

Schroder Investment Management (Europe) S.A

No consideration of adverse impacts of investment advice on sustainability factors

The financial adviser does not consider adverse impacts of investment decisions on sustainability factors in its investment advice, using the indicators outlined in Table 1, Annex I of Delegated Regulation (EU) 2022/2088. Although the relevant data is available, consideration of the above mentioned indicators has not yet been required under the current advisory mandate terms with clients. However, the Financial adviser will consider the above mentioned indicators as and when required to do so under the advisory mandate terms.

As a financial advisor, we believe that we should incorporate sustainability factors into our advice on and analysis of potential investment opportunities. In our view, consideration of sustainability factors is an intrinsic part of assessing investment risk in our clients' investment portfolios. Companies face competitive pressures from a wider range of sources, on a larger scale and at a faster pace than ever before. We no longer have a choice over whether to seek exposure to sustainability risks and opportunities for our clients; we believe that all companies and portfolios will be impacted over time. By considering sustainability risks alongside other factors we seek to achieve superior risk-adjusted returns for our clients consistent with their preferences.

Our approach to sustainability means that the financial products that we may recommend to our clients through our investment advice can have a potential to generate positive societal and environmental impact or sustainability risk-measured performance, alongside financial returns. Sustainability considerations are integrated into our asset allocations, where we analyse from a top-down perspective, the long-term implications of sustainability factors on asset class returns. To form an assessment on what asset classes may pose the greatest risks to investment performance over the longer term, we use certain proprietary models. One of these models is SustainEx™, which is Schroders' proprietary measure of the social and environmental impact that a company may create. Based on independent data and research, the model combines measures of both the harm companies can do (for example, through activities like carbon emissions) and the good they can bring (for example, through paying a 'living wage') to produce an aggregate measure of each company's social and environmental impact.

In addition to assessing environmental, social and corporate governance factors from a top-down perspective (for example, by limiting our exposure to carbon-intensive assets), we also determine that the funds and investments we select for our clients meet any relevant longer-term sustainability goals consistent with their preferences. Schroders has integrated sustainability risk and factors into our investment processes across our asset management business. This has been done with the aim of ensuring that material long term sustainability risks and opportunities are considered as part of the investment decision-making processes, including within our investment advisory programs.

Over time, we intend to continue to review our methodologies and presentation of sustainability-related disclosures to our clients and other stakeholders in compliance with Delegated Regulation (EU) 2022/2088 as part of the Sustainable Finance Disclosure Regulation (SFDR).

Important information

Nothing in this material should be construed as advice or a recommendation to buy or sell. Information herein is believed to be reliable but we do not warrant its completeness or accuracy. Any data has been sourced by us and is provided without any warranties of any kind. It should be independently verified before further publication or use. The material is not intended to provide, and should not be relied on for accounting, legal or tax advice. Reliance should not be placed on any views or information in the material when taking individual investment and/or strategic decisions. No responsibility can be accepted for error of fact or opinion. Any references to securities, sectors, regions and/or countries are for illustrative purposes only. Schroders has expressed its own views and opinions in this document and these may change.

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. Exchange rate changes may cause the value of any overseas investments to rise or fall. Past Performance is not a guide to future performance and may not be repeated.

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