

## Sustainability-related disclosures

# Schroder International Selection Fund - Global Diversified Growth

Legal entity identifier: UILX05PRFETP7OQYCX05

## Summary

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index – EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager’s rating system. The component benchmarks (which are each respectively a broad market index) do not take into account the environmental and social characteristics promoted by the Fund. No reference benchmark has been designated for the purpose of meeting the environmental or social characteristics promoted by the financial product. The blend will evolve over time in line with the actual asset allocation of the Fund. The sustainability score of the Fund is measured by SustainEx™, Schroders’ proprietary tool that provides an estimate of the potential social and environmental costs and benefits that an issuer may create.

The Fund is actively managed and invests directly or indirectly through derivatives or open-ended Investment Funds (including other Schroder Funds) and Exchange Traded Funds in a wide range of assets including equity and fixed income securities and Alternative Asset Classes.

The Fund may also apply certain exclusions. Further information on all of the Fund’s exclusions is to be found further below in the “Monitoring of environmental or social characteristics” section. The exclusion of certain activities, industries or groups of issuers listed below, as well as the investment limits applicable to the Fund, will be measured within the Investment Manager’s portfolio compliance framework.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment pillars. Compliance Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The minimum proportion of the Fund’s assets used to attain the environmental or social characteristics is equal to 60%. The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders’ proprietary tool. The Fund includes investments that are treated as neutral for sustainability purposes. It may also include investments that are not scored by Schroders’ proprietary sustainability tool and so do not contribute towards the Fund’s sustainability score.

The Fund’s investment and asset selection process has been reviewed and approved by the investment manager’s Product Development Committee that includes representatives from the Legal, Compliance, Product and Sustainable Investment functions. Ongoing compliance with the agreed sustainability characteristics is monitored by the Portfolio Compliance Team. There are no external controls on that due diligence.

The Investment Manager draws information on investee companies from publicly available corporate information and company meetings, from broker reports, industry bodies, and research organisations, think tanks, legislators, consultants, Non-Governmental Organisations and academics.

Third party research may be used, however our internal analysts form a proprietary view on each of the companies we analyse.

The Investment Manager subscribes to external ESG research providers including; MSCI ESG research, Bloomberg and Refinitiv, which is subject to periodic review and change.

Whilst the third parties that deliver the vast majority of the data used have been chosen carefully, data errors may occur. To address this, we have a dedicated team pro-actively monitors for errors and resolves data queries. This involves close collaboration with the third-party data providers, and managing and tracking data corrections.

Limitations to the Investment Manager's methodology and data may arise from data availability, and specifically the lack of company reported data.

Where data is not available, Schroders will engage with companies to encourage them to disclose the missing data points. Some of our proprietary tools infer missing values where applicable. Our models typically employ a range of techniques to estimate missing values where appropriate and reasonably robust.

Where data for a metric is not sufficiently available to form robust conclusions, we do not include that metric in our tools. The coding and monitoring of investment risk restrictions is the responsibility of the Investment Manager's Portfolio Compliance team.

The data in the portfolio compliance framework forms the basis for monitoring of risk limits and indicators, and the latest information on portfolio structure (such as asset allocation, sector and country positions) and risk metrics is available to our investment risk, portfolio compliance and investment teams.

We consider active ownership to be the influence we can apply to management teams to ensure sustainable practices in the assets in which we invest. We aim to drive change that will protect and enhance the value of our investments and we are committed to leveraging the weight of our firm to change how a company is operating for the better.

Further details on our approach to active ownership policy is publicly available:

<https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf>

## No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at <https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/>.
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNG) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found further below in the "Monitoring of environmental or social characteristics" section.

## Environmental or social characteristics of the financial product

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system. The component benchmarks (which are each respectively a broad market index) do not take into account the environmental and social characteristics promoted by the Fund. The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

For more information on how the sustainability score is measured please refer to the "Methodologies for environmental or social characteristics" section.

## Investment strategy

The sustainable investment strategy used by the Investment Manager is as follows:

Source: Schroders, as at December 2025. 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.

The Fund is actively managed and invests directly or indirectly through derivatives or open-ended Investment Funds (including other Schroder Funds) and Exchange Traded Funds in a wide range of assets including equity and fixed income securities and Alternative Asset Classes.

The Fund may invest directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities. The Fund may invest up to 20% of its assets indirectly in commodities. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 25% and is expected to remain within the range of 0% to 15% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may invest up to 10% of its assets in open-ended Investment Funds (including other Schroder Funds). The Fund may invest in another fund that charges a performance fee.

The Fund may invest in Money Market Investments and hold cash.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend\* of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system. The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under the "Monitoring of environmental or social characteristics" section.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars. Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund. The Investment Manager may select investments, which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage:

<https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/>.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries, is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

Source: Schroders, as at December 2025. 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.

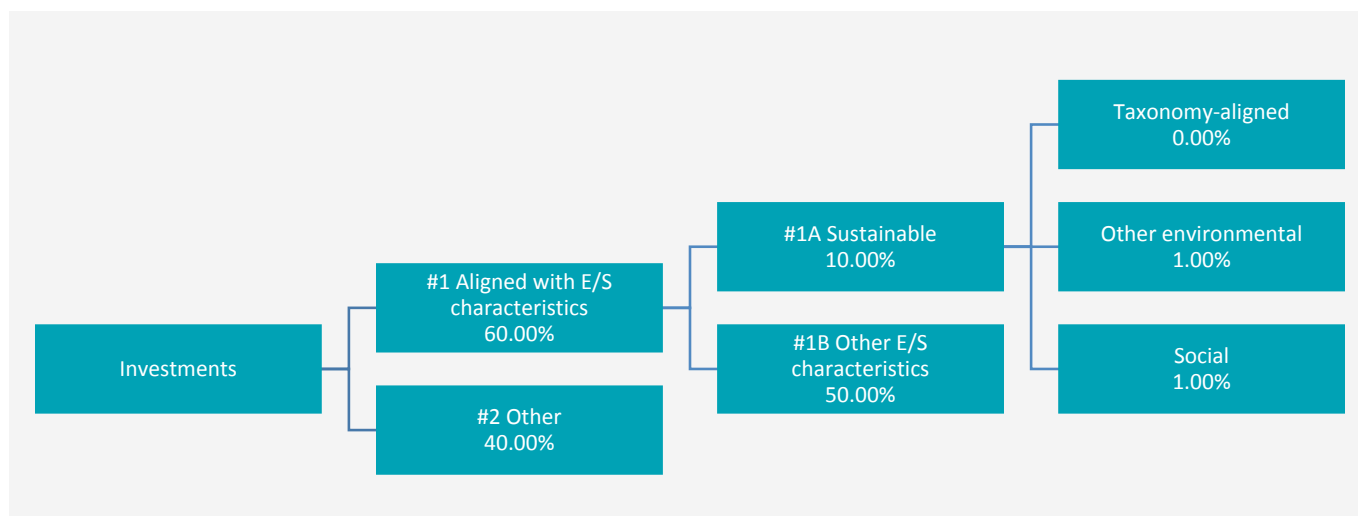
Value chain refers to the related business activities that are considered these include suppliers, distributors, retailers and producers.

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

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

## Proportion of investments

The planned composition of the Fund’s investments that are used to meet its environmental or social characteristics are summarised below.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**#1 Aligned with E/S characteristics** includes the minimum proportion of the Fund’s assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), and so the Fund’s investments that are scored by Schroders’ proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund’s sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders’ proprietary sustainability tool. the minimum proportion of assets that are invested in sustainable investments, Is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

For more information on how the sustainability score is measured please refer to the “Methodologies for environmental or social characteristics” section.

**#2 Other** includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders’ proprietary sustainability tool and so do not contribute towards the Fund’s sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders’ credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders’ proprietary tool, which supports the analysis of a counterparty’s management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders’ proprietary tool would lead to further analysis and potential exclusion by Schroders’ credit risk team.

Source: Schroders, as at December 2025. 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.

## Monitoring of environmental or social characteristics

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the blend of the named benchmarks by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the blend of the named benchmarks that reflects the Fund's asset allocation. Both scores are based on month-end data over the previous six-month period. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

Exclusions and limits are coded into this framework to seek to ensure that pre-trade compliance correctly flags the securities that should not enter the portfolio. Securities excluded based on revenue thresholds are evaluated quarterly by the Sustainable Investment team using MSCI's revenue data.

The coding and monitoring of investment risk restrictions is the responsibility of the Investment Manager's Portfolio Compliance team .

The data in the portfolio compliance framework forms the basis for monitoring of risk limits and indicators, and the latest information on portfolio structure (such as asset allocation, sector and country positions) and risk metrics is available to our investment risk, portfolio compliance and investment teams.

### Exclusion Criteria

#### Environmental exclusions

Excluded Activity	Criteria
Thermal Coal Mining Maximum Percentage of Revenue	10%
Thermal Coal Power Generation Maximum Percentage of Revenue	30%

#### Social exclusions

Excluded Activity	Criteria
Tobacco Production Maximum Percentage of Revenue	10%
Tobacco Value Chain Maximum Percentage of Revenue	25%

#### Bespoke Schroders exclusions

Excluded Activity	Criteria
Schroders Controversial Weapons Curated List[1]	All
Schroders' 'Global Norms' Breach List	All

[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/>

## Methodologies for environmental or social characteristics

The Fund promotes the following characteristic: it maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system.

As stated above, the sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

Source: Schroders, as at December 2025. 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.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every \$100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of \$2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

As part of its broader assessment, the Investment Manager also considers the following:

## CONTEXT

Context is a proprietary ESG research tool which provides a systematic framework for analysing a company's relationship with its stakeholders and the sustainability of its business model. Comprising over 260 metrics across over 13,000 companies, it is designed to support the Investment Manager's understanding of the sustainability of companies' business models and profitability, and provides structured, logical and wide-ranging data.

The tool enables analysts to select the most material ESG factors for each sector, weight their importance and apply relevant metrics. Analysts are then able to compare companies based on the metrics selected, their own company assessment scores or adjusted rankings (size, sector or region), with the flexibility to make company specific adjustments to reflect their detailed knowledge. The tool is fully integrated within Schroders' global research platform, which is readily accessible across investment desks and geographies.

## External Research

The Investment Manager uses information from several external ESG research firms, but only ever as one input into the Investment Manager's own company assessments to be questioned, examined and built on. External data providers are used to challenge or endorse the proprietary view of the Investment Manager.

The Investment Manager's Sustainable Investment team has extensive networks within its respective field. Information is drawn from publicly available corporate information and company meetings, from broker reports, industry bodies, and research organisations, think tanks, legislators, consultants, Non-Governmental Organisations and academics; wherever it is felt the information would add value to the Investment Manager's analysis.

Through this process, the Investment Manager aims to evaluate the relevance and materiality of a range of ESG factors on future earnings growth and as potential risk factors for a company.

## Data sources and processing

In order to assess and understand the potential impact of sustainability risks and opportunities, Schroders has developed a range of proprietary tools. These tools rely on data that is available at the level of the underlying investment holdings.

The Investment Manager draws information on investee companies from publicly available corporate information and company meetings, from broker reports, industry bodies, and research organisations, think tanks, legislators, consultants, Non-Governmental Organisations and academics.

Third party research may be used, however our internal analysts form a proprietary view on each of the companies we analyse. Financial analysts may also use third-party research to support their assessment of ESG issues when analysing companies, in addition to consulting with our in-house ESG specialists. Through this process, we aim to evaluate the relevance and materiality of a range of ESG factors on the sustainability of future earnings growth and as potential risk factors for a company.

The Investment Manager subscribes to external ESG research providers including; MSCI ESG research, Bloomberg and Refinitiv, which is subject to periodic review and change.

Whilst the third parties that deliver the vast majority of the data used have been chosen carefully, data errors may occur. To address this, we have a dedicated team pro-actively monitors for errors and resolves data queries. This involves close collaboration with the third-party data providers, and managing and tracking data corrections.

Where data is not available, Schroders will engage with companies to encourage them to disclose the missing data points. This additional information will be used alongside data from conventional and unconventional data sources that feed into our proprietary tools.

Some of our proprietary tools infer missing values where applicable. Our models typically employ a range of techniques to estimate missing values where appropriate and reasonably robust. For example, in one tool, where reported values are missing for companies, we fill using metric-specific rules such as filling with the industry peer group 60th percentile where higher values are considered negative and the peer group 40th percentile where higher values are considered beneficial (which is a conservative approach).

Where data for a metric is not sufficiently available to form robust conclusions, we do not include that metric in our tools.

Source: Schroders, as at December 2025. 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.

Whilst there may be some data estimation, it tends to be a marginal amount at the portfolio level with regard to our assessment of the sustainability characteristics of each company. The proportion of estimated data may vary over time.

## Limitations to methodologies and data

Limitations to the Investment Manager's methodology and data mainly arise from data errors, data availability, specifically the lack of company reported data in some cases and data estimation as detailed in the section titled "Data sources and processing". Due to the range of data sources and due to combining both qualitative and quantitative elements involving a degree of subjectivity and judgement from the investment manager, we believe that these data limitations do not in aggregate materially impact our attainment of the environmental or social characteristics of the Fund.

## Due diligence

The Fund's investment and asset selection process has been reviewed and approved by the Investment Manager's Product Development Committee that includes representatives from the Legal, Compliance, Product and Sustainable Investment functions. Ongoing compliance with the agreed sustainability characteristics is monitored by the Portfolio Compliance Team. There are no external controls on that due diligence.

## Engagement policies

We consider active ownership to be the influence we can apply to management teams to ensure sustainable practices in the assets in which we invest. We aim to drive change that will protect and enhance the value of our investments and we are committed to leveraging the weight of our firm to change how a company is operating for the better.

Our active ownership priorities reflect the combined perspectives of our fund managers, investment analysts and sustainability specialists across the firm, supported centrally by the Sustainable Investment team. As a result, we are able to take a common approach across investment desks.

We focus on sustainability issues which we determine to be material to the long-term value of our investee holdings. When material and relevant, we believe that companies that address these factors, where lacking, will drive improved financial performance for our clients. These issues reflect expectations and trends across a range of stakeholders including employees, customers, and communities, to the environment, suppliers and regulators. By strengthening relationships with that range of stakeholders, business models become more sustainable. The governance structure and management quality that oversee these stakeholder relationships are also a focus for our engagement discussions. In addition, we seek to reflect the priorities of our clients. Based on this process, we identify six broad themes for our engagement: climate, natural capital & biodiversity, human rights, human capital management, diversity & inclusion and governance.

Our themes are underpinned by additional cross-cutting thematic priorities. We also increasingly recognise the interconnectedness of ESG themes, such as the "just transition", which recognises the social dimension of the transition to a resilient and low-carbon economy. We seek to reflect this interconnectedness in our engagements with companies.

### How we engage

We identify three key methods for practicing active ownership:

1. **Dialogue:** We speak with companies to understand if and how they are preparing for the long-term sustainability challenges they face.
2. **Engagement:** We work with companies to help them to recognise the potential impact of these challenges and to help them take action in the areas where change may be required.
3. **Voting (where applicable):** We use our voice and rights as shareholders to make sure these changes are effected.

These forms of active ownership can take place directly with companies, led by our fund managers, investment analysts and Sustainable Investment team; they can also take place in collaboration with other groups. Engagement is therefore a component of the portfolio's investment strategy, both from an environmental and social perspectives.

We recognise that effective engagement requires continuous monitoring and ongoing dialogue. Where we have engaged repeatedly and seen no meaningful progress, we will escalate our concerns. Decisions on whether and how to escalate are based on the materiality of each issue, its urgency, the extent of our concern and whether the company has demonstrated progress through previous engagements. We identify a number of methods to escalate our engagements, such as meeting or otherwise communicating with non-executive directors or the chair of the Board, publicly stating our concerns, withholding support or voting against management and directors (where applicable) up to divesting partially or fully.

Our approach to active ownership focusses on achieving real-world outcomes and achieving change. When determining when to engage and setting an objective for the engagement, we consider:

1. **Materiality:** We seek to focus our engagement on the most material sustainability threats and opportunities to the company.
2. **Regional context:** The materiality of issues and the expectations we have of companies vary by country and region; for example, differing socio-cultural factors, regulatory maturity and resource constraints. Where possible we reference country or regional initiatives, regulations and leading practice from peers in our dialogue with companies.

Source: Schroders, as at December 2025. 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.

3. Realistic outcomes: We consider both leading practice and what could realistically be achieved by the company in the next few years, including considering the size of the company.
4. Ability to monitor progress: We use objective, measurable metrics or indicators that can be used to assess company performance on an issue.
5. Length of engagement: We aim to set short- to mid-term objectives – that can often be achieved over a 12- to 24-month period depending on the intensity of the engagement – but with a longer-term vision in mind.

We aim to set pre-defined SMART (specific, measurable, achievable, realistic and time-bound) engagement objectives. We regularly monitor progress against the engagement objectives, at least annually, and at a frequency that is appropriate for the priority of the engagement and materiality of the issue or holding. That said, we recognise that the length of time to achieve an objective will vary depending upon its nature, and that key strategic changes will take time to implement into a company's business processes. A measurable outcome from our engagement upon completion of an objective could take a range of forms, including additional disclosure by a company, influencing the company strategy on a particular issue, or a change to the governance of an issue.

Further details on our approach to active ownership policy is publicly available:

<https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf>

## Designated reference benchmark

No reference benchmark has been designated for the purpose of meeting the environmental or social characteristics promoted by the financial product.

## Summary of changes:

Version	description of change
01/12/2025	Prospectus alignment

Source: Schroders, as at December 2025. 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.