In accordance with the Modern Slavery Act 2015, this statement provides an update on the progress that the Schroders Group ("Schroders" or the "Group") has made during 2017 and our plans for 2018 to prevent slavery and human trafficking from taking place in our business and supply chains.

We aim for high standards of governance throughout our organisation and corporate responsibility matters enormously to us. We recognise the responsibility we have towards our clients and other stakeholders, including our employees and society as a whole.

Organisational structure
Schroders is a global asset management organisation operating from 41 offices in 27 different countries across Europe, the Americas, Asia Pacific, Africa and the Middle East and employing over 4100 people. We manage assets on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world. We also offer private clients wealth management services.

Schroders plc is the ultimate holding company of the Schroders Group with its head office based in London and over 200 subsidiaries globally. Find out more about Schroders [here](#).

Our people
We have more than 4,100 employees who are essential to our success. They are based around the world, close to our clients and to the markets in which we invest.

Our continued commitment to combat slavery and human trafficking
Schroders is strongly opposed to slavery and human trafficking and will not knowingly support or conduct business with any organisation involved in such activities.

Our People
Our direct workforce is predominantly made up of professionally qualified and skilled employees and we consider the risk of modern slavery occurring within our business to be low. We are a living wage employer and have committed to meeting the living wage for all our London-based employees and where applicable, we expect our suppliers to adopt the same principle. All new employees are signposted to our employee handbook which includes a statement about our Code of Ethics and our Equal Opportunities Policy which makes it clear we oppose all forms of unfair discrimination or victimisation.
Our ethical standards
We promote high ethical standards and have an internal Whistleblowing Policy whereby employees can raise any suspected concerns regarding unethical behaviour or decisions that could indicate potential wrongdoing. A 24-hour hotline is available to employees to anonymously report any concerns and this is publicised widely.

Due diligence is undertaken before entering a new client relationship and this is enhanced in high-risk countries.

Training
We recognise that training is crucial to raising awareness of issues around slavery including how to spot signs of trafficking and where to report concerns. In 2017 we reviewed a range of training modules available (both off the shelf and bespoke) and we will be piloting selected e-learning modules with relevant individuals and teams within the firm during 2018. We also have plans in place to roll out awareness training for all staff on Modern Slavery as part of our unconscious bias training programme.

Our Suppliers
Schroders relies on the use of third parties to support high quality, effective and efficient delivery of our services to clients and 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.

As an asset management firm with relatively simple supply chains predominantly comprising business and professional services organisations, we believe that there is limited risk of slavery or human trafficking taking place. The vast majority of our major suppliers are headquartered in low risk countries and through 2018 we will be looking to collect a more detailed geographic breakdown of our supply chains.

Notwithstanding this, Schroders is committed to developing initiatives to prevent slavery or human trafficking in its supply chains. We undertake robust due diligence on all material suppliers and establish on-going performance measurement to monitor, review and manage these relationships.

Material suppliers are reviewed twice a year in line with our policies and this includes assessment against service levels, operational risk, compliance with regulation, business continuity and contractual obligations. The output from the bi-annual due diligence reports and other relevant market information is collated into a service provider risk report for review by the Board Audit and Risk Committee. We take a risk based approach to supplier management and classification with criteria which includes business impact of failure, service complexity, regulatory requirements, brand/reputational impact and contract length used to determine appropriate on-going contract and performance management activities.

Initiatives being undertaken
In 2017 we developed a new Supplier Relationship Management Policy to improve the governance of our relationships with our suppliers and enhance the robustness of our procurement process.

We also introduced a Supplier Code of Conduct (‘Code’) to set out the high standards and behaviours we expect from our suppliers. The Code requires that the prohibition of forced labour and human trafficking together with the ethical and responsible sourcing of goods or services are incorporated into the sourcing governance and execution processes of our suppliers.

ESG practices
We play an active role through our stewardship activities in encouraging ESG considerations in the companies we invest in. In 2016, we engaged with more than 530 companies across the world on ESG issues, on 761 occasions. This was a 54% increase from 2015 and covered topics such a climate change and bribery and corruption but also modern slavery and human rights.

As a responsible investor we have examined modern slavery risks across our holdings in high risk sectors. Consumer companies are most at risk of exposure to modern slavery but those with robust supply chain management strategies are likely to be best placed as the spotlight becomes brighter. View Modern slavery: how new regulation will impact consumer companies.

Modern slavery and companies’ management of their workers and suppliers more broadly, are becoming increasingly important to our analysis of the companies we invest in. As attention on this topic grows and transparency improves, we will continue to strengthen our assessment of business practices and engage with companies where we believe tougher action is needed.

This statement has been approved by the Boards of Schroders plc, Schroder Investment Management Limited, Schroder & Co. Limited, Schroder Pension Management Limited, Schroder Unit Trusts Limited and Schroder Real Estate Investment Management Limited.

Peter Harrison,
Group Chief Executive,
Schroders plc
15 December 2017

We are an accredited London Living Wage Employer.