

**Insight** Have investors missed the real revolution in electric vehicles?

**The cost of owning an electric vehicle (EV) is reaching parity with traditional vehicles**

But a fully electric future is still far off...

Estimated \$400bn required to fully convert the automobile industry\*



Consumers are not replacing their cars quickly, EVs will still represent <50% of global car sales by 2040\*

\*Source: Schroders

Cars may be slow off the mark, but electric van and lorry use is quietly accelerating



Commercial vehicles are being replaced more quickly due to shorter lifespans

Regulation and cost savings are driving rapid EV adoption for the logistics industry



**Interpret** Can Amazon really be a climate change champion?

**Amazon is ahead of its peers in preparing for the effects of climate change**

Amazon's use of cloud computing is more eco-friendly than traditional data centres

Powering the cloud is 28% less carbon intense than the global average electricity mix\*

88% reduction in carbon emissions for business computing



Aim to become carbon neutral by 2040

Use sophisticated technology to optimise deliveries

Committed to buying 100,000 electric delivery vans

E-commerce deliveries are more efficient and produce fewer emissions than having thousands of consumers drive to and from stores



\*Source: AWS average power mix carbon intensity of 393 grams/kWh for June 2015 and 2014 Global Energy Mix data from the International Energy Agency for on-premises assumptions

**Influence** A look back at Europe's 2019 proxy season

European investors are using shareholder activism to effect change in poorly governed companies, by requesting:

- Board directors are refreshed
- Additional dividends
- Alternative remuneration policies

The 2019 AGM season saw more votes against management:



Resolutions filed to remove a board director  
29\* 2019 vs 20\* 2018

Support for these shareholder resolutions  
69.1%\* 2019 vs 35.6%\* 2018

\*Source: Proxy insight

Our recent voting activity:



Voted 13,500+ resolutions across 1,000+ European company meetings

Votes against management 11.5% (Q2-2019) - 9.8% (Q2-2018)

Our support for audit committee members: 64.7% (2019) - 81.8% (2018)  
We expect the Chair of the audit committee to be independent

Source: Schroders as at 31 August 2019

**Influence**

**Our engagement with companies**

**Top 5 sectors in Q3 2019**



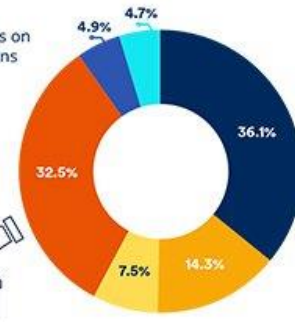
Source: Schroders as at 30 September 2019.

**Active ownership**

In Q3 2019 we voted on 725 meetings on approximately 99.27% of all resolutions

How the votes break down by region across the globe:

- UK
- Europe (ex-UK)
- North America
- Asia Pacific
- Middle East & Africa
- Latin America



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