Schroders

Schroder European Climate Transition Fund

Consumer Facing Disclosure

Product Identifier (LEI)	**5493006CMXQH2B41S986**	**Sustainability label**	
Manager Name	**Schroder Unit Trusts Limited**	Sustainability labels help investors find products that have a specific sustainability goal.	
Date	**11 February 2026**	This fund uses the Sustainability Improvers label, which is for funds that invest mainly in assets that may not be sustainable now, with an aim to improve their sustainability for people or the planet over time.	

Sustainability Goal

What is the fund's sustainability objective?

The Fund's sustainability objective is to invest in companies that have the potential to achieve net zero greenhouse gas (GHG) emissions by 2050. Such companies support decarbonisation and therefore contribute to the goal of limiting global warming to no more than 1.5˚C above pre-industrial levels.

Is the fund achieving or progressing towards its sustainability objective?

As at 31 December 2025, the Fund was meeting its sustainability objective. The Fund held 100% of its portfolio (apart from cash) in assets that the investment manager determined to have the potential to achieve net zero GHG emissions by 2050.

Could the sustainability objective have a material effect on financial returns or risks?

The Fund's sustainability criteria may limit its exposure to some investments. Any limitation on what the Fund can invest in potentially also limits financial returns and/or increases financial risks. To try to manage sustainability risks, the investment decision making process for the Fund includes the consideration of these risks alongside other factors.

Could the Fund's investments lead to material negative outcomes for the environment and/or society?

Although the Fund aims to invest in companies that have the potential to achieve net zero greenhouse gas (GHG) emissions by 2050, such companies will still produce GHG emissions in the interim and some negative outcomes for the environment and society in other areas. For example, a producer of sustainable aviation fuel may need to charge higher prices versus the cost of traditional fuel, which airlines may in turn recover through a higher air fare. This could result in issues of affordability and increased social inequality.

Sustainability Approach

What is the process the investment manager uses to identify assets that meet the sustainability objective?

The Fund invests at least 80% of its assets in equity and equity related securities of European countries, excluding the UK. The Fund invests at least 70% of its portfolio in assets which the investment manager determines to have the potential to achieve net zero GHG emissions by 2050 ("decarbonising investments"). Net zero GHG means that the amount of GHG emissions emitted into the atmosphere by a company is balanced by the amount removed. To qualify as a decarbonising investment, a company needs to have a temperature alignment of no more than 1.5˚C based on evidence of previous emissions reductions. This means that the company's expected emissions reductions are consistent with limiting global warming to 1.5˚C above pre-industrial levels.

To calculate a company's temperature alignment, the investment manager uses emissions data from a third party provider and company reports to produce four data sets (using a reference year of 2019, or the first reported year thereafter), and calculate the trend in emissions reduction for each: absolute emissions (based on Scope 1 and 2 emissions data); absolute emissions (based on Scope 1, 2 and 3 emissions data); emissions intensity (based on Scope 1 and 2 emissions data relative to annual revenue in USD); emissions intensity (based on Scope 1, 2 and 3 emissions data relative to annual revenue in USD). Absolute emissions measure the total amount of emissions of the company, while intensity measures emissions relative to a company's revenue. Scope 1 and 2 emissions come from a company's direct activities and indirect energy consumption, while Scope 3 emissions are indirect emissions from the company's value chain.

The investment manager then uses an industry-standard methodology (the CDP-WWF Temperature Scoring Methodology) to calculate the company's temperature alignment based on the data set with the greatest emissions reduction trend. If a company's temperature alignment is 1.5˚C or less, the company is deemed to be a decarbonising investment.

The Fund may also invest up to 30% of its assets in companies that are not deemed to be decarbonising investments, but have a company-reported emissions reduction target aligned with a temperature of no more than 1.5˚C (based on the industry-standard methodology referred to above).

Please see *"What is the investment manager's approach to sustainability?"* in the prospectus for more details.

What else might the fund invest in?

The Fund may also hold other assets that are not aligned with the sustainability objective for liquidity, risk management or diversification purposes. These may include assets that are treated as neutral for sustainability purposes such as cash and money market instruments, and derivatives used with the aim of reducing risk or managing the Fund more efficiently. No investment will be held if there would be a conflict with the Fund's sustainability objective – the investment manager defines these as companies that do not show evidence of a temperature alignment of 1.5˚C and have not set any targets consistent with that temperature alignment. The investment manager also applies restrictions on investing in companies with direct exposure above a certain level to specific harmful activities and sectors. Please see "*What will the investment manager avoid investing in?"* in the prospectus for more details.

What is the fund's approach to stewardship?

The investment manager engages with selected companies held by the Fund to support the achievement of the Fund's sustainability objective. This means working with companies to understand how investments are managing climate change considerations. In addition, the investment manager may escalate engagement, such as through using use voting rights to try to effect positive change on sustainability matters. Please see "*How does the investment manager engage with the investments it holds to support their contribution to the Fund's sustainability objective?"* in the prospectus for more details.

Sustainability Metrics

Key Performance Indicator (KPI)	Value
Percentage of assets with a temperature alignment of no more than 1.5˚C	76%[1]
Fund level temperature alignment	1.87[1]
Percentage of Fund emissions aligned with no more than 1.5˚C	68%[1]
Percentage of Fund emissions covered by engagements with companies	91%[1]

Emissions levels and temperature alignment are determined as set out under Sustainability Approach above. Please see "*What Key Performance Indicators (KPIs) does the investment manager use to assess whether the fund is meeting its sustainability objective?"* in the prospectus for full details.

More Information

You can find more information on the Fund, including links to the prospectus; KIID; costs and charges information; and the product and manager level sustainability reports (once available) on the Fund's webpage, accessed via https://www.schroders.com/en-gb/uk/individual/fund-centre/.

For more information on the sustainability disclosure and labeling regime, please visit: https://www.fca.org.uk/firms/climate-change-and-sustainable-finance/sustainability-disclosure-and-labelling-regime.

This document provides you with information about the sustainability features of this fund. It is not marketing material and does not constitute or form part of any offer or invitation to buy or sell any security including any shares in the fund. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest. Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Issued by Schroder Unit Trusts Limited, 1 London Wall Place, London EC2Y 5AU. Registration No 4191730 England. Authorised and regulated by the Financial Conduct Authority.

[1] As at 31.12.2025