PRI PRINCIPLES FOR RESPONSIBLE INVESTMENT

REPORTING CORE

TRANSPARENCY REPORT 2026

BLUEORCHARD FINANCE

24 November 2026

About PRI reporting

Each year, PRI signatories are required to report on their responsible investment activities, contributing to the largest global reporting project on responsible investment. PRI reporting was developed with investors, for investors.

About this report

Transparency Reports document a signatory's responses to the PRI Reporting Framework during the 2026 reporting period. They include all of a signatory's responses and provide trend analysis of aggregated signatory data based on key themes.

Indicators within the Reporting Framework are organised into categories, called Responsible investment activities, which reflect common areas of practice; this report mirrors that structure. For each of the indicators within this report, all options selected by the signatory are presented exactly as reported, including links and qualitative responses. For some indicators, all applicable options are included for additional context.

Unless they are in their grace period, signatories' Transparency Reports are visible to all PRI signatories; a reporting organisation may choose to share its own Transparency Report with a wider audience including clients, beneficiaries and other stakeholders. Signatories who are in their grace period can opt to keep their Transparency Report private, this means it would only be visible to them.

This report incorporates analysis to help understand the individual signatory's disclosures in context. In early 2027, the PRI will publish a separate analysis of reporting data, drawing on responses from across the signatory base to identify broader responsible investment trends, challenges and areas of progress.

Disclaimer

Legal context

The PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

The PRI Reporting Framework Glossary provides definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2026 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected accurately in their official PRI reports. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

Table of contents

Senior leadership accountability (SLA)	4
Policies and governance (PG)	8
Investment analysis (IA)	20
Investment decision-making (IDM)	26
Stewardship with policy makers and/or other stakeholders (SPS)	31
Stewardship with investees and/or assets (SIA)	35
Collaboration (CO)	41
Engagement with clients and/or beneficiaries (ECB)	44

Signatory characteristics

To support benchmarking and comparison, signatories are sorted into peer groups based on key characteristics.

Region	Europe
Signatory category	Investment Manager
Size of AUM	$1 - 9.99 billion
Signatory joining date	2008

PRI aggregate AUM by asset class spread



Senior leadership accountability

The Senior leadership accountability (SLA) indicators provide insight into signatories' responsible investment motivations, commitments, progress and future priorities. Responses help stakeholders understand the strategic direction and long-term ambitions that underpin an organisation's responsible investment approach.

PRI principle alignment	Reporting level	Internally managed assets	Externally managed assets
GENERAL	Entity	✓	✓

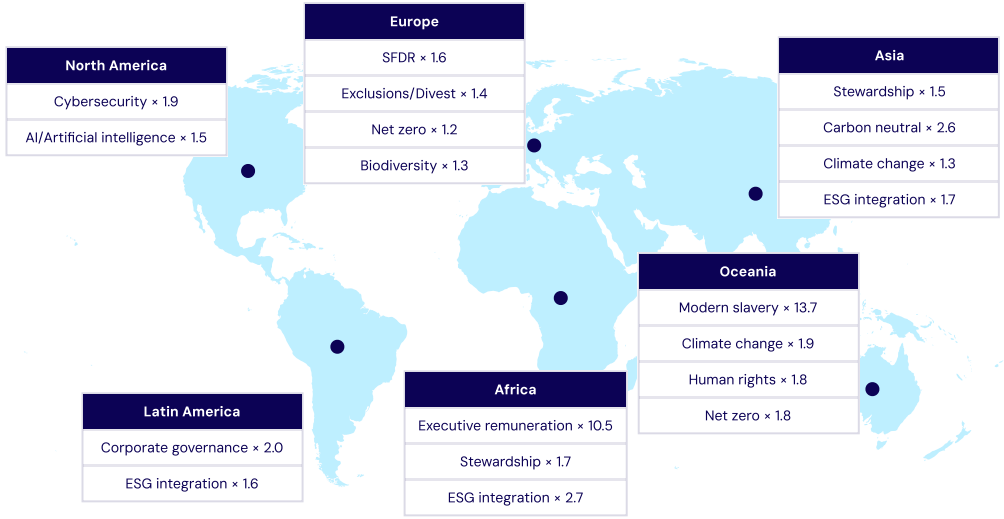
Indicator ID	Topic	PRI Principle	Signatories reported	Framework mapping	
				Partial	Full
SLA 1	Approach and commitment	General	4298	ISSB, UKSC, SFDR	N/A
SLA 2	Annual overview	General	4298	UKSC, SFDR	ISSB
SLA 3	Next steps	General	4298	SFDR	N/A

Reporting insights

While there is considerable overlap in the sustainability topics discussed by signatories globally, analysis of responses to SLA 2 reveals some notable regional differences in how signatories describe progress and challenges related to their most material responsible investment issues. Several distinct patterns emerge:

- **Europe:** responses are clearly influenced by the Sustainable Finance Disclosure Regulation (SFDR) and wider regulatory expectations, with European signatories being most likely to reference ESG data (21.9%) and showing a strong focus on net zero (17.1%).
- **Asia:** climate ambition is more often framed in terms of carbon neutrality than net zero.
- **Africa and Latin America:** responses show more references to International Sustainability Standards Board (ISSB) adoption and focus on embedding ESG, with integration cited by 37.2% and 29.8% of signatories respectively.
- **North America:** responses emphasise the importance of technology-related issues, particularly artificial intelligence and cybersecurity. Climate is more often framed more in terms of risk (14.0%) than net-zero ambition (9.8%).
- **Oceania:** responses show the strongest focus on net zero (22.1%) and a unique emphasis on modern slavery (29.8%).

Figure 1. SLA 2 – Regional differences in phrases used to describe responsible investment progress



Methodology: This map highlights key regional differences in one-, two- and three-word phrases in SLA 2 responses (excluding generic terms common across markets). The multiplier indicates how much more frequently the phrase appears in that region compared to what would be expected. This is calculated as (the number of signatories mentioning the phrase/the total number of signatories) x the size of the market in question.

SENIOR LEADERSHIP ACCOUNTABILITY (SLA)

SLA 1 Senior leadership accountability	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	General	All signatories	N/A	N/A	Not assessed
Purpose of indicator	**This indicator aims to understand the underlying motivations of an organisation's responsible investment practices, as well as its high-level approach and formal commitments made to responsible investment. Signatories may also elaborate on how responsible investment adds value to their activities.**				

- **Why does your organisation engage in responsible investment?**
- **What is your organisation's overall approach to responsible investment?**
- **What major responsible investment commitment(s) have you made?**

BlueOrchard is a leading global impact investment manager and a member of the Schroders Group. Founded in 2001 at the initiative of the United Nations, BlueOrchard was the world's first commercial manager of microfinance debt investments and today manages one of the world's largest microfinance investment platforms, with USD 5.6 billion assets under management across asset classes as of December 2025. The firm provides impact investment solutions across private debt, fixed income, private equity and blended finance strategies. Since inception it has invested over USD 14 billion in more than 115 countries and supported over 287 million people in emerging and frontier markets.
BlueOrchard's investment philosophy is centred on generating attractive risk-adjusted financial returns while delivering measurable positive environmental and social outcomes. Through its proprietary B.Impact Framework, ESG and impact considerations are integrated throughout the investment lifecycle. All investments undergo ESG and impact assessment, including screening for potential environmental and social harm and evaluation of intended contribution across impact themes including inclusive finance, gender equality, education, health, affordable housing, climate mitigation, and climate adaptation. Through these activities BlueOrchard contributes to the majority of the Sustainable Development Goals.

BlueOrchard is committed to continuous improvement of ESG and impact management practices, alignment with internationally recognised standards and frameworks, and transparent impact reporting.

SLA 2 Senior leadership accountability	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	General	All signatories	N/A	N/A	Not assessed
Purpose of indicator	**This indicator aims to assess an organisation's yearly progress on its chosen responsible investment objectives, targets and issues. Examples of progress may include:** **• refinement of sustainability-related analysis and incorporation;** **• stewardship activities with investees, policy makers and other stakeholders;** **• collaborative engagements;** **• attainment of responsible investment certificates and/or awards.**				

■ Describe and provide example(s) of your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.

■ Reflect on your performance with respect to your organisation's responsible investment objectives, including any targets set out in the previous reporting cycle (if applicable), challenge(s) faced and alternative actions implemented if not able to achieve your objectives.

BlueOrchard implements its responsible investment through its proprietary B.Impact Framework, which provides a structured and consistent approach to integrating impact and sustainability considerations across the full investment lifecycle. BlueOrchard aligns its processes with the Operating Principles for Impact Management and undergoes regular verification by BlueMark. The latest assessment in 2024 confirmed an "advanced" level of alignment across all principles.

B.Impact Framework, recent example enhancement
- ESG and Impact scorecards were updated to reflect evolving sector-specific ESG risks and materiality considerations.

Capacity Building
- Extensive ESG and impact training was conducted for investment teams.

Engagement with investees
- BlueOrchard carried out 144 engagements across private assets and 47 across listed debt during 2025.

Add supporting files or documents (voluntary):

https://www.youtube.com/watch?v=VADuOqOczj8

SLA 3 Senior leadership accountability	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	General	All signatories	N/A	N/A	Not assessed
Purpose of indicator	**This indicator helps internal and external stakeholders track an organisation's progress over time by evaluating its actions against the next steps outlined in previous reporting.**				

Which specific steps have your organisation outlined to advance your commitment to responsible investment in the next two years?

- Continue enhancing ESG and impact processes and in-house tools, with particular emphasis on the revised ESG and impact scorecards.
- Continue developing and implementing the decarbonisation framework across funds under management.
- Maintain active engagement with portfolio companies and enhance stewardship outcome monitoring and reporting
- Improve measurement of the portfolio carbon footprint and of positive climate impact delivered through private debt investments.

Policies and governance

Indicators in the Policies and governance (PG) RI activity evaluate how responsible investment commitments are formalised through signatories' policies, governance arrangements, accountability frameworks and implementation processes. These indicators examine the organisational foundations of responsible investment to provide insight into how sustainability and governance considerations are embedded across investment activities.

PRI principle alignment	Reporting level	Internally managed assets	Externally managed assets
1, 2	Entity	✓	✓

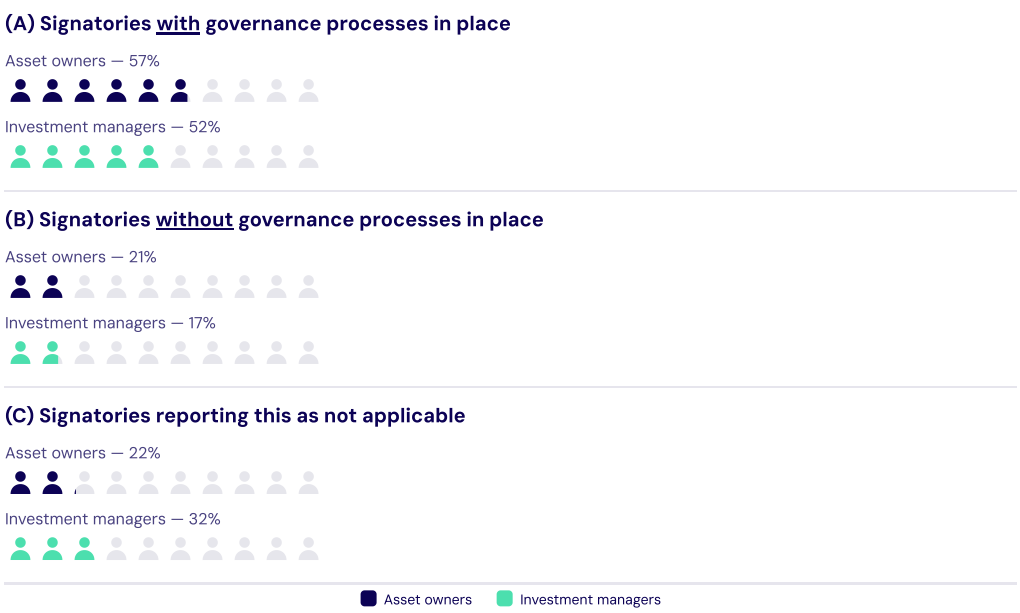
Indicator ID	Topic	PRI Principle	Signatories reported	Framework mapping	
				Partial	Full
PG 1	Elements in RI policy [MR]	1, 2	4298	UKSC, SFDR	ISSB
PG 2	AUM coverage of RI policy [MR]	1, 2	4286	N/A	N/A
PG 3	AUM coverage of RI policy	1, 2	3848	N/A	N/A
PG 4	Senior-level oversight [MR]	1, 2	4287	UKSC, SFDR	ISSB
PG 5	Staff responsible [MR]	1, 2	4287	UKSC, SFDR	ISSB
PG 6	Process to monitor policy maker engagement	1, 2	4298	N/A	N/A
PG 7	Sustainability outcomes and frameworks	1, 2	4298	N/A	SFDR

Reporting insights

When monitoring how their engagement with policy makers and/or standard setters (including engagement conducted by third parties on their behalf) aligns with their commitment to the Principles of the PRI, signatories typically embed oversight of governance processes or structures into existing governance structures. These processes and structures tend to be overseen by boards, executive committees, sustainability or responsible investment committees or senior management.

Where formal monitoring is not yet in place, respondents often describe their policy engagement as limited, ad hoc or delegated or report that policy engagement is outside their organisation's remit, with some indicating that existing governance frameworks are considered sufficient or that more formal processes are still being developed. However, delegation does not remove the need for oversight. PRI's Policy Engagement Handbook highlights the importance of ensuring that policy engagement conducted by external managers, trade associations or other third parties remains aligned with an organisation's responsible investment approach, investment beliefs and stated policy positions.

Figure 2. PG 6 – Asset owner and investment manager oversight of policy engagement and alignment with PRI Principles



POLICIES AND GOVERNANCE (PG)

PG 1 Policies and governance	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1, 2	All signatories	N/A	PG 2, PG 3, PG 4, PG 5	Policy, governance and disclosure
Purpose of indicator	**This indicator aims to:** **(i) Assess the scope and level of detail of the responsible investment elements organisations include in their formal responsible investment policy(ies). These elements may be set out in one standalone policy or multiple guideline documents, or they may be part of a broader investment policy.** **(ii) Understand whether an organisation explicitly addresses climate change, human rights, nature or other sustainability issues in their responsible investment policies or guidelines. The PRI has identified climate change, human rights and nature as the highest priority issues for action. It is thus considered good practice for organisations to have a clear approach to these issues in their responsible investment policies and guidelines.** **(iii) Assess how transparent organisations are regarding their responsible investment policies or guidelines. The PRI encourages transparency amongst signatories. It is considered good practice to publicly disclose responsible investment policies and/or guidelines, as this helps increase accountability to stakeholders and learning amongst peers.**			

Which elements are included in your formal responsible investment policy(ies)?

☑ **(A) Overall approach to responsible investment**
Add link: (Voluntary)
https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf

☑ **(B) Guidelines on environmental, social and/or governance issues**
Add link: (Voluntary)
https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf

☑ **(C) Specific guidelines on climate change (may be part of guidelines on environmental issues)**
Add link: (Voluntary)
https://mybrand.schroders.com/m/5a19c0286e10994a/original/Private-assets-fossil-fuels.pdf

☑ **(D) Specific guidelines on human rights (may be part of guidelines on social issues)**
Add link: (Voluntary)
https://mybrand.schroders.com/m/39303634cbf54aa4/original/Group-Human-Rights-Position-Statement-2024.pdf

☑ **(E) Specific guidelines on nature (may be part of guidelines on environmental issues)**
Add link: (Voluntary)
https://mybrand.schroders.com/m/4c3d42cd5d9003ea/original/Group-Nature-and-Biodiversity-Position-Statement-2024.pdf

☑ **(F) Stewardship with investees and/or assets**
Add link: (Voluntary)

☑ **(G) Stewardship with policy makers and/or other stakeholders**
Add link: (Voluntary)

☐ (H) External manager selection, appointment and/or monitoring

☑ **(I) Engagement with clients and/or beneficiaries**
Add link: (Voluntary)
https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint-2022.pdf
https://mybrand.schroders.com/m/67cc46846449900f/original/schroders-capital-private-markets-engagement-blueprint.pdf

☐ (J) Other responsible investment aspects not listed here

- (K) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

PG 2 Policies and governance	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1, 2	All signatories	PG 1	N/A	Policy, governance and disclosure
Purpose of indicator	**The PRI seeks to capture the scope and depth of an organisation's policies and activities by asking about AUM coverage, frequency of activities or similar.** **This indicator aims to establish whether an organisation's responsible investment policies and AUM coverage meet the PRI's minimum requirements for investor membership. It is considered good practice for responsible investment policies to cover the highest possible percentage/share of an organisation's AUM.**				

What proportion of your assets under management (AUM) is covered by the below elements of your responsible investment policy(ies)?

	Combined AUM coverage of policy elements
(A) Overall approach to responsible investment	(1) For > 90 - 100% of our AUM
(B) Guidelines on environmental, social and/or governance issues	(1) For > 90 - 100% of our AUM

PG 3 Policies and governance	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1, 2	All signatories	PG 1	N/A	Policy, governance and disclosure
Purpose of indicator	**The PRI seeks to capture the scope and depth of an organisation's policies and activities by asking about AUM coverage, frequency of activities or similar. This indicator aims to assess the coverage of signatories' policies or guidelines on specific sustainability and governance-related issues, specifically on climate, human rights and nature, along with other aspects of responsible investment. The indicator assesses whether a signatory's policies cover its entire asset base or only a part of it. To ensure consistency in approach, it is considered good practice to apply such policies or guidelines to as high a proportion of assets as possible.**				

What proportion of your asset under management (AUM) is covered by the below elements of your responsible investment policy(ies)?

	AUM coverage of policy elements
(A) Specific guidelines on climate change (may be part of guidelines on environmental issues)	(1) For > 90 - 100% of our AUM
(B) Specific guidelines on human rights (may be part of guidelines on social issues)	(1) For > 90 - 100% of our AUM
(C) Specific guidelines on nature (may be part of guidelines on environmental issues)	(1) For > 90 - 100% of our AUM
(D) Stewardship with investees and/or assets	(1) For > 90 - 100% of our AUM
(E) Stewardship with policy makers and/or other stakeholders	(1) For > 90 - 100% of our AUM
(G) Engagement with clients and/or beneficiaries	(1) For > 90 - 100% of our AUM

PG 4 Policies and governance	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1, 2	All signatories	PG 1	N/A	Policy, governance and disclosure
Purpose of indicator	**To signal and fulfil their commitment to responsible investment, it is crucial for signatories to have senior-level oversight and accountability for implementing responsible investment policies. Senior-level oversight and accountability help drive consistent, responsible investment practices throughout the organisation in line with the policies or guidelines adopted.** **Where the senior leadership's responsibilities include oversight over and accountability for climate, human rights and/or other sustainability and governance-related issues, it is considered good practice for this to include oversight and accountability for setting and monitoring targets or objectives on these topics.**				

Which senior-level body(ies) or role(s) in your organisation have oversight over and accountability for implementing stated RI policy(ies) and responsible investment?

	(1) Board members, trustees, partnership committee or equivalent	(2) Senior executive-level (C-suite) staff or equivalent	(3) Investment committee or equivalent	(4) Head of department or equivalent	(5) We do not have formal oversight or accountability for this element	Specify the role(s)
(A) Overall approach to responsible investment	☑	☑	☑	☑	○	The Board retains ultimate oversight of responsible investment. Executive Management oversees implementation. The Global Impact & ESG Steering Committee oversees BlueOrchard's impact and sustainability framework, policies and methodologies. The Impact Management Team owns the Framework, while the Impact Committee provides independent oversight of investment-level impact and sustainability assessments.
(B) Guidelines on environmental, social and/or governance issues	☐	☐	☑	☑	○	The Global Impact & ESG Steering Committee oversees BlueOrchard's ESG policies, frameworks and methodologies. The Head of Impact Management is accountable for their implementation, supported by the Impact Management Team. The Impact Committee provides independent oversight of investment-level ESG assessments and escalated cases.

(C) Specific guidelines on climate change (may be part of guidelines on environmental issues)	☐	☐	☑	☑	○	The Global Impact & ESG Steering Committee oversees BlueOrchard's climate-related approach and its integration into investment activities. The Head of Impact Management is accountable for implementation, supported by relevant Schroders climate specialists. The Impact Committee provides oversight of material climate-related risks and escalated investment cases.
(D) Specific guidelines on human rights (may be part of guidelines on social issues)	☐	☐	☑	☑	○	The Global Impact & ESG Steering Committee oversees BlueOrchard's approach to human rights as part of its impact and sustainability framework. The Head of Impact Management is responsible for implementation through the B.ImpactTM Framework, including the assessment of labour rights, client protection, minimum safeguards and good governance practices. The Impact Committee provides independent oversight of escalated investment cases.
(E) Specific guidelines on nature (may be part of the guidelines on environmental issues)	☐	☐	☑	☑	○	The Global Impact & ESG Steering Committee oversees BlueOrchard's approach to nature-related issues as part of its impact and sustainability framework. The Head of Impact Management is responsible for implementation through the B.ImpactTM Framework, including the assessment of biodiversity, pollution, resource efficiency and other material environmental risks. The Impact Committee provides independent oversight of escalated investment cases.
(F) Stewardship with investees and/or assets	☑	☑	☑	☑	○	The Board retains ultimate oversight of BlueOrchard's stewardship approach. Executive Management oversees its implementation.

						The Global Impact & ESG Steering Committee oversees the engagement framework, while the Impact Committee provides independent oversight of investment-level engagement, stewardship and escalation where material impact or sustainability issues are identified.
(G) Stewardship with policy makers and/or other stakeholders	☑	☑	☑	☑	○	The Board retains ultimate oversight of BlueOrchard's external stewardship activities. Executive Management oversees implementation. The Global Impact & ESG Steering Committee oversees participation in industry initiatives and engagement with external stakeholders to promote the development of impact investing, sustainability and responsible investment practices.
(I) Engagement with clients and/or beneficiaries	☑	☑	☑	☑	○	The Board retains ultimate oversight of stakeholder engagement. Executive Management oversees implementation. The Global Impact & ESG Steering Committee oversees BlueOrchard's engagement approach with investors, investees and beneficiaries, promoting transparency, continuous learning and the achievement of positive impact outcomes.

PG 5 Policies and governance	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1, 2	All signatories	PG 1	N/A	Policy, governance and disclosure
Purpose of indicator	**To signal and fulfil their commitment to responsible investment, it is crucial for organisations to allocate responsibility for implementing its investment policy(ies) to internal or external individuals, teams and/or departments.**				

In your organisation, which internal or external staff are responsible for implementing your responsible investment policy(ies)?

	(1) Internal role(s)	(2) External investment managers, service providers, or other external partners or suppliers	(3) We do not have internal/external role(s) implementing this element	Specify the role(s)
(A) Overall approach to responsible investment	☑	☐	○	Impact Management Team
(B) Guidelines on environmental, social and/or governance issues	☑	☐	○	Impact Management Team
(C) Specific guidelines on climate change (may be part of guidelines on environmental issues)	☑	☐	○	Impact Management Team
(D) Specific guidelines on human rights (may be part of guidelines on social issues)	☑	☐	○	Impact Management Team
(E) Specific guidelines on nature (may be part of the guidelines on environmental issues)	☑	☐	○	Impact Management Team
(F) Stewardship with investees and/or assets	☑	☐	○	Impact Management Team
(G) Stewardship with policy makers and/or other stakeholders	☑	☐	○	Impact Management Team

(I) Engagement with clients and/or beneficiaries	☑	☐	○	Impact Management Team

Additional context to your response(s): (Voluntary)

Impact Management Team:

Veronika Giusti-Keller – Head of Impact Management (17+ years)
Anne Jackermeier – Senior Impact Manager (10+ years)
Louis Bourgeois – Senior Impact Manager (8+ years)
Julie Montels – Impact Manager (7+ years)
Anne Danker – Impact Manager (8+ years)
Rebeca Marcés – Associate Impact Manager (9+ years)
Lizi Areshidze – Associate Impact Manager (2+ years)

PG 6 Policies and governance	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1, 2	All signatories	N/A	N/A	Policy, governance and disclosure
Purpose of indicator	**Investors have a legitimate interest in engaging with policy makers and/or standard setters to shape the laws and policies that affect them. However, engagement with policy makers and/or standard setters may present unforeseen risks for investors, especially when conducted without sufficient visibility or clarity of purpose. Activities that are legal but may still be considered unethical or inconsistent with stated commitments may carry reputational risks when brought to light. In the context of a climate emergency and other global challenges, there is a strong onus on investors to align their engagement with policy makers and/or standard setters with their public commitments to responsible investment. Efforts seen as delaying or diluting urgent sustainability-related progress also pose reputational risks.** **It is thus considered good practice to have robust governance processes to ensure adequate oversight and accountability for organisations' engagement with policy makers and/or standard setters and to ensure their alignment with signatories' commitment to the principles of the PRI.**				

Does your organisation have governance processes or structures to monitor that your engagement with policy makers and/or standard setters is aligned with your commitment to the principles of the PRI, including those conducted by third parties on your behalf?

◉ **(A) Yes, we have governance processes or structures to monitor that our engagement with policy makers and/or standard setters is aligned with our commitment to the PRI principles.**

Describe how you do this: (Mandatory)

The Board of Schroders plc has collective responsibility for the Group's management, direction and performance, including setting business strategy, supported by a well-defined framework of delegated authority. Certain responsibilities are delegated to Board Committees and the Group Chief Executive, who is responsible for proposing and executing strategy. The public policy team is a member of Schroders' Group Regulatory Oversight Committee (GROC) and is regularly attending the Sustainability Executive Committee (ExCo) (see the climate governance structure in our Annual Report 2025, p. 195), which oversees the progress of in-flight sustainability regulatory change programmes, as well as monitors emergent sustainability regulations and determining their high-level impact on our Group sustainability strategy and supporting operations. The public policy team actively engages with relevant regulators, industry trade associations and other sustainability initiative bodies, in addition to our in-house ongoing monitoring of the regulatory horizon, including climate regulations. The public policy team is in close contact with the ESG team on a day-to-day basis, in particular the Global Head of Sustainable Investment and the Head of Sustainability Europe. Sustainability regulatory policy developments are also discussed within the Climate Risk Management governance (see Annual Report 2025, p. 196). Engagement of the public policy team is supported by a set of 'public policy high level key messages' which are designed to conform with our stewardship activity, particularly the Engagement Blueprint and are shared widely within the firm. The ExCo oversees the development and delivery of our Group-wide sustainable investment strategy, advising on broader sustainability and impact priorities and are responsible for adherence to sustainability policies. It includes senior representation from Investment, Client Group, Wealth Management and Schroders Capital.

○ (B) No, we do not have governance processes or structures to monitor that our engagement with policy makers and/or standard setters is aligned with our commitment to the PRI principles.

○ (C) Not applicable

PG 7 Policies and governance	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1, 2	All signatories	N/A	N/A	Policy, governance and disclosure
Purpose of indicator	**This indicator aims to understand whether an organisation considers the positive and negative sustainability outcomes connected to its investment activities, be they intended or unintended. Considering the sustainability outcomes connected to their investment activities where relevant is a useful starting point for signatories seeking to proactively address relevant sustainability issues. It could involve, for example, considering the human rights outcomes of a portfolio.** **This indicator also seeks information on which international, regional, sector/issue-level or proprietary sustainability frameworks are widely used among signatories to identify outcomes related to their investment activities. It is considered good practice to use widely recognised frameworks as this increases consistency and data comparability.**				

Does your organisation consider sustainability outcomes connected to its investment activities where relevant? If so, which widely recognised framework does your organisation use?

◉ **(A) Yes, we consider one or more specific sustainability outcomes connected to our investment activities.**

(1) Climate

- ☑ **(1) The UN Sustainable Development Goals and targets**
- ☐ (2) The UNFCCC Paris Agreement
- ☑ **(3) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**
- ☑ **(4) Other relevant taxonomies**

  MDB Guidelines
- ☐ (5) Other international, regional or sector/issue-specific framework(s) or proprietary framework
- ○ (6) We do not consider climate-related sustainability outcomes

(2) Human rights

- ☑ **(1) The UN Sustainable Development Goals and targets**
- ☑ **(2) The UN Guiding Principles on Business and Human Rights**
- ☑ **(3) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**
- ☐ (4) The International Bill of Human Rights
- ☑ **(5) The International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the eight core conventions**
- ☐ (6) Other international, regional or sector/issue-specific framework(s) or proprietary framework
- ○ (7) We do not consider human rights-related sustainability outcomes

(3) Nature

- ☑ **(1) The UN Sustainable Development Goals and targets**
- ☐ (2) The Convention on Biological Diversity's Kunming-Montreal Global Biodiversity Framework
- ☑ **(3) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**
- ☐ (4) Taskforce on Nature-related Financial Disclosures
- ☑ **(5) International Finance Corporation Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**
- ☐ (6) Partnership for Biodiversity Accounting Financials Standards
- ☐ (7) Other international, regional or sector/issue-specific framework(s) or proprietary framework
- ○ (8) We do not consider nature-related sustainability outcomes

○ (B) No, we do not consider sustainability outcomes connected to any of our investment activities

Investment analysis

The Investment analysis (IA) RI activity focuses on how signatories identify and assess financially material sustainability and governance issues related to their investments. This includes research processes, risk and opportunity assessment, controversy monitoring and the use of relevant sustainability-related information in investment analysis.

PRI principle alignment	Reporting level	Internally managed assets	Externally managed assets
1	Asset class	✓	✗

Indicator ID	Topic	PRI Principle	Signatories reported	Framework mapping	
				Partial	Full
IA 1	Identifying sustainability issues	1	3826	ISSB, SFDR	N/A
IA 2	Monitoring controversies and issues	1	3826	ISSB, SFDR	N/A
IA 3	Sustainability risks and opportunities	1	3826	ISSB, SFDR	N/A
IA 4	Use of climate-related metrics	1	3848	ISSB, SFDR	N/A
IA 5	Sustainability identification (example)	1	3848	UKSC	N/A

Reporting insights

Across all asset classes, most signatories report assessing the materiality of climate, human rights and nature-related risks and opportunities. The consistently high figures suggest that sustainability-related materiality assessment is now a common feature of investment analysis, rather than a practice limited to a small subset of investors or asset classes. This is reinforced by the low share of signatories reporting no assessment across most asset classes.

A clear hierarchy is also visible. Climate is the most widely assessed theme, followed by human rights and then nature. This likely reflects a deeper understanding of climate among investment professionals, and the greater maturity of climate-related data, regulation and disclosure expectations, compared with human rights and nature, where investor practice and market guidance are still developing.

Infrastructure and other real assets record the highest levels of assessment across all three themes.

Figure 3. IA 3 – Assessment of sustainability-related risks and opportunities across asset classes

Area assessed as financially material	Climate	Human rights	Nature	No assessment
Listed equity	91%	84%	75%	8%
Fixed income – corporate	91%	82%	74%	8%
Fixed income–SSA	86%	75%	68%	13%
Fixed income – securitised	92%	79%	71%	7%
Real estate	93%	75%	69%	6%
Private equity	87%	82%	72%	11%
Private debt	91%	84%	72%	8%
Infrastructure and other real assets	97%	89%	83%	3%

INVESTMENT ANALYSIS (IA)

IA 1 Investment analysis	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1	Internally managed AUM Actively managed assets	OP 5, OP 8	N/A	Investment practices
Purpose of indicator	**This indicator aims to assess the scope and depth of the organisation's research into financially material sustainability and governance-related issues and whether this process has been formalised as part of its investment processes.** **It is considered good practice for organisations to think long term and to include in their formal investment process an analysis of asset classes that extends beyond financially material governance factors. This process allows for the identification and management of downside risks that might remain undiscovered without analysing sustainability and governance data and trends. Formally integrating this analysis into the investment process helps ensure consistency within the organisation.**				

Does your organisation have a process to identify financially material sustainability and governance-related issues across asset classes?

	(2) Fixed income - corporate	(6) Private equity	(7) Private debt
(A) Yes, we have a formal process to identify financially material sustainability and governance-related issues.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(B) Yes, but we do not have a formal process; our investment professionals identify financially material sustainability and governance-related issues at their discretion.			
(C) No, we do not have a formal or informal process to identify financially material sustainability and governance-related issues.	○	○	○

IA 2 Investment analysis	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1	Internally managed AUM Actively managed assets	OP 5, OP 8	N/A	Investment practices
Purpose of indicator	**This indicator aims to assess whether signatories monitor the involvement of their investments in sustainability incidents and/or controversies and if this has been formalised as part of their investment process. The information gathered can inform stewardship and/or investment decisions and be included in reporting.**				

Does your organisation have formal processes in place to monitor whether its investments are involved in sustainability and governance-related controversies and/or incidents?

	(2) Fixed income - corporate	(6) Private equity	(7) Private debt
(A) Yes, we have formal process(es) to monitor whether our investments are involved in sustainability and governance-related controversies and/or incidents.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(B) No, we do not have formal process(es) to monitor whether our investments are involved in sustainability and governance-related controversies and/or incidents.	○	○	○

IA 3 Investment analysis	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1	Internally managed AUM Actively managed assets	OP 5, OP 8	N/A	Investment practices
Purpose of indicator	**This indicator aims to assess the extent to which an organisation determines how sustainability and governance-related issues, specifically, climate, human rights and nature, present financially material risks and opportunities to its investments or operations.** **Per the International Sustainability Standards Board's International Financial Reporting Standards (IFRS S2), it is considered good practice to conduct regular and rigorous analyses of all relevant risks and opportunities, including those related to climate, and to incorporate the findings into investment decision-making and stewardship activities.** **For human rights, in line with the UN Guiding Principles on Business and Human Rights, it is considered good practice for an organisation to assess risks and opportunities related to human rights and integrate them into its investment decision-making and processes. Severe human rights impacts can often present operational or reputational risks that may become financially material.** **For nature, as per the Taskforce on Nature-related Financial Disclosures, it is considered good practice to assess nature-related risks for financial decision-making as biodiversity loss and ecosystem degradation can disrupt supply chains and increase regulatory risks. Integrating nature into investment analysis helps mitigate risks and capture opportunities to create a sustainable economy.**				

Does your organisation assess financially material risks and opportunities related to climate, human rights and/or nature?

	(2) Fixed income - corporate	(6) Private equity	(7) Private debt
(A) Yes, we assess financially material climate-related risks and opportunities.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(B) Yes, we assess financially material human rights-related risks and opportunities.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(C) Yes, we assess financially material nature-related risks and opportunities.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(D) No, we don't assess financial materiality of risks and opportunities related to climate, human rights and nature.	○	○	○

IA 4 Investment analysis	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1	Internally managed AUM	OP 8	N/A	Investment practices
Purpose of indicator	**Different metrics can be used to gauge an organisation's exposure to climate-related risks and opportunities. This indicator aims to understand the depth and breadth of any quantitative/ qualitative metrics or variables organisations have established to analyse the climate risks and opportunities associated with their investments. It is considered good practice for organisations to establish and track climate-related metrics, helping them incorporate relevant and up-to-date risk considerations into their investment strategy and decisions.**				

During the reporting year, which of the following climate-related metrics or variables affecting your investments did your organisation use?

☐ (A) Exposure to physical risks
☐ (B) Exposure to transition risks
☑ **(C) Exposure to climate-related opportunities**
  ◉ **(1) For > 90 - 100% of our AUM**
  ○ (2) For > 50 - ≤ 90% of our AUM
  ○ (3) For > 0 - ≤ 50% of our AUM
☑ **(D) Emissions intensity**
  ◉ **(1) For > 90 - 100% of our AUM**
  ○ (2) For > 50 - ≤ 90% of our AUM
  ○ (3) For > 0 - ≤ 50% of our AUM
☑ **(E) Absolute emissions (financed emissions)**
  ◉ **(1) For > 90 - 100% of our AUM**
  ○ (2) For > 50 - ≤ 90% of our AUM
  ○ (3) For > 0 - ≤ 50% of our AUM
☐ (F) Other
○ (G) We did not use any of the above metrics or variables
○ (H) Not applicable

IA 5 Investment analysis	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1	Internally managed AUM	OP 8	N/A	Not assessed
Purpose of indicator	**This indicator provides organisations with the opportunity to elaborate on their analysis of sustainability and governance-related issues. Examples can be case studies or any other form of supporting documents and materials. Organisations may elaborate on some of the responses to previous indicators or reference information published on alternative channels (e.g. reports, website).**				

Provide example(s) of how you have identified material sustainability and governance-related issues that could affect the value of your investments during the reporting year.

Asset class(es) the approach applies to

(B) Fixed income – corporate
(F) Private equity
(G) Private debt

Details (Mandatory)

Fixed income

For fixed income investments, we identify material sustainability and governance issues using a sector-based materiality framework aligned with SASB and MSCI materiality mappings. Sector-specific sustainability metrics are integrated into our ESG scorecard and assessed alongside general ESG metrics. The ESG scorecard shapes the investible universe available to portfolio managers, ensuring that financially material sustainability and governance considerations are systematically incorporated into investment decisions.

Private equity and private debt

Across our private equity and private debt strategies, material sustainability and governance issues are identified through a consistent process spanning due diligence and ongoing monitoring. Each new investee undergoes ESG due diligence, and the ESG scorecards of existing investees are updated on an ongoing basis. The SFDR Annex I principal adverse impact (PAI) indicators are embedded in the scorecard and inform our do-no-significant-harm assessment; we also consider adverse impacts beyond these indicators, prioritise low-to-medium ESG risk transactions, and apply minimum thresholds below which we will not invest. Our methodology reflects the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, complemented by KYC/AML and financial crime checks and by adverse-media screening through an external provider (RepRisk). Where annual monitoring identifies a material, event-driven deterioration in governance or a change in business strategy that no longer aligns with our original assessment, the investee is re-evaluated accordingly.

Investment decision-making

The Investment decision-making (IDM) RI activity evaluates how insights generated through investment analysis are incorporated into investment decisions. Depending on the asset class, this may cover portfolio construction, security selection, valuation, due diligence and asset allocation decisions. This RI activity focuses on how sustainability and governance-related considerations are translated into practical investment actions.

PRI principle alignment	Reporting level	Internally managed assets	Externally managed assets
1	Asset class	✓	✗

Indicator ID	Topic	PRI Principle	Signatories reported	Framework mapping	
				Partial	Full
IDM 1	Portfolio construction (public markets)	1	1937	ISSB	N/A
IDM 2	Decision making (private markets)	1	2289	ISSB	N/A
IDM 3	Incorporation, internal passive (example)	1	454	ISSB	N/A

Reporting insights

When designing new passive strategies and indices, signatories report incorporating sustainability and governance considerations through index or benchmark construction and selection, supported by exclusions, ESG ratings, climate metrics and ongoing monitoring. The data shows asset-class specific variation, as different methods may be more or less applicable dependent on the asset class.

- **Listed equity:** index-construction is the most common approach for this asset class, with signatories frequently reporting the use of company screening and ESG-weighted benchmarks, alongside carbon targets and stewardship or proxy voting considerations.
- **Corporate fixed income:** signatories report applying an issuer and credit lens, with ESG data being used to inform credit ratings, index eligibility, risk alerts and monitoring. Signatories also refer to the creation of labelled green and social bond indices.
- **Sovereign, supranational and agency debt:** design considerations focus on countries and public issuers rather than companies, with governance, political stability, fiscal and debt sustainability, sanctions and sovereign eligibility becoming more central to index and strategy design.

Figure 4. IDM 3 – How signatories incorporate sustainability considerations into passive strategies

LISTED EQUITY

Held 1% allocation to a co-designed climate index which tilts the S&P World Index to increase exposure to companies with greater carbon efficiency, climate resilience and climate solution-related revenue – AO, Canada

Allocated a material part of its investment portfolio to establish and maintain an impact fund – AO, Australia

Upgraded prior benchmark with the MSCI USA ESG Selection P-Series index – IM, Spain

FIXED INCOME - CORPORATE

Applied a minimum BBB MSCI ESG-rating filter to corporate issuers – IM, France

Shifted the passive corporate bond portfolio to a PAB-aligned benchmark – AO, New Zealand

Set exclusion policies where issuers fail to meet defined ESG criteria – IM, Netherlands

FIXED INCOME - SSA

Applied an ESG-aligned country risk assessment to select issuers – IM, Netherlands

Set an impact bond allocation target – IM, Netherlands

Increased investment into SDG Bonds – IM, Japan

INVESTMENT DECISION-MAKING (IDM)

IDM 1 Investment decision-making	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1	Internally managed AUM Public market assets Actively managed assets	OP 5, OP 8	N/A	Investment practices
Purpose of indicator	**This indicator allows signatories to outline the extent to which material sustainability and governance-related issues are incorporated into the construction process of a portfolio and not only the valuation process or selection criteria. It is considered good practice to incorporate material sustainability and governance-related issues into all aspects of portfolio construction and asset selection across a range of investment strategies and all AUM rather than for a particular portfolio or group of funds. The answer options indicate different aspects of the portfolio construction process for which signatories may derive part of their conviction and risk appetite from sustainability and governance-related considerations.**				

How do financially material sustainability and governance-related issues contribute to your stock and/or security selection, portfolio construction and/or benchmark selection process?

	(2) Fixed income - corporate
(A) Financially material sustainability and governance-related issues contribute to the selection of individual assets and/or sector weightings.	(1) For > 90 - 100% of our AUM
(B) Financially material sustainability and governance-related issues contribute to determining the holding period of individual assets.	(1) For > 90 - 100% of our AUM
(C) Financially material sustainability and governance-related issues contribute to the portfolio weighting of individual assets.	(1) For > 90 - 100% of our AUM
(D) Financially material sustainability and governance-related issues contribute to the country or region weighting of assets.	(3) For > 0 - ≤ 50% of our AUM
(E) Other ways financially material sustainability and governance-related issues contribute to your stock and/or security selection, portfolio construction and/or benchmark selection process.	(1) For > 90 - 100% of our AUM

(F) Our stock and/or security selection, portfolio construction or benchmark selection process does not include the incorporation of financially material sustainability and governance-related issues.	○

(E) Other ways financially material sustainability and governance-related issues contribute to your stock and/or security selection, portfolio construction and/or benchmark selection process - Specify: (Mandatory)

All investments must pass a minimum ESG rating to be considered part of the investment universe.
For fixed income investments, we identify material sustainability and governance issues using a sector-based materiality framework aligned with SASB and MSCI materiality mappings. Sector-specific sustainability metrics are integrated into our ESG scorecard and assessed alongside general ESG metrics. The ESG scorecard is used to shape the investible universe available to portfolio managers, ensuring that financially material sustainability and governance considerations are systematically incorporated into investment decisions.

IDM 2 Investment decision-making	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1	Internally managed AUM Private market assets	OP 8	N/A	Investment practices
Purpose of indicator	**This indicator aims to understand whether an organisation includes sustainability and governance-related information in the investment selection process and to ascertain the depth of the analysis performed. It is considered good practice for sustainability and governance issues to have played an integral part in decision-making for all private market investment selections during the reporting year.** **By private equity, real estate, infrastructure, and private debt investment selection, we mean new investments made during the reporting year. If signatories did not select any private market investments in the reporting year, they should refer to the most recent reporting year in which they selected private market investments.**				

How are financially material sustainability and governance-related issues factored into your investment decision-making process?

	(2) Private equity	(3) Private debt
(A) Risks related to financially material sustainability and governance-related issues were considered in investment decision-making.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(B Financially material sustainability and governance-related issues were discussed by the investment committee (or equivalent).	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(C) Financially material sustainability and governance-related issues were used to identify remedial actions for our 100-day plans (or equivalent).	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(D) Financially material sustainability and governance-related issues were used to identify opportunities for value creation.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(E) Financially material sustainability and governance-related issues informed our decision to abandon potential investments in the due diligence phase in cases where sustainability and governance-related risks were considered too high to mitigate.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM

(F) Financially material sustainability and governance-related issues impacted investments in terms of the price offered and/or paid.	(3) For > 0 - ≤ 50% of our AUM	(3) For > 0 - ≤ 50% of our AUM
(G) Financially material sustainability and governance-related issues did not influence the selection of our private market investments.	○	○

Stewardship with policy makers and/or other stakeholders

The Stewardship with policy makers and other stakeholders (SPS) RI activity assesses whether and how signatories engage with policy makers and other stakeholders, such as regulators and standard setters, as part of their responsible investment approach. This RI activity also considers whether organisations conduct stewardship to assess human rights outcomes resulting from their investment activities.

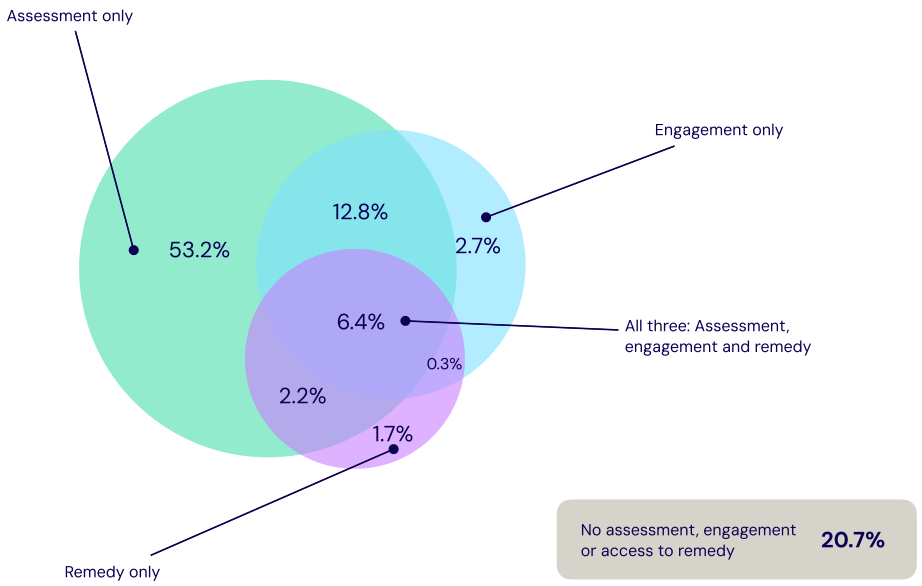
PRI principle alignment	Reporting level	Internally managed assets	Externally managed assets
1, 2, 3, 4	Entity	✓	✓

Indicator ID	Topic	PRI Principle	Signatories reported	Framework mapping	
				Partial	Full
SPS 1	Policymaker/stakeholder engagement	2, 3, 4	4298	N/A	UKSC
SPS 2	Engagement method	2, 3, 4	3005	N/A	UKSC
SPS 3	Human rights due diligence and remediation	1	4298	N/A	SFDR

Reporting insights

While 75% of signatories reported assessing potential and/or existing investments for connections to negative human rights outcomes, only 22% engaged affected stakeholders or their representatives and 11% enabled access to remedy. These findings highlight opportunities for investors to strengthen how stakeholder perspectives inform human rights due diligence and how they support access to remedy, where appropriate. Depending on their investment strategies and degree of influence, investors could integrate stakeholder perspectives into risk assessments, encourage investees to undertake meaningful engagement and assess the accessibility and effectiveness of grievance mechanisms, where appropriate. Such practices would support closer alignment with the UNGPs and OECD Guidelines.

Figure 5. SPS 3 – Signatory human rights practices: assessment, engagement and access to remedy



STEWARDSHIP WITH POLICY MAKERS AND/OR OTHER STAKEHOLDERS (SPS)

SPS 1 Stewardship with policy makers and/or other stakeholders	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	2, 3, 4	All signatories	N/A	SPS 2	Policy, governance and disclosure
Purpose of indicator	**The purpose of this indicator is to determine how an organisation engages with policy makers and/or other stakeholders such as standard setters as part of their responsible investment approach. This is considered good practice, as public policy critically affects the ability of long-term investors to generate sustainable returns and create value.**				

Did your organisation engage with policy makers and/or other stakeholders directly or through third parties as part of your responsible investment approach during the reporting year?

☑ **(A) Yes, we engaged with policy makers and/or other stakeholders directly.**
☑ **(B) Yes, we engaged with policy makers and/or other stakeholders through the leadership of or active participation in working groups or collaborative initiatives.**
☑ **(C) Yes, we were members of, supported or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers and/or other stakeholders.**
○ (D) We did not engage with policy makers and/or other stakeholders directly or indirectly during the reporting year beyond our membership in the PRI.

SPS 2 Stewardship with policy makers and/or other stakeholders	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	2, 3, 4	All signatories	SPS 1	N/A	Policy, governance and disclosure
Purpose of indicator	**This indicator aims to assess how an organisation engages with policy makers and/or other stakeholders and the quality and depth of the engagement. It is considered good practice to engage with policy makers and/or other stakeholders to support a more sustainable financial system by providing technical expertise and proactively engaging on relevant policy topics.**				

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers and/or other stakeholders as part of your responsible investment approach?

☑ **(A) We participated in sign-on letters.**
Describe: (Voluntary)
☑ **(B) We responded to policy consultations.**
Describe: (Voluntary)
☐ (C) We provided technical input via government- or regulator-backed working groups.
☑ **(D) We engaged policy makers and/or other stakeholders on our own initiative.**
Describe: (Voluntary)
☑ **(E) Other methods**
Describe: (Mandatory)
1-2-1 meetings with regulators and policymakers

SPS 3 Stewardship with policy makers and/or other stakeholders	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1	All signatories	N/A	N/A	Policy, governance and disclosure
Purpose of indicator	**Institutional investors' responsibility to respect human rights is defined in the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the OECD report on Responsible Business Conduct for institutional Investors.** **To meet this responsibility, signatories or external investment managers acting on their behalf should conduct human rights due diligence to identify, mitigate and/or remediate actual and potential negative human rights outcomes connected to their investment activities.**				

During the reporting year, what steps did your organisation take, in line with international standards, to prioritise human rights due diligence and/or remediate actual and potential negative outcomes for people connected to your investment activities?

☑ **(A) We assessed our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes.**
- ☑ **(1) Assessed the sector context**
- ☑ **(2) Assessed the country-level context**
- ☑ **(3) Assessed the human rights performance of our potential and/or existing investments**
- ☑ **(4) Monitored severe and emerging human rights controversies**
- ☐ (5) Other

☑ **(B) We directly/indirectly engaged with the relevant stakeholders and/or those potentially or already affected by entities connected to our investment activities to take their input into account for assessment.**
- ☑ **(1) Workers and their representatives (including trade unions)**
- ☑ **(2) Local communities and community-based organisations**
- ☑ **(3) Indigenous Peoples and their representatives**
- ☑ **(4) Customers and end-users and their representatives (including consumer protection agencies)**
- ☐ (5) Civil society organisations, non-governmental organisations (NGOs) and environmental and human rights defenders
- ☐ (6) Other potentially or already affected stakeholder groups

☐ (C) We, directly or through our investees, enabled access to remedy for people affected by entities connected to our investment activities.

○ (D) We did not prioritise human rights due diligence and/or remediate actual and potential negative outcomes for people connected to any of our investment activities during the reporting year.

Stewardship with investees and/or assets

The Stewardship with investees and assets (SIA) RI activity evaluates how signatories use their influence to encourage improved sustainability and governance-related practices among investees and assets. Depending on the asset class, stewardship activities may include active ownership via voting, direct engagement, adjustment of margins or implementation of action plans. This RI activity focuses on how investors seek to support positive change during the ownership or investment period.

PRI principle alignment	Reporting level	Internally managed assets	Externally managed assets
1, 2, 3, 4	Asset class	✓	✗

Indicator ID	Topic	PRI Principle	Signatories reported	Framework mapping	
				Partial	Full
SIA 1	Stewardship with investees and/or assets	2, 3, 4	3848	ISSB, UKSC, SFDR	N/A
SIA 2	Voting approach to shareholder resolutions	2, 3, 4	1370	UKSC	ISSB, SFDR
SIA 3	Public disclosure of voting decisions	2	1265	N/A	UKSC, SFDR
SIA 4	Communication of voting rationale	2	1265	ISSB, SFDR	N/A
SIA 5	Addressing sustainability (private markets)	1	2101	N/A	UKSC
SIA 6	Stewardship (example)	2, 3, 4	3411	N/A	UKSC

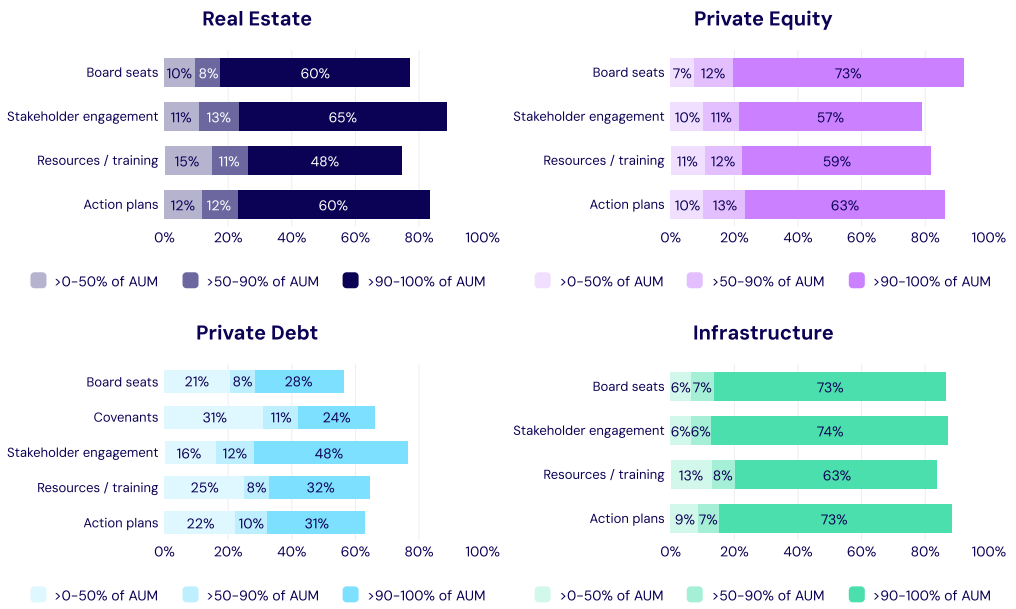
Reporting insights

Signatories most commonly report conducting stewardship activities in relation to infrastructure assets (95% of respondents in this asset class conduct stewardship activities) and other ownership-oriented private-market assets, where investors typically have direct access to management, boards or assets. Listed equity also shows high levels of stewardship (90% of respondents within this class conduct stewardship activities with investees and/or assets), likely reflecting well-established voting and engagement practices.

Stewardship is reported as being least prevalent in asset classes where channels may be less direct or less consistently defined (for example SSA fixed income, for which only 65% report undertaking stewardship).

Reporting data indicates that for infrastructure and other real assets, signatories tend to apply stewardship practices comprehensively, for example 74% of investors in infrastructure undertake stakeholder engagement across more than 90% of AUM. Given this all-or-nothing approach, there may be an opportunity to support signatories moving from initial adoption to wider portfolio coverage.

Figure 6. SIA 5 – How signatories manage material sustainability and governance risks and opportunities during the holding period



Action plan label in these graphs refers to: sustainability and governance-related action plans, 100-day plans and value creation plans.

Relevant stakeholders an investor might engage with include local community members and end-users of investee companies' products.

STEWARDSHIP WITH INVESTEES AND/OR ASSETS (SIA)

SIA 1 Stewardship with investees and/or assets	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	2, 3, 4	Internally managed AUM	OP 8	SIA 2, SIA 5, SIA 6	Investment practices
Purpose of indicator	**Stewardship is the use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social and environmental assets on which their interests depend.** **Stewardship can be implemented through a variety of tools, and this indicator aims to assess whether an organisation has an established process to conduct stewardship with its investees and/or assets in general.**				

Does your organisation conduct stewardship activities with its investees and/or assets?

	(2) Fixed income – corporate	(6) Private equity	(7) Private debt
(A) Yes, we conduct stewardship activities with investees and/or assets.	(1) For > 90 – 100% of our AUM	(1) For > 90 – 100% of our AUM	(1) For > 90 – 100% of our AUM
(B) No, we don't conduct stewardship activities with investees and/or assets.	○	○	○

SIA 5 Stewardship with investees and/or assets	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	1	Internally managed AUM Private market assets	SIA 1	N/A	Investment practices
Purpose of indicator	**This indicator aims to capture how an organisation manages financially material sustainability and governance-related issues to preserve and create value during the holding period of an investment. It is considered good practice for investors and/or their third-party property operators or managers to develop sustainability and governance-related action plans that can be updated according to ongoing performance to preserve and create value during the holding period of an investment.** **Sustainability and governance-related risks and opportunities should be reassessed continuously to better understand the performance of the investment portfolio and to identify areas for continuous improvement. Doing this in a structural way allows the organisation to assess sustainability and governance-related performance within and amongst portfolios and to potentially assess the performance of other investment managers.**				

For private market assets, how does your organisation address financially material sustainability and governance-related risks and opportunities during the holding period?

	(2) Private equity	(3) Private debt
(A) We directly implement (or engage with portfolio companies, assets or other key relevant parties to implement) sustainability and governance-related action plans, 100-day plans and value creation plans covering sustainability and governance-related issues, or similar.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(B) We share relevant resources or provide training to portfolio companies or assets or other relevant key parties.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(C) We engage with key stakeholders and take action to address relevant insights gathered.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(D) We regularly include sustainability-related covenants, margin ratchets or similar provisions in loan documentation or equivalent agreements and enforce these during the holding period.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM
(E) We regularly engage with portfolio companies through board seats and/or regularly review asset management plans where assets are owned and operated /managed directly.	(1) For > 90 - 100% of our AUM	(1) For > 90 - 100% of our AUM

(F) We take steps not specified in other answer options above to address financially material sustainability and governance-related risks and opportunities post-investment.		
(G) We do not address financially material sustainability and governance-related risks and opportunities post-investment.	○	○

SIA 6 Stewardship with investees and/or assets	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	2, 3, 4	Internally managed AUM	SIA 1	N/A	Not assessed
Purpose of indicator	**This indicator provides organisations with the opportunity to share examples of stewardship efforts that were conducted during the reporting year.**				

Provide example(s) of stewardship activity(ies) that your organisation conducted during the reporting period and how any activity is related to your stewardship objectives.

Asset class(es) the approach applies to

(B) Fixed income – corporate
(F) Private equity
(G) Private debt

Details

Stewardship in practice across asset classes

At BlueOrchard, engagement is prioritised by each fund's impact objectives and our experience in driving outcomes. The approach is consistent across strategies, but implementation and our level of influence vary by asset class and our position as an investor. Three recent examples illustrate this in private debt, listed debt and private equity.

Private debt — Hamkorbank (Uzbekistan). Objective: strengthening E&S risk management and governance. At ESG assessment we found the bank's risk-classification method was under-weighting higher-risk activities. Through constructive dialogue we helped align it with international standards; with partner FMO these improvements were formalised in the bank's Environmental and Social Action Plan, including a committed review of its classification system and full portfolio reassessment by 2026. This reflects how private-debt engagement begins at due diligence and is anchored in formal, tracked commitments.

Listed debt — Muangthai Capital (Thailand). Objective: improving labelled-bond transparency, disclosure and material risk management. We engaged on the social bond framework, obtaining clarification on the target population (later reflected in the impact report) and raising material issues — client protection and climate strategy — while sharing best practice on financed-emissions measurement. This shows listed-market engagement as structured dialogue to improve disclosure over time and enable change.

Private equity — Vanguard Assurance (Ghana). Objective: building product capability and strengthening ESG through active ownership. As an active partner, we provided technical assistance to build index-based agricultural insurance, connected Vanguard with fellow investee Pula to launch a tailored area-yield product, and gave premium support to scale adoption. We also supported ESG improvements, contributing to Vanguard becoming Ghana's first signatory to the Principles for Sustainable Insurance — reflecting the greater leverage private equity affords.

A selection of our engagement videos is available on the BlueOrchard YouTube channel: (see link below).

BOAD
BlueOrchard has developed a close working relationship with Banque Ouest Africaine de Développement (BOAD), centred on understanding and enhancing the bank's impact strategy. Early meetings involved in-depth exchanges with the full BOAD impact team, where BlueOrchard gained clear insight into their impact approach and how results are measured and aggregated at the country level. The relationship has been strengthened by multiple in-person and virtual meetings, as well as targeted conversations involving the impact and sustainability teams. These regular, open exchanges have built a high level of trust and enabled both sides to address complex topics and advance effective impact management together.

Sustainable Finance Ministry of Hungary

We engaged directly with Hungary's Sustainable Finance Ministry on their labelled bond issuances, reporting, and strategic plans. The discussion covered key sustainability issues, emphasising the exclusion of nuclear energy from frameworks, clearer target populations to increase the effectiveness and relevance of social eligible categories, and enhanced future reporting. We encouraged concise, transparent frameworks, the removal of superfluous categories, and reiterated the need for transparency.

Supporting files, documents or links (Voluntary)

https://www.youtube.com/@blueorchardfinanceltd4507/videos.

Collaboration

The Collaboration (CO) RI activity assesses whether and how signatories work with peers and other stakeholders to pursue shared responsible investment objectives, in alignment with their fiduciary (or equivalent) duties and mandates. Through both formal and informal collaborative initiatives, investors can exchange knowledge and pool resources to enhance effectiveness in addressing sustainability and governance-related challenges.

PRI principle alignment	Reporting level	Internally managed assets	Externally managed assets
5	Entity	✓	✓

Indicator ID	Topic	PRI Principle	Signatories reported	Framework mapping	
				Partial	Full
CO 1	Collaboration	5	4298	N/A	UKSC
CO 2	Collaboration (example)	5	3561	N/A	UKSC

Reporting insights

Almost all PRI signatories participate in some form of collaboration; only 4% of asset owners and 7% of investment managers report no collaborative activity at all. Among asset owners, practice is quite evenly spread across participation in networks and platforms to:

- facilitate collaboration on stewardship priorities or commitments (23%)
- share tools and resources, either to:
  - increase understanding of responsible investment issues and commitments (27%); or
  - increase understanding of relevant emerging issues (24%).

Where signatories selected "we work with other investors, investees and or/stakeholders in other ways" and provided supplementary information, climate, decarbonisation and transition planning were the most visible issue-specific collaboration topics.

Figure 8. CO 1 – Asset owner and investment manager collaborative practices



COLLABORATION (CO)

CO 1 Collaboration	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	5	All signatories	N/A	CO 2	Policy, governance and disclosure
Purpose of indicator	**This indicator aims to assess if an organisation works with other investors, investees and/or other stakeholders on broader collaborations to achieve responsible investment objectives.** **Collaboration refers to investors or their service providers working together, and/or with other stakeholders, to pool resources and enhance their effectiveness in pursuing their responsible investment objectives, consistent with the signatory's fiduciary duties and mandates. Collaboration can include informal means, such as sharing insights on how to approach an issue with peers, as well as formal mechanisms, such as collaborative engagements or initiatives or the use of an external service provider (e.g. engagement overlay service) that pools resources from multiple investors.** **In some instances, partnership along with other stakeholders may have the potential to be more effective in managing financially material sustainability and governance-related risks and opportunities than acting alone. Investors will sometimes partner with others when they have independently arrived at the same conclusion. This does not include sharing investment or voting intentions, nor agreeing to act in concert in any way.**				

Does your organisation (or external service providers or external managers acting on your behalf) work with other investors, investees and/or other stakeholders to achieve your responsible investment objectives?

☑ **(A) Yes, we participate in networks and/or platforms to share tools and resources to facilitate collaboration to advance our stewardship priorities or commitments.**
☑ **(B) Yes, we participate in networks and/or platforms to share tools and resources to increase understanding of responsible investment issues and commitments.**
☑ **(C) Yes, we participate in networks and/or platforms to share tools and resources to increase understanding of relevant emerging issues.**
☐ (D) Yes, we work with other investors, investees and/or stakeholders in other ways.
○ (E) No, our organisation does not work with other investors, investees and/or other stakeholders to achieve responsible investment objectives.

CO 2 Collaboration	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	5	All signatories	CO 1	N/A	Not assessed
Purpose of indicator	**Consistent with investors' fiduciary duties and mandates, collaboration creates opportunities for peer learning and enables greater coherence and transparency in the approaches and methodologies used.** **This indicator provides organisations the opportunity to demonstrate their involvement in collaborative stewardship or broader collaboration efforts. Examples can be in the form of case studies or any other supporting documents. Organisations may elaborate on some of the responses provided in previous indicators or reference information published on alternative channels (e.g. reports, website).**				

Provide example(s) of your organisation's involvement in collaborative initiative(s).

Asset class(es) the approach applies to

(B) Fixed income – corporate
(C) Fixed income – SSA
(D) Fixed income – securitised
(F) Private equity
(G) Private debt

Details (Mandatory)

Fixed Income

Since 2023, BlueOrchard has been an active member of the Impact Disclosure Taskforce and serves on its Steering Committee, contributing to the development of market guidance for entity-level impact disclosure. Bringing together more than 80 financial institutions, investors, DFIs and other market participants, the initiative aims to improve the quality, consistency and comparability of impact reporting and support greater capital mobilisation towards the UN SDGs. During the reporting period, BlueOrchard provided an impact investor perspective on the development of a standardised impact data platform.

Private Equity

During the reporting period, BlueOrchard participated in a bilateral consultation and follow-up feedback calls on the Investors Resilience Challenge (IRC) — a framework convened by the Adaptation & Resilience Investors Collaborative (ARIC) to standardise and scale investment in climate adaptation and resilience. Drawing on its experience managing dedicated climate insurance funds, BlueOrchard provided a private-market investor perspective on the draft framework and criteria, contributing practical input on cross-asset-class applicability, impact measurement and the need for a pragmatic approach that unlocks adaptation and resilience finance in emerging markets.

Private Debt

During the reporting period, BlueOrchard contributed to How Much Impact?, a Sustainable Finance Geneva (SFG) publication exploring practical challenges and solutions for impact measurement in private markets. Drawing on its experience managing impact private debt strategies, BlueOrchard provided a case study on its approach to setting impact objectives, engaging portfolio companies on impact data collection and aggregating impact results at fund level, contributing practical insights to advance industry practices in impact measurement and reporting.

Engagement with clients and/or beneficiaries

The Engagement with clients and/or beneficiaries (ECB) RI activity assesses how signatories communicate and engage with clients and/or beneficiaries on responsible investment. This covers the inclusion of sustainability preferences in contractual agreements, sustainability disclosures to clients and internal review processes. The focus of this RI activity is maintaining alignment between an organisation's investment approach and the expectations of those it serves.

PRI principle alignment	Reporting level	Internally managed assets	Externally managed assets
2, 3, 4, 6	Entity	✓	✓

Indicator ID	Topic	PRI Principle	Signatories reported	Framework mapping	
				Partial	Full
ECB 1	RI clause in contractual agreements	6	3459	N/A	N/A
ECB 2	Elements reported to clients/beneficiaries	2, 3, 4	4298	N/A	N/A
ECB 3	Public disclosure of climate metrics	3, 6	4298	ISSB, SFDR	N/A
ECB 4	Disclosure (example)	6	4298	N/A	N/A
ECB 5	Verification of PRI report	6	4298	N/A	N/A

Reporting insights

Public disclosure of climate-related metrics varies considerably by region. Europe reports the strongest disclosure overall, with high rates of reporting on emissions intensity (reported on by 62%) and absolute financed emissions (56%). Oceania also shows comparatively high disclosure rates across most measures, particularly emissions intensity (51%).

Elsewhere, levels of non-disclosure are higher; 69% of signatories in the Middle East report disclosing none of the listed metrics, compared with 51% in North America, 50% in Latin America and 49% in Africa.

Asia sits between these two groups, with 41% reporting none of the listed metrics.

Figure 9. ECB 3 – Global climate-reporting and disclosure patterns

Climate-related metrics or variables disclosed by each organisation	Africa	Asia	Europe	Latin America	Middle East	North America	Oceania
(A) Exposure to physical risks	26%	32%	33%	21%	19%	21%	34%
(B) Exposure to transition risks	28%	31%	36%	22%	19%	20%	37%
(C) Exposure to climate-related opportunities	31%	31%	34%	21%	25%	25%	37%
(D) Emissions intensity	26%	39%	62%	31%	19%	30%	51%
(E) Absolute emissions (financed emissions)	22%	34%	56%	31%	19%	26%	38%
(F) Other	15%	11%	24%	12%	6%	15%	17%
(G) We did not disclose any of the above metrics or variables	49%	41%	25%	50%	69%	51%	35%

ENGAGEMENT WITH CLIENTS AND/OR BENEFICIARIES (ECB)

ECB 1 Engagement with clients and/or beneficiaries	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	6	Investment managers only Internally managed AUM	OP 4	N/A	Policy, governance and disclosure
Purpose of indicator	**Contracts are an important accountability mechanism. This indicator aims to establish whether an organisation includes clauses relating to responsible investment in contracts or if it is willing to accept them.**				

Does your organisation offer clauses relating to responsible investment in contractual agreements with clients when requested?

- ◉ **(A) Yes, we offer clauses relating to responsible investment in contractual agreements either by default or we include them when requested by clients.**
- ○ (B) No, we do not offer clauses relating to responsible investment in contractual agreements.
- ○ (C) Not applicable

ECB 2 Engagement with clients and/or beneficiaries	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	2, 3, 4	All signatories	N/A	N/A	Policy, governance and disclosure
Purpose of indicator	**Regular reporting to clients and/or beneficiaries on responsible investment practices is vital to ensure that they can follow up and hold the organisation to account, including on progress towards any commitments. It is thus considered good practice to cover all key responsible investment practices within the organisation's regular reporting to clients and beneficiaries.**				

What elements are included in your regular reporting to clients and/or beneficiaries?

☐ (A) Information on, or any changes in, policies related to responsible investment
☐ (B) Information on, or any changes in, governance or oversight related to responsible investment
☑ **(C) Information on general sustainability and governance-related risks and opportunities affecting investments**
☑ **(D) Information on stewardship-related commitments and any progress made**
☑ **(E) Information on financially material climate-related risks and opportunities affecting investments**
☑ **(F) Information on financially material nature-related risks and opportunities affecting investments**
☑ **(G) Information on financially material human rights-related risks and opportunities affecting investments**
☑ **(H) Information on commitments to other sustainability issues and any progress made**
○ (I) We do not include any of these elements in our regular reporting to clients and/or beneficiaries

ECB 3 Engagement with clients and/or beneficiaries	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	3, 6	All signatories	N/A	N/A	Policy, governance and disclosure
Purpose of indicator	**It is important for signatories to understand their exposure to climate-related risks and opportunities. Disclosing these is a requirement of the IFRS S2, with over 30 jurisdictions having adopted or in the process of integrating the ISSB standards into their regulations.** **Organisations may provide details on both quantitative and qualitative metrics or variables they publicly disclosed. These details should readily be available to the general public, either directly from a website or from a portal where anyone can register to obtain access. If the public can only access this information by actively requesting access to it via email or similar, it will not be considered publicly available for the purpose of this indicator.**				

During the reporting year, which of the following climate-related metrics or variables did your organisation publicly disclose?

- ☐ (A) Exposure to physical risks
- ☐ (B) Exposure to transition risks
- ☑ **(C) Exposure to climate-related opportunities**
- ☑ **(D) Emissions intensity**
- ☑ **(E) Absolute emissions (financed emissions)**
- ☐ (F) Other
- ○ (G) We did not disclose any of the above metrics or variables

ECB 4 Engagement with clients and/or beneficiaries	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	6	All signatories	N/A	N/A	Not assessed
Purpose of indicator	**This indicator provides organisations with the opportunity to demonstrate evidence of disclosures provided for clients and/or beneficiaries.**				

Provide example(s) of investor disclosure you have provided for clients and/or beneficiaries during the reporting year.

Asset class(es) the approach applies to

(A) Listed equity
(B) Fixed income – corporate
(C) Fixed income – SSA
(D) Fixed income – securitised

Details (Mandatory)

Impact reports (quarterly and annual for Fixed Income)

Supporting files, documents or links (Voluntary)

https://publications.schroders.com/view/847798388/
https://publications.schroders.com/view/495218055/

ECB 5 Engagement with clients and/or beneficiaries	PRI Principle(s)	Applies to	← Dependent on	→ Gateway to	Assessment Group
	6	All signatories	N/A	N/A	Policy, governance and disclosure
Purpose of indicator	**Taking steps to verify information will enhance the credibility of an organisation's sustainability and governance-related disclosures to the PRI in this submission, as well as its reporting to clients or beneficiaries and elsewhere.**				

How did your organisation verify the information submitted in this PRI report?

☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion.
☑ **(B) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report.**
☑ **(C) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report.**
☑ **(D) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI.**
○ (E) We did not verify the information submitted in our PRI report this reporting year.