working environment.

We have a number of policies in place that set out the standards we set and measures we have in place for our employees. These include policies relating to Health and Safety; Mental Health and Wellbeing; Flexible Working; Overtime; and; Equal Opportunities, Bullying, Harassment, Respect and Dignity at Work. Where appropriate, local policies are established in line with these global principles to take into account local laws, regulation and market practice.

Our employees are required to complete training on diversity and discrimination. Diversity training is run by local offices depending on local legal requirements. Employees required to complete mandatory training on modern slavery receive new or refresher training on an annual basis.

Our grievance policies provide a framework for the quick and effective resolution of difficulties that may arise in the workplace and seeks to achieve solutions through appropriate methods. The Group Whistleblowing Policy sets out the internal procedure for reporting and investigating concerns without fear of reprisals or detrimental treatment. Employees are able to raise a concern anonymously to an independent third party, Safecall, who provide a confidential global reporting service through their 24-hour phone line or online portal.

## Our supply chain

We rely on a global network of external service providers for goods and services to supplement and contribute to our own infrastructure. We expect all of our suppliers to operate in a responsible, ethical, open and transparent way and in compliance with all applicable laws and regulations. We have an established framework that governs our approach to selection, on-boarding, management and reporting across our supply chain. Our Supplier Code of Conduct sets out the high standards and behaviours we expect from our partners and covers human rights, ethical sourcing, bribery and corruption, living wages, diversity and inclusion, health and safety and the environment.

We screen all suppliers using our proprietary modern slavery risk framework and have a due diligence process to understand and evaluate their human rights management, including training, reporting and remedial plans. Our intention is to provide practical guidance to support suppliers in meeting our expectations and standards and issue corrective actions where required. However, we will automatically exclude any organisation if it or its associated individuals have been convicted of slavery, servitude, forced or compulsory labour, child labour or an offence in human trafficking within the last five years.

We are an accredited Living Wage employer in the UK (including the London Living Wage) and where applicable, we expect our suppliers to adopt the same principle.

As a signatory to the UK's Prompt Payment Code, we are committed to the principles regarding the treatment of suppliers, which include paying on time and providing clear guidance on our terms.

We extend access to our independently operated Whistleblowing hotline to any external party. Regional freephone numbers are available so that reports can be made in local languages. Any issue or concern will be taken seriously and investigated.

## Our clients

It is imperative that Schroders and all employees maintain the highest standards of ethics and integrity in regard to all aspects of their conduct and dealings with clients as outlined in our Conduct and Regulatory Risk Appetite Statement. This includes adherence with all applicable laws.

We are committed to performing robust due diligence on the clients that we provide financial services to. This includes identifying, via screening, potential human rights and modern slavery issues. We only provide financial services to clients who meet our Group standards including our Group Financial Crime Risk Appetite Statement.

We collect and use certain personal data in the course of our commercial activities and are committed to keeping it secure in compliance with data protection laws. We have a Group Privacy Policy that details the types of personal information we capture on individuals and how we safeguard it. Those individuals could be clients, prospective clients or their representatives, agents or appointees, or an employee, director, officer or representative of another organisation with which we have a business relationship. The Group Privacy Policy also covers visitors to our websites.

## Our investments

Integrating Environmental, Social and Governance (ESG) analysis into our fundamental investment processes is a core part of how we generate long-term sustainable value for our clients. Modern slavery and companies' management of their workers, customers, suppliers and local communities more broadly are becoming increasingly important to our financial analysis of the companies in which we invest.

We have been a signatory of the United Nations Principles for Responsible Investment (UN PRI) since 2007 and have achieved their highest rating of A+ for our responsible investment strategy and governance.

We monitor supply chain standards and workforce metrics across all sectors and geographies through our proprietary research tool, Context, as well as human rights policies for higher risk sectors. We have developed a proprietary risk framework to assess potential exposure to modern slavery and have provided training to relevant employees on how to use it.

We continue to actively engage with individual companies on human rights practices, the details of which are disclosed in our quarterly sustainable investment reports. We engage to encourage companies to respect human rights in line with the UNGPs. This means that companies formally commit to respect human rights, have human rights due diligence processes in place, and that any victims of human rights abuses have access to effective remedy. We are members of two collaborative engagement efforts; Find It, Fix It, Prevent It <https://www.modernslaveryccla.co.uk> of which we are a member of the engagement working group and the Investors Against Slavery and Trafficking APAC coalition <http://iaast.fastinitiative.org/>

Oppressive regimes are commonly associated with systematic human rights abuses, and often an absence of the rule of law, a lack of freedom of expression and land rights abuses. Through our ESG integration and active ownership process we seek to understand whether companies operate or have supply chains in countries governed by oppressive regimes. We comply with the sanctions regimes issued by the EU, the UN, Her Majesty's Treasury (HMT), and the Office of Foreign Asset Control (OFAC) in the United States.

Schroders fully supports the international conventions on Cluster Munitions, Anti-Personnel Mines, and Chemical and Biological Weapons. We will not knowingly hold the security of any company that is involved in the production, stockpiling, transfer and use of these weapons.

## 5. Where can I get more information?

Each year Schroders publishes a [Slavery and Human Trafficking Statement](#) updating on the progress and plans we have made towards combatting modern slavery in our business and supply chain.

### For employees

- [Schroders' Corporate Responsibility intranet site](#) (internal access only)
- [Schroders' Corporate Responsibility website](#)
- Country-specific Employee Handbooks (internal access only)
- [Schroders' Health and Safety Policy](#) (internal access only)
- [Schroders' Flexible Working Guide](#) (internal access only)
- [Schroders' Group Whistleblowing Policy](#)

### For suppliers

- [Schroders' Supplier Code of Conduct](#)

### For clients and any third parties

For information on our approach to sustainable investment and stewardship, please see:

- [Schroders' Sustainability website](#)
- [Schroders' Group Privacy Policy](#)
- [Schroders' Environmental, Social and Governance Policy for Listed Assets](#)
- [Schroders' Group Exclusion List](#)
- [Schroders' Sustainable Investment Reports](#)
- [Schroders' Group Whistleblowing Policy \(available on request\)](#)

For more information, please email [crmatters@schroders.com](mailto:crmatters@schroders.com)