

Schroder International Selection Fund – QEP Global ESG

Environmental and social characteristics

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

Sustainability criteria of the Fund

The Investment Manager applies sustainability criteria when selecting investments for the Fund. These are set out in the Investment Policy of the Prospectus.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will then decide whether a company is eligible for inclusion in the Fund, based on its sustainability profile. The sustainability characteristics of a company can also impact the sizing of positions in the Fund.

Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as business involvement, safety, employee welfare, supply chain management and data privacy.

The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.

The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

Target constraining and/or comparative benchmarks do not take into account the environmental and social characteristics of the Fund.

In order to achieve its environmental and social characteristics, the Fund does not directly invest in the following sectors:

Environmental exclusions

| Excluded Activity | Criteria |
|--|----------|
| Thermal Coal Mining Maximum Percentage of Revenue | 0% |
| Unconventional Oil and Gas Extraction & Production Maximum Percentage of Revenue | 10% |
| Oil Sands Extraction Maximum Percentage of Revenue | 5% |
| Shale Oil Production Maximum Percentage of Revenue | 5% |

Source: Schroders, as at June 2022. Screening data is provided by a third party unless otherwise specified.

Maximum percentage of revenue refers to highest acceptable revenue figure for that business activity.

Value chain refers to the related business activities that are considered these include suppliers, distributors, retailers and producers.

Any tie includes companies with an industry tie to the excluded activity.

| | |
|---|---------|
| Shale Gas Production Maximum Percentage of Revenue | 5% |
| Nuclear Power Activities Maximum Percentage of Revenue | 5% |
| Thermal Coal Power Generation Maximum Percentage of Revenue | 30% |
| Evidence of Thermal Coal Reserves | Any tie |

Social exclusions

| Excluded Activity | Criteria |
|---|----------|
| Tobacco Value Chain Maximum Percentage of Revenue | 5% |
| Alcohol Value Chain Maximum Percentage of Revenue | 5% |
| Gambling Maximum Percentage of Revenue | 5% |
| Adult Entertainment Maximum Percentage of Revenue | 5% |
| Civilian Firearms Maximum Percentage of Revenue | 5% |
| Weapons Maximum Percentage of Revenue | 5% |
| Nuclear Weapons Maximum Percentage of Revenue | 0% |
| Predatory Lending Maximum Percentage of Revenue | 5% |

Bespoke Schroders exclusions

| Excluded Activity | Criteria |
|---|----------|
| Schroders Controversial Weapons Curated List ¹ | All |

Schroders' approach to Sustainability

Further information on Schroders' approach to sustainable investment can be found in the following Schroder group site: <https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/>

¹ Schroders controversial weapons screening covers cluster munitions, anti-personnel mines, and chemical and biological weapons. Full details of the criteria and company names are available via the following link: <https://www.schroders.com/en/sustainability/active-ownership/group-exclusions/>

Source: Schroders, as at June 2022. Screening data is provided by a third party unless otherwise specified.

Maximum percentage of revenue refers to highest acceptable revenue figure for that business activity.

Value chain refers to the related business activities that are considered these include suppliers, distributors, retailers and producers.

Any tie includes companies with an industry tie to the excluded activity.