

Schroder ISF Carbon Neutral Credit

LU2343327321

Issuer	Schroders
Fund provider	Schroder Investment Management (Europe) S.A
Fund type/Asset class	Bond fund
Legal form	SICAV
Fund issue date	-
Last Update	02.01.2024
Benchmark	The Bloomberg Multiverse ex Treasury A+ to B- EUR hedged is used as a reference comparator
Tranche	Private Investors Institutional Investors



Risk Indicator (PRIIP)
4 of 7

Licensed in
D, A, CH, LU

Classification by SFDR
Article 9

EU Taxonomy
-

% of Sustainable Investments according to SFDR
-

Principal Adverse Impacts



Sustainable Development Goals



NORMAL ALLOCATION

Equities	Excluded
Bonds	
Money market/Bank deposits	0 %
Commodities	Excluded
Direct investments	Excluded
Derivatives	0 %
Other	-

Sustainability approach

Principal Adverse Impacts	<ul style="list-style-type: none"> ✓ Greenhouse Gas Emissions ✓ Water ✓ Waste ✓ Biodiversity ✓ Energy Efficiency and Fossil Fuels ✓ Social and Employee Matters
Further remarks on the consideration of SDGs	-
Rationale behind classification according to SFDR	<p>Article 9</p> <p>The Fund's sustainable investment objective is to achieve aggregate carbon neutrality by the year 2025 within its investment portfolio by investing at least 75% of its assets in (i) sustainable investments, which are investments that contribute towards the objective of carbon emission reduction by aiming for, and being on track to achieve, 80% emission reductions by 2030 and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria. The Fund will aim to offset residual portfolio emissions with avoided emissions, in order for the portfolio to achieve net zero emissions by 2025.</p>
Engagement	<p>Yes, organized internally</p> <p>Link to engagement policy</p>
Voting	<p>n/a Bond fund</p> <p>Link to voting policy</p>
Best-in/of-Class	<p>Best-In-Class</p> <p>The fund applies a best-in-class approach that is based on credible exclusions, our internal, proprietary ESG assessment, as well as third party ESG ratings. This approach results in a better sustainability profile for the fund compared to the reference comparator. While we continuously search for improving ESG stories also through engagement, we limit or divest ESG laggards in the fund. To be eligible for investment, companies must fall into the category of climate leaders or improvers and must meet one of the following criteria: 1. Companies committed to carbon neutrality by 2025 (based on scope 1 and 2 emissions) 2. Companies that have set a target to reduce its carbon intensity by at least 80% by 2030 3. Low emitters with projected 2030 carbon intensity at least 80% below the sector average 4. Companies that create emission savings in the economy</p>
ESG-Integration	<p>Yes</p> <p>We firmly believe that non-financial considerations including environmental, social and governance issues have a material influence on the sustainability of issuer cash-flows. ESG is fully integrated into our investment process. The strategy is powered by the following pillars: – Proprietary science-based carbon neutral data based screening – Exclusions of controversial sectors and activities – Forward-looking fundamental credit assessment, ESG integration and engagement – Portfolio construction.</p>
Norm-based screening	<ul style="list-style-type: none"> ✓ UN Global Compact ✓ OECD Guidelines for Multinational Enterprises
Themes	<ul style="list-style-type: none"> ✓ Climate change ✓ Agriculture and forestry ✓ Renewable Energies ✓ Biodiversity ✓ Water
Impact Investing	<ul style="list-style-type: none"> ✓ Environmental <p>The Fund's sustainable investment objective is to aim to achieve aggregate carbon neutrality by the year 2025 within its investment portfolio by investing at least 75% of its assets in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide which contribute towards the objective of carbon emission reduction by aiming for, and being on track to achieve, 80% emission reductions by 2030. The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. The Fund will aim to offset residual portfolio emissions with avoided emissions, in order for the portfolio to achieve net zero emissions by 2025. Aggregate carbon neutrality means achieving net zero carbon emissions intensity by balancing investments in (i) issuers that generate carbon emissions, but that have stated goals to reduce such emissions with (ii) issuers that contribute to reducing carbon emissions.</p>
Further information on the sustainability approach	Link to sustainability approach

Research and Transparency

In-house sustainability analysis	Yes, 40+ global sustainability/credit analysts and 15+ firm-wide sustainability analysts
Research partners	<p>Yes</p> <p>Schroders' subscribes to external ESG research providers including; MSCI ESG research, Bloomberg, Refinitiv, Sustainalytics and Morningstar</p>
Percentage of portfolio with sustainability analysis	95 %
Strategically important suppliers included	Yes
Sustainability advisory committee	Advisory
Analysis of portfolio CO2	Yes, both forward and backward-looking indicator
Sustainability reporting	<p>Yes</p> <p>https://www.schroders.com/de-de/de/institutionelle/fonds/#/fund/SCHDR_F000018992/schroder-international-selection-fund-carbon-neutral-credit-i-accumulation-eur/LU2343327677/profile</p>
At least monthly portfolio publication	Yes
Certification/Label awarded by independent auditors	✓ FNG Label ★★★

Environmental

EXCLUSION OF SECTORS / AREAS OF BUSINESS – COMPANIES

Fossil fuels (Coal, Oil and Gas)	Yes 5 % Turnover threshold
Nuclear power (operation and components)	Yes 5 % Turnover threshold
Green genetic engineering	No
Chlorine and agrochemicals (biocides)	No
Other	Issuer on Carbon Underground 200 list; Oil, gas and coal power generators (5%); Oils sands (5%) 5 % Turnover threshold

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Environmentally damaging behaviour	Yes
Damage to biodiversity	No
Other	UNGC violation, Energy generation from oil, gas, thermal coal and nuclear (5%), Carbon Underground 200 list

EXCLUSION CRITERIA – COUNTRIES

Non-ratification of the Paris Climate Agreement	Yes
Non-ratification of the Protocol on Biosafety	No
Non-ratification of the UN Biodiversity Convention	Yes
Nuclear power by proportion of gross energy production	No
Other	-

Social

EXCLUSION OF SECTORS / AREAS OF BUSINESS – COMPANIES

Weapons/Armaments	Yes
Cluster bombs and anti-personnel mines	Yes
Weapons of mass destruction (ABC/CBRN)	Yes
Tobacco products	Yes 5 % Turnover threshold
Pornography	Yes 5 % Turnover threshold
Spirits/Alcohol	No
Gambling	Yes 5 % Turnover threshold
Other	Civilian Firearms/Conventional Weapons 5 % Turnover threshold

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Labour rights (ILO core labour standards)	No
Exploitative child labour	No
Violation of human rights	No
Animal testing	No
Other	-

EXCLUSION CRITERIA – COUNTRIES

Labour rights	No
Violation of human rights	No
Military spending as a percentage of GDP	No
Death penalty, torture	No
Countries classified by Freedom House as not free	Yes
Violations of the Nuclear Non-Proliferation Treaty	Yes
Violations of other non-proliferation treaties	No
Other	-

Governance

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Corruption and bribery	Yes
Tax: planned avoidance & detected violations	No
Other	-

EXCLUSION CRITERIA – COUNTRIES

Corruption	Yes
Other	-

Quelle: Unternehmensangaben. | Für die Angaben der Unternehmen kann keine Haftung übernommen werden. Die Angaben dienen nur zur Information und stellen keine Beratung oder Empfehlung dar. Bitte beachten Sie den Haftungsausschluss unter www.forum-ng.org/disclaimer. Das FNG-Nachhaltigkeitsprofil bietet nur einen ersten Überblick und ist kein Ersatz für eine eigenständige Analyse. Weiterführende Erläuterungen finden Sie unter www.forum-ng.org