

25 August 2023

Dear Shareholder,

Schroder International Selection Fund (the "Company") – European Innovators (the "Fund")

We are writing to inform you that the Fund's sustainability criteria has been clarified.

The Fund is classified as Article 9 under the EU Sustainable Finance Disclosure Regime ("SFDR"). The Fund's sustainable investment objective is to invest in European companies that contribute towards the advancement of one or more of the United Nations Sustainable Development Goals ("SDGs") using a science or engineering-driven, innovation-led approach. Following a review of the Fund's sustainability criteria, the investment manager considers that certain commitments that the Fund made following the introduction of SFDR are no longer required. These are i) that at least 80% of the Fund's individual holdings have a positive sustainability score relative to the Fund's target benchmark, and ii) that the investment manager aims for more than 75% of the holdings to have at least strong governance scores.

The sustainability criteria section has also been updated to reflect that at least 90% of the portion of the Fund's net asset value invested in companies is rated against the sustainability criteria.

In addition, as funds classified as Article 9 under SFDR must only invest in investments that are sustainable or neutral under their sustainability criteria, the investment policy has also been updated to clarify this and to remove the provision that the Fund may invest in companies that the investment manager believes will improve.

The SFDR pre-contractual document contained in the prospectus has also been updated to reflect the above clarifications.

The Fund's SFDR Article 9 status is not affected by these clarifications.

You can see full details of the changes made to the Fund's investment policy and sustainability criteria in the Appendix below.

The extent of the change to the risk/reward profile of the Fund as a result of these changes is non-significant.

All other key features of the Fund, including the relevant risk indicator and fees, will remain the same.

You can find the Fund's updated key information document (the KID) for the relevant share class and the Company's Prospectus at www.schroders.lu.

If you have any questions or would like more information about Schroders' products please visit www.schroders.com or contact your local Schroders office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 202.

Yours faithfully,

The Board of Directors

Appendix

New wording is shown in bold. Removed wording is shown as strikethrough text.

Schroder ISF European Innovators

Old investment policy	New investment policy
<p>The Fund is actively managed and invests at least 75% of its assets in sustainable investments, which are investments in companies that contribute towards the advancement of one or more of the UN SDGs using a science or engineering driven, innovation-led approach (please see the Fund Characteristics section for more details).</p> <p>The Fund does not directly invest in certain activities,</p> <p>industries or groups of issuers above the limits listed under “Sustainability Information” on the Fund’s webpage, accessed via www.schroders.com/en/lu/private-investor/gfc.</p> <p>The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager’s rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Fund may invest in companies that the Investment</p> <p>Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.</p> <p>The Investment Manager may engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures.</p> <p>The Fund will invest at least two thirds of its assets in a</p> <p>concentrated range of equity and equity related securities of European companies. This means typically holding fewer than 30 companies.</p>	<p>The Fund is actively managed and invests at least 75% of its assets in (i) sustainable investments, which are investments in companies that contribute towards the advancement of one or more of the UN SDGs using a science or engineering driven, innovation-led approach (please see the Fund Characteristics section for more details), and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria.</p> <p>The Fund does not directly invest in certain activities,</p> <p>industries or groups of issuers above the limits listed under “Sustainability-Related DisclosuresInformation” on the Fund’s webpage, accessed via https://www.schroders.com/en/lu/private-investor/gfc.</p> <p>The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager’s rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Fund may invest in companies that the Investment</p> <p>Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.</p> <p>The Investment Manager may engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website webpage https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures.</p>

<p>The Fund may also invest up to one-third of its assets</p> <p>directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies,</p> <p>Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions</p> <p>provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of achieving</p> <p>investment gains, reducing risk or managing the Fund more efficiently.</p>	<p>The Fund will invest at least two thirds of its assets in a</p> <p>concentrated range of equity and equity related securities of European companies. This means typically holding fewer than 30 companies.</p> <p>The Fund may also invest up to one-third of its assets</p> <p>directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies,</p> <p>Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions</p> <p>provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of achieving</p> <p>investment gains, reducing risk or managing the Fund more efficiently.</p>
Old Sustainability Criteria	New Sustainability Criteria
<p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>The Investment Manager seeks to identify science and engineering-led European companies whose business contributes to addressing challenges faced in society such as reducing CO2 emissions, tackling air pollution and managing the use of scarce resources. The Investment Manager also seeks to identify companies that provide solutions to address the needs of growing and aging populations in areas including healthcare, transport, food and access to crucial services. The Investment Manager</p> <p>will assess how a company is helping to solve problems in society by drawing links between the products and services it sells and one, if not several, of the UN SDGs.</p> <p>Companies held by the Fund are expected to show a commitment to their stakeholders, including customers, employees, suppliers and regulators. The Fund invests in those companies which consider stakeholders fairly and have good governance. Companies meeting the above criteria are considered as potential holdings in the Fund. The Investment Manager performs its own</p>	<p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>The Investment Manager seeks to identify science and engineering-led European companies whose business contributes to addressing challenges faced in society such as reducing CO2 emissions, tackling air pollution and managing the use of scarce resources. The Investment Manager also seeks to identify companies that provide solutions to address the needs of growing and aging populations in areas including healthcare, transport, food and access to crucial services. The Investment Manager</p> <p>will assess how a company is helping to solve problems in society by drawing links between the products and services it sells and one, if not several, of the UN SDGs.</p> <p>Companies held by the Fund are expected to show a commitment to their stakeholders, including customers, employees, suppliers and regulators. The Fund invests in those companies which consider stakeholders fairly and have good governance. Companies meeting the above criteria are considered as potential holdings in the Fund. The Investment Manager performs its own</p>

<p>due diligence on potential holdings including, where possible, meetings with senior management.</p> <p>This analysis is supported by quantitative analysis gained from Schroders' proprietary sustainability tools. Such tools are key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.</p> <p>The Investment Manager aims to ensure that more than 80% of the Fund's individual holdings have a positive sustainability score relative to the Fund's target benchmark. The Investment Manager aims for more than 75% of holdings to have at least strong governance scores.</p> <p>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</p> <p>the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in</p> <p>accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of European companies.</p>	<p>due diligence on potential holdings including, where possible, meetings with senior management.</p> <p>This analysis is supported by quantitative analysis gained from Schroders' proprietary sustainability tools. Such tools are key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.</p> <p>The Investment Manager aims to ensure that more than 80% of the Fund's individual holdings have a positive sustainability score relative to the Fund's target benchmark. The Investment Manager aims for more than 75% of holdings to have at least strong governance scores.</p> <p>The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of</p> <p>the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in</p> <p>accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of European companies.</p>
---	--

ISIN codes of the share classes impacted by this change:

Share class	Share class currency	ISIN code
A Accumulation	EUR	LU0591897516
A Distribution	EUR	LU1817472001
B Accumulation	EUR	LU2305367166
C Accumulation	EUR	LU0591897862
C Distribution	EUR	LU1817472423
E Accumulation	EUR	LU1577467829
I Accumulation	EUR	LU0591898084
IZ Accumulation	EUR	LU2016215696
S Distribution	EUR	LU1817472936
Z Accumulation	EUR	LU0966865528
A Distribution	GBP	LU1817473744
C Distribution	GBP	LU1817474478
E Accumulation	GBP	LU1577468124
S Distribution	GBP	LU1817474809
Z Accumulation	GBP	LU1577468710
C Distribution	GBP Hedged	LU1817476507