

**Product Identifier (LEI)** 549300KVUJMBFWNH8671

**Sustainability label**



**Manager Name** Schroder Unit Trusts Limited

Sustainability labels help investors find products that have a specific sustainability goal.

**Date** 17 February 2025

This fund uses the Sustainability Focus label, which is for funds that invest mainly in assets that focus on sustainability for people or the planet.

## Sustainability Goal

### What is the fund's sustainability objective?

The Fund's sustainability objective is to invest in companies that the investment manager assesses as making a positive contribution to the global transition to lower carbon sources of energy, such as companies involved in lower carbon energy production, distribution, storage, transport and the supply of related materials and technology. These are companies that either (1) generate at least 50% of their revenue from activities associated with the transition; or (2) meet the investment manager's criteria for performance of a 'critical role' in the transition.

### Is the fund achieving or progressing towards its sustainability objective?

The Fund began to use a sustainability label less than a year ago, so this information is not yet available.

### 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 select companies that make a positive contribution to the global transition to lower carbon sources of energy, such companies will still produce some negative outcomes for the environment and society in other areas. For example, a battery manufacturer may produce an environmental benefit in terms of avoided carbon emissions but could also produce an environmental cost to biodiversity through the mining of rare earth metals required in battery production.

## Sustainability Approach

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

The Fund invests at least 90% of its assets in equity and equity related securities of companies worldwide that the investment manager assesses as making a positive contribution to the global transition to lower carbon sources of energy. These include companies involved in activities contributing to the transition, for example: lower carbon energy production (such as the manufacturing of renewable equipment); lower carbon energy distribution (such as manufacturing of critical electrical equipment for the power grid); lower carbon energy storage (such as the manufacturing of batteries and other types of energy storage solution); lower carbon transport (such as the manufacturing of electric and other zero carbon vehicles); or the supply of related materials and technology (such as the manufacturing of critical components for a lower carbon energy system or companies licensing lower carbon energy technology designs to third-party manufacturers).

A company can demonstrate this by either: (1) generating at least 50% of its revenue from activities associated with the global transition to lower carbon sources of energy, based on revenue data from a third-party provider or the company itself; or (2) meeting the investment manager's criteria for performance of a 'critical role' in the transition. The critical roles assessment that takes into account market share, capital expenditure and/or operating expenditure associated with the transition. This is typically relevant, for example, where a company is one of the largest and/or one of the most important participants in a particular sustainable industry. Particularly, if that industry is relatively small and the company also has much wider operations, meaning it may be generating more significant revenue from other areas of its business. No more than 15% of the Fund's assets invested in such companies may contribute to the minimum 90%. The investment manager's assessment of whether a company plays a 'critical role' is reviewed by Schroders' Sustainable Investment Panel (the Panel), which is independent from the investment team.

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 or risk management purposes. These may include assets that are treated as neutral for sustainability purposes such as cash and money market instruments. 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 generate revenue above a certain threshold in sectors or industries that are expected to actively conflict with the global transition to lower carbon energy sources. 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, where appropriate, to try to increase their positive contributions, and reduce the size of their negative contributions. The investment manager may also 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
<b>Overall revenue alignment of the Fund with the sustainability objective</b>	Data unavailable <sup>1</sup>
<b>Proportion of companies held by the Fund generating more than 50% of their revenue from activities aligned with the sustainability objective</b>	Data unavailable <sup>1</sup>
<b>Tonnes of emissions avoided through the activities of the companies held by the Fund</b> ( <i>through the substitution of high carbon activities with alternative low carbon activities</i> )	Data unavailable <sup>1</sup>
<b>Percentage of investments that are sustainable</b> ( <i>as determined by the minimum 50% revenue alignment and Sustainable Investment Panel review</i> )	Data unavailable <sup>1</sup>
<b>Investments that are classified as sustainable based on Sustainable Investment Panel review</b>	Data unavailable <sup>1</sup>

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.

Where revenue data or avoided emissions data is not available from a third party sustainability data provider, Schroders may engage with companies to encourage them to disclose the missing data points and may draw upon a variety of other data sources, including studying research and analysing underlying assets. However, data limitations may still arise from data errors, data availability and data estimation. These data limitations do not in aggregate materially affect our assessment of alignment with the sustainability objective or KPIs of the Fund.

## 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.

<sup>1</sup> Data will be available from the end of the first annual reporting period onwards.