Annual Report and Accounts 2025

Schroders

# Active in everything

We partner with institutions, intermediaries and individuals around the world to create prosperity together. For over two centuries, we have given clients an edge by seeing things differently. They look to us for our active perspective, which combines rigorous research, innovative thinking and deep market insight to help them see investment opportunities and risks in a new light.

As stewards of our clients' assets, we use our influence to help protect and grow the value of their investments. This includes engaging with the companies in which we invest and the policymakers who drive standards for the benefit of all market participants.

The success of these client partnerships depends on their trust in our investment, advisory and wealth management capabilities, across public and private markets.

We believe that when we succeed for clients, our shareholders and wider society also benefit.

# Our purpose

Creating prosperity together.

# Our vision

We partner with our clients to provide trusted advice and invest in the assets and markets that matter to them, building their future prosperity through delivering excellent investment outcomes.

# Our values

We strive for excellence.

We promote innovation and teamwork.

We have passion and integrity.

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**Our Annual General Meeting (AGM) will be held in person at 1 London Wall Place, London, EC2Y 5AU on 16 April 2026 at 11:30am.**

## Our 2025 reporting suite

Visit our 2025 online reporting site to watch and read more: www.schroders.com/investors

Key performance indicators

# The outcomes we measured

Throughout the year, the Board tracked and reviewed the following key performance indicators (KPIs). These KPIs provide year-on-year transparency for all stakeholders and are an important source of consistent insight into the strategic, financial and operational progress of the business.

In 2025, the suite of KPIs was reviewed and updated to align more closely with the Group's strategic priorities. As part of this, the adjusted cost to income ratio was introduced as a KPI, and dividend per share was removed. The adjusted cost to income ratio is used to measure operational efficiency and help track progress towards our strategic goal of returning the business to profitable growth. Our primary statutory measure, profit before tax, was £673.8 million in 2025 (2024: £558.1 million).

## Adjusted net operating income[1, 2] (£m)

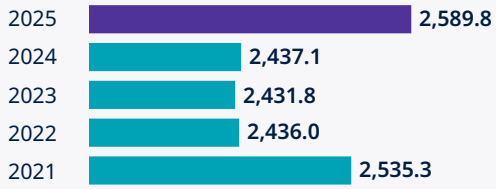
### Our objective

Adjusted net operating income comprises net operating revenue earned from the assets we manage, net gains on seed and co-investments, share of profit of joint ventures and associates, and other income. We aim to grow adjusted net operating income over time.

### How we performed

**£2,589.8m**

Adjusted net operating income increased by £152.7 million to £2,589.8 million benefitting from market returns and favourable changes in the composition of our AUM. Statutory net operating income was £2,700.5 million, an increase from £2,430.4 million in 2024.




## Adjusted cost to income ratio[2] (%)

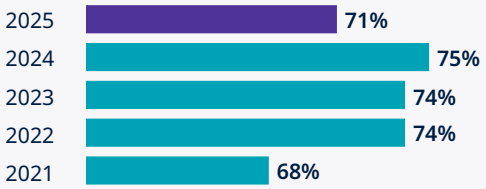
### Our objective

We have set a target to reduce our adjusted cost to income ratio to less than 70% by the end of 2027, subject to normal market conditions.

### How we performed

**71%**

The adjusted cost to income ratio improved to 71% in 2025, from 75% in 2024. This was primarily driven by higher net operating income, reflecting the Group's operational leverage, along with accelerated delivery against our transformation targets and continued cost control. The statutory operating cost to income ratio was 75% in 2025 and 78% in 2024.




## Assets under management (£bn)

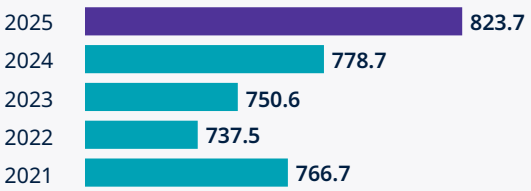
### Our objective

We aim to grow our assets under management (AUM) over time in excess of market growth, through positive investment outperformance and net new business. As a sterling-denominated reporter, currency movements also impact asset levels.

### How we performed

**£823.7bn**

At the end of 2025, AUM stood at £823.7 billion, an increase of 6%. Markets and investment performance increased AUM by £75.3 billion, offset by currency movements of £18.4 billion and £17.9 billion on disposals, principally the sale of our stake in SPW. Net new business increased total AUM by £6.0 billion.




## Net new business (£bn)

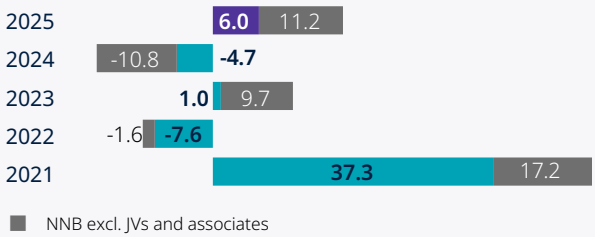
### Our objective

We seek to generate positive net new business (NNB) across the Group.

### How we performed

**£6.0bn**

Net new business, excluding our joint ventures and associates, was £11.2 billion in 2025. Net new business, including joint ventures and associates, was £6.0 billion.




1. The measurement of certain KPIs has been updated following the change to the presentation of our income statement (see page 151). Prior year numbers have been restated here and throughout the report.
2. These KPIs represent alternative performance measures (APMs), definitions can be found in the Glossary on page 203.

## Key performance indicators continued

### Client investment performance (%)

#### Our objective

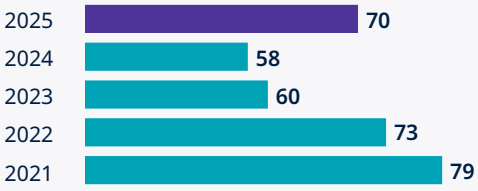
We target at least 60% of our AUM outperforming their stated comparators over a rolling three-year period.

#### How we performed

**70%**

In 2025, 70% of assets outperformed their relevant comparator over three years. Over one and five years, 71% and 73% of assets outperformed, respectively, the first time since 2021 that all performance metrics have been above 70%.

More details on our performance reporting can be found on page 204.




### Portfolio temperature score (°C)

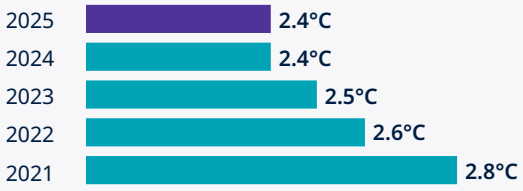
#### Our objective

We aim to achieve a portfolio temperature score of 2.2°C for our in-scope assets by 2030. This score is based on the targets set by investee companies across their Scope 1 and 2 emissions.

#### How we performed

**2.4°C**

The portfolio temperature score of in-scope assets remained constant at 2.4°C at the end of 2025. This is ahead of the linear pace of reduction required to meet our target. This reflects the commitment of the companies we invest in, our engagement efforts and our investment decisions.




### Retention of highly rated employees (%)

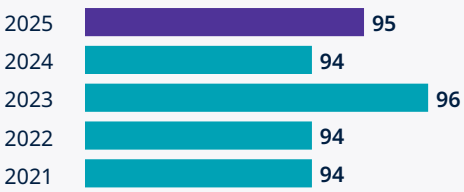
#### Our objective

Developing and retaining talented people is key to our ongoing success. We actively monitor retention, focusing on those who have received a strong performance rating.

#### How we performed

**95%**

The retention rate of our highly rated employees remained high at 95%. This represents a committed and engaged workforce, aligned with our values.




### Basic adjusted operating earnings per share[1, 2] (p)

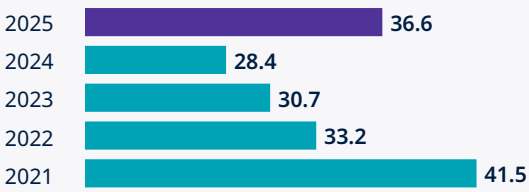
#### Our objective

We recognise the potential impact of market volatility on results in the short term; however, in line with our strategy, we aim to target growth in adjusted operating earnings per share.

#### How we performed

**36.6p**

In 2025, basic adjusted operating earnings per share was 36.6p, an increase of 29% on 2024. Basic total earnings per share was 34.1p, an increase from 26.4p in 2024.

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Our strengths

# OUR COMPETITIVE EDGE

**For Schroders, "active" is a mindset, not just an investment strategy. We are active in how we engage with the world, solve complex problems, respond to clients' needs, and drive our business forward.**

## CLIENT INSPIRED

We aspire to transform client relationships into deeper partnerships. We dedicate ourselves to understanding clients' needs, earning their trust, and orchestrating all of our expertise to help them succeed.

### Accessible new active fund formats

We launched our first two European active exchange-traded funds (ETFs), bringing relevant products to meet clients' evolving needs. Features like ease of trading and liquidity provide accessibility. We have existing active ETF capabilities in the US and Australia and plan to expand the European range.

### Client-led solutions

We won a £3.3 billion mandate with PGGM, one of the world's leading pension investors, based in the Netherlands, and a £4.0 billion mandate with UK wealth manager St. James's Place. Our ability to build customised solutions, and our client-focused sustainable investment capabilities were key.

### Future-focused innovation

We partnered with Hargreaves Lansdown to offer the UK's first Long-Term Asset Funds (LTAFs) tailored for experienced private investors, and we launched the Global Digital Assets Centre of Excellence in Singapore to help shape the future of asset management.

## ACTIVE IN EVERYTHING

Our active perspective combines rigorous research, innovative thinking and deep market insight. It means we can help clients see opportunities and risks differently.

### Leading investment performance

We have consistently been one of the top three European asset managers on fund performance for listed funds for the past six years, in research by UBS. Overall, 71%, 70% and 73% of our clients' investments outperformed their benchmarks for one, three and five years respectively.

### Active client insight

We learnt from our 2025 Global Investor Insights Survey that 80% of respondents are more likely to increase allocation to active management, and 55% said portfolio resilience is their priority.

### Unlocking potential with active management

We completed more than 8,000 company interactions which, combined with active asset allocation and a focus on working with clients to address their needs, enabled us to target returns, resilience and income.

**Our strengths** continued

# TRUSTED WORLDWIDE

Fulfilling our purpose depends on trust, with global reach and deep local relationships. Our reputation is a strength in every region where we operate, and our brand gives us an edge in the market.

### A top-5 global asset management brand

The Schroders brand ranks fifth overall out of 2,770 global asset managers and is the top non-US firm in an independent global asset management brand study by NMG Consulting. We have held this position for seven years.

### Long-term strategic partnerships built on trust

We extend our access to opportunities in high-growth markets through relationships with Axis Bank in India, BOCOM in China, Nippon Life in Singapore, Hartford Funds in the US and Phoenix Group in the UK. We consider trust in our investment expertise to be a key factor in these long-standing strategic partnerships and joint ventures.

### Client loyalty and referrals

Average client duration across Public Markets and Schroders Capital, a measure of how long we hold assets, increased from 4.3 years in 2024 to 4.6 years, reflecting our increased focus on client retention. We have many long-standing relationships: 13 agreements with 12 institutional clients have been active for 25 years or more, and in our Wealth business we have served one family for over 75 years, across four generations.

# PEOPLE DRIVEN

Talented teams are fundamental to our active philosophy, with proprietary technology enhancing their capabilities. We prioritise excellence and diversity of thought in pursuit of high performance and client success.

### Depth and strength in our leadership

Our senior global equities leadership team has an average of 26 years' industry experience. We have strengthened our senior team across many areas of the business, including new strategic leadership in Wealth Management and Client Group.

### Global collaboration delivering client value

Collaboration is embedded in our approach to delivering value for clients. By sharing insights and expertise across public and private market capabilities globally, we are able to deliver bespoke solutions and build lasting partnerships with clients.

### Expertise strengthened by technology

Our proprietary technology, tools and data analytics support objective and efficient investment decisions. For example, one tool enhances the process of reviewing and summarising company insights, reducing analysis time by 60%. It enables teams to deliver enhanced insights and opportunities to achieve outperformance for clients in considerably less time.

Chair's statement

# Focused on delivering for stakeholders

## Our dedication to active management is key to how we work alongside clients, solving their complex problems together.

**Dame Elizabeth Corley**
Chair

### 2025 was a significant year as we set out plans to return the business to sustainable profitable growth and began an ambitious programme of change.

Focusing the business where we have an edge, keeping close to clients and applying firm cost and capital discipline are the levers we have set to achieve growth. We are making good progress, delivering transformation with determination and speed. In financial terms our transformation is ahead of target, having already delivered £75 million of planned three-year net savings.

For our employees, the advantages have been greater clarity of purpose while holding true to our values.

For our clients, the benefits are that we are applying more dedicated, specialist resource to understanding their needs and identifying solutions. Global events have presented a volatile external backdrop as we have worked to simplify and transform our business. Markets have risen broadly over the year, but this has book-ended shorter periods of extreme turbulence sparked by a wide range of geopolitical and fiscal risks. As the year ended, valuations became an increasing reason for caution.

It is during uncertain times, however, that we can demonstrate our value as trusted partners to clients. Our dedication to active management, with a clear articulation of what this means, are key to what we offer. Confidence in this distinctive offering stands alongside the strong client investment performance we have reported. We see active as more than an investment strategy: it is a mindset we bring to every aspect of what we do. We believe that a forward-looking approach to the risks confronting clients is essential. It is through this approach that we can deliver the very best for them, in terms of investment performance, service and meeting their overarching objectives.

Through a period of ongoing transformation our executive team has led with dedication, energy and passion. This was the first full year in office for Richard Oldfield as Group Chief Executive and for Meagen Burnett as Chief Financial Officer. It is also the year that Johanna Kyrklund stepped up to the Board as Group Chief Investment Officer.

Their natural ability to develop and lead client-centric yet profitable organisations – critical factors in their selection for these roles in 2024 – has played out throughout 2025 in terms of strategic decision-making, leadership of our people and shareholder interaction. Richard and Meagen's emphasis on the latter has led to constructive and supportive shareholder feedback. Johanna and her team have played a vital part in highlighting the value of Schroders' active management expertise.

Alongside Richard, Meagen and Johanna have also been consistently visible, approachable and inspiring within our organisation. They exemplify Schroders' cultural values and radiate the energy required to achieve change.

As part of our transformation, and to support the executive leadership team, key appointments have been made across Client Group and Wealth Management. These new hires will be foundational for our growth strategy, based on anticipating and meeting clients' needs. We welcome them and look forward to their contribution to a new phase of Schroders' growth.

Transformation continues to be an important backdrop to our strong financial results. As Richard sets out on the opposite page, assets under management reached £823.7 billion, supported by positive net new business, and we have exceeded market expectations for adjusted operating profit. I am delighted by the results but we are not complacent in the slightest. Financial markets were in our favour and we are just one year into the multi-year transformation that we set out to the market in Spring 2025.

This year the Board is recommending a final dividend of 15.0 pence per share (2024: 15.0 pence per share). This brings the full-year dividend to 21.5 pence per share (2024: 21.5 pence per share), flat on last year, as we seek to bring the dividend back in line with the 50% payout policy target.

Subject to shareholder approval at the Annual General Meeting on 16 April 2026, the final dividend will be paid on 23 April 2026 to shareholders on the register on 13 March 2026.

Organisational transformation while we retain a focus on clients and profitable growth is not easy. In a people and client-centric business like ours, it demands commitment and energy from everyone. I am extremely grateful to colleagues around the world for their professionalism, adaptability and resilience. We are only part of the way through our journey, but we are making excellent progress. As we focus our business under the refreshed leadership of Richard and his team, we are positioning ourselves for sustained future growth from which we will all benefit together.

**Dame Elizabeth Corley**
Chair
11 February 2026

From our Group Chief Executive

# Actively creating better outcomes

## Our strategy to align our active capabilities to clients' needs is starting to deliver, as we return to earnings growth.

**Richard Oldfield**
Group Chief Executive

### Success for our clients and sustainable, profitable growth for Schroders: our model proves that an active approach offers value in a complex world.

Sales are up; net new revenues are up; costs are down; and – most important of all – we are delivering the strong investment performance our clients need and expect. We must acknowledge external factors influencing our progress, including the supportive effect of financial markets, but there is a lot to be proud of in 2025. There is also a lot more to do in the years ahead. Our first priority must be to accelerate the pace of organic growth in our Wealth Management and Schroders Capital businesses.

Early in 2025 we set out ambitious plans to reposition our business for strong growth now and into the future. We have covered much ground in year one but are not complacent: we are ahead of many of our targets, but not all. Our achievements to date are reflected in our financial results.

Assets under management (AUM) have reached a new high of £823.7 billion, boosted by positive net new business and supportive markets. We have grown revenues and are ahead of our targets on costs, enabling us to generate adjusted operating profit of £756.6 million, an increase of 25% year on year.

Investment performance is a key tenet of our purpose to create prosperity together with our clients. I am pleased to see that over one, three and five years our investment professionals have delivered strong performance, with 71%, 70% and 73% of assets outperforming their respective benchmarks.

### Our transformation in practice

Repositioning for growth started with fundamental changes to our operating and technology platform. During 2025 we refined our client proposition, rationalising the number of products we offer, merging and closing some strategies, while launching others (detailed below). We also began to reshape Client Group to scale up delivery.

The start of our transformation entailed a thorough examination of our business globally, with the aim of simplifying and refocusing our resources where we know we can succeed. We took some difficult yet deliberate decisions to achieve this.

We recognised that our opportunity to succeed in certain markets and segments was limited. Our Chief Financial Officer, Meagen Burnett, sets out the actions we have taken to exit those areas and sharpen the Group's strategic focus on page 16. We have also taken steps to reshape our Wealth Management business, regaining full ownership of Cazenove Capital in exchange for our stake in Schroders Personal Wealth (SPW). We have renewed our strategic relationship with Lloyds Banking Group by entering into new, multi-year asset management agreements to manage the SPW and Scottish Widows assets. These changes position us to focus more closely on the areas where we can create the greatest value for our Wealth Management clients and strengthen our long-term growth potential.

Within Client Group we restructured teams and designed a new sales and marketing model where central support is focused on fewer core propositions. The goal is to anticipate clients' requirements and improve our speed to market with the best solutions.

In all these developments we underscore the qualities that differentiate us: our trusted global brand coupled with local know-how; and our commitment to active management.

### Investing in our people

To achieve scale we need to build support around our strongest capabilities. That has meant investing in specialist teams and introducing new leadership, particularly in client-facing roles within Schroders Capital, and within Wealth Management and Client Group.

In private markets we established the Schroders Capital Business Development team, ensuring that we can take deep, specialist knowledge to clients. A new head of Client Group, with supporting appointments, joined in 2025 and has energised our global sales operations. And our new Wealth Management CEO is refreshing his leadership team as we build on our success in meeting the needs of high-net-worth families and individuals. This team will set new ambitions for a segment where we have already earned the deep trust of many clients and where we have the opportunity to build relationships with new generations of wealth owners.

## From our Group Chief Executive continued

There have been leadership changes elsewhere, with new country and regional heads being appointed across Asia and in Italy, among other senior personnel changes. We have also established a new Strategic Partnership team to grow our relationships with key clients. Leveraging the whole Group's strength in partnerships – existing and new – is a key source of value for our shareholders.

Listening to all of our people and measuring sentiment are fundamental to maintaining a resilient, motivated workforce – especially during change. I am pleased that our anonymised staff survey shows high levels of commitment, with 77% saying they are proud to work for Schroders.

### Our conviction in active management is winning for our clients and our business

We are doubling down on our foundational commitment to active management. We see the popularity of active investment strategies rising in line with clients' apprehension of increasingly complex risks. This was captured in Schroders' 2025 Global Investor Insights Survey, polling the attitudes of almost 1,000 professional investors. Almost all (94%) were concerned about market concentration, with many looking to revisit their exposures. Three in four respondents believed actively managed strategies offered value in current markets and 80% expected to increase investments in active strategies over the coming 12 months.

Active investment at Schroders is so much more than an alternative to passive index funds. It is a philosophy; a state of perpetual curiosity; a problem-solving mindset that puts us in lock-step with our clients. It is supported by the deep experience, research and proprietary tools that we have developed over decades. It is not only about asset selection, it is also about ongoing stewardship: we actively engage with the businesses in which we invest to protect and enhance the value of our clients' holdings.

Crucially, this approach is winning us business. During 2025 we benefitted from flows into a number of strategies including US equities, global equities and credit. More specifically, we secured a £3.3 billion sustainable equity mandate from Dutch pension investor PGGM, leveraging our proprietary research platform, including SustainEx™. We won a further large emerging markets investment from a major Asian national pension fund, where again, an ability to meet unique client preferences was key. In France, a leading public sector pensions provider invested further in our climate solutions offering; while in the UK further commitments from existing clients were a vote of confidence in our active approach to managing US equities and corporate bonds.

### Looking ahead – profitably scaling the business

There are many examples in 2025 where our teams' innovative work resulted in new and better solutions for clients. In September and October we launched new active exchange-traded funds (ETFs) on XETRA Deutsche Börse, Borsa Italiana, SIX Swiss exchange and the London Stock Exchange. In the UK, we partnered with Hargreaves Lansdown, the UK's largest retail investment platform, to offer two Long-Term Asset Funds (LTAFs) to a wider group of private investors. We continue to explore opportunities in digital assets and to utilise emerging technologies to improve our processes and solutions.

Innovations like these are critical to meet the targets we have set ourselves through this programme of multi-year change.

In our Public Markets business, our target is to stabilise revenues by the end of 2027. In 2025, net operating revenue was £1,527.9 million (2024: £1,452.3 million), benefitting not only from strong markets, but also from the actions we have taken to drive value in the business and for our clients.

In Schroders Capital, we committed to generate cumulative net new business of £20 billion over three years from 2025 to 2027 inclusive. Having delivered £4.6 billion in 2025, we cannot be complacent. However, we have the platform and products to succeed in this market. Our focus in 2025 has been laying the foundations to scale, as we detailed in the Schroders Capital investor event that we held on 2 December.

This ambition to scale is supported by several factors: the build-out of our specialist Business Development team, reaching our target of 40 people over the year; investment of our own balance sheet alongside our clients through seed investments and co-investments, and leveraging the wider Group's strength in partnerships. The latter entails both fostering closer collaboration in current relationships and developing new ones.

In Wealth Management, our target is to achieve a net new business rate of 5%–7% of opening AUM per year. Across UK private clients we have seen a net new business rate of over 5%, despite macro-economic and tax policy uncertainty. We achieved lower net flows than anticipated in charities where, despite growth in market share, strong gross inflows were offset by a limited number of low-margin outflows. Flows were also muted in our UK adviser business, Benchmark, and into our overseas offering. Combined, these factors reduced the total Wealth Management net new business rate to 2.7%.

In relation to costs, our focus and discipline mean we are tracking ahead of target to meet our goal of £150 million annualised net savings over three years to the end of 2027. Having set out to make in-year savings of £50 million in 2025, we managed to deliver £75 million.

Stepping back and assessing the wider picture, I am pleased to say that businesses like ours are broadly supported by policy dynamics in our biggest markets.

Challenges in developed economies drew some alarming headlines in 2025, but these are galvanising policymakers. In the EU and UK, two of our biggest markets, the rejuvenation of capital markets, and the need for capital to support businesses as they grow and hire, are core missions for governments and regulators. Active asset managers like Schroders are critical: we support IPOs and provide funding to companies and projects in different forms and at different stages. This is a prerequisite if capital markets, and ultimately economies, are to thrive.

Finally, looking back over the immense change and work of 2025, I do not underestimate what is being asked of colleagues. More than ever, we draw on the adaptability of our people as we evolve in step with our clients' needs. Change is challenging but also energising. Strong growth is what will put us in the best position to offer our people rewarding careers.

We will always be a business that innovates and learns alongside its clients. That is our culture, and that is what delivers benefits for our shareholders, our people and our clients.

**Richard Oldfield**
Group Chief Executive
11 February 2026

From our Group Chief Investment Officer

# Navigating complexity, building strength

## In a year of unprecedented change and uncertainty, the value of our active principles and expertise has never been clearer.

**Johanna Kyrklund**
Group Chief Investment Officer

### Actively choosing what you own and knowing why you own it is fundamental when business models are tested and opportunities emerge from disruption.

Our active ethos is about applying judgement, insight and discipline to help our clients navigate uncertainty and capture opportunity. We have a distinctive combination of global reach, fundamental research and quantitative capabilities that allows us to take a long-term perspective while responding decisively to short-term challenges. The breadth and integration of our capabilities across public and private markets strengthens our perspectives and helps us to deliver the solutions our clients need.

In this landscape, we are seeing clients seek return opportunities, portfolio resilience, predictable income and trusted advice. We have the tools to meet their needs: active allocation and investment selection across markets; the ability to offer sources of downside protection and risk management; powerful research and insight capabilities; and our leading expertise in sustainability. You can read more about how these dynamics inform our strategy on pages 12 to 15.

### Themes driving client demand

Expensive valuations, geopolitical uncertainty and high levels of index concentration in public markets have increased risk in client portfolios. Inflows into our US large cap strategy provide an interesting example of how investors have looked to active management to help manage concentration. Allocations to "value" in public markets, a strategy that focuses on companies that are undervalued relative to fundamentals, and to our Schroders Capital Private Equity (GPE), a semi-liquid evergreen fund that focuses on lower mid-market buyout investments, provide exposures which are less exposed to valuation risk.

Another theme that continues to attract a lot of client interest is "income". We have a very broad range of income-generating strategies across Fixed Income and Equities, as well as diversifying sources of income such as insurance-linked securities, securitised debt and infrastructure debt. Supported by strong structuring capabilities in core solutions, our multi-asset team brings these elements together to deliver balanced outcomes aligned with our clients' objectives.

Through partnership and by sharing our insights and experience to tackle clients' individual challenges, our customised solutions and advisory approach delivered significant wins. And in spite of the political backdrop, we have continued to see demand for sustainable investment, particularly from large institutions. An equity investment mandate worth £3.3 billion with PGGM, one of the world's leading pension investors in the Netherlands highlighted our strengths in these areas. You can read more about how sustainability is embedded in our investment approach on pages 20 to 22.

We are long-term investors, and active owners. Our approach extends beyond the assets we select; we add value by influencing and encouraging boards and management teams to adapt and change in the interest of long-term profitability. We engage with policymakers because effective regulatory frameworks should support healthy markets and a supportive environment for client-focused innovation.

### Investing in our capabilities

We launched two new active ETFs in Europe, meeting client demand for exposure though the flexibility of this type of wrapper and adding to existing capabilities in Australia and the US. We also made key new hires focused on this and on bringing together our strengths in active management across public and private markets to deliver client solutions at scale.

Our ability to deliver insights, our operating platform and our technology are all essential to the service clients expect across the breadth of our capabilities. We have embraced AI – not as a replacement for judgement, but as a tool to enhance it. Through a combination of proprietary tools and strategic partnerships, our investors gain insights and a measurable boost in productivity.

### Looking ahead

Markets defied many commentators' expectations in 2025, closing the year at new heights and providing healthy returns. That leaves equity valuations looking high, but not at extremes yet. Indicators suggest to us that the risk of recession remains low, and the inflation cycle is in a benign phase. However, geopolitical events remain impossible to predict with any certainty and markets will continue to test our assumptions. Many passive investors may be unaware of how concentrated their exposure is to specific areas of the market, and the risks this presents. Our job as active managers remains the same: research deeply, assess risk from every angle, and make decisions in conditions of uncertainty.

The challenges of 2025 have underscored the value of active management – and the importance of innovation, collaboration and resilience. We will continue to navigate complexity with care, conviction and clarity, always guided by our purpose: to create prosperity together with our clients.

**Johanna Kyrklund**
Group Chief Investment Officer
11 February 2026

Our business model

# Capabilities for client-focused solutions

**Our business model enables us to develop scalable solutions, together with clients. Schroders is built on two segments: Asset Management and Wealth Management. Across these, we have a breadth of complementary capabilities, with global reach and local relationships, offering relevance to clients in a complex world.**

## Client engagement

The solutions we create are founded on clients' needs. Sales, Client Service, Product and Marketing teams coordinate client engagement.

## Asset Management
**£605.7bn AUM**

Active investment management across public and private markets through funds and institutional mandates. We combine asset class expertise to create bespoke solutions.

### Public Markets

We actively manage clients' investments across stocks, bonds and other securities that are traded in public markets. Individual investors can access our funds through intermediaries and investment platforms. We partner with institutional clients to develop strategies through segregated accounts, tailored to their needs.

### Schroders Capital

We help clients to access investment opportunities in private markets, focusing on private equity, private debt and credit alternatives, real estate and infrastructure investment. A specialist in mid-market high growth themes, across regions and sectors, Schroders Capital aims to help clients generate long-term value and diversify their portfolios.

### Associates and joint ventures
**£94.1bn AUM**

We partner with other leading firms, including BOCOM in China, Nippon Life in Singapore, Axis in India and Phoenix Group in the UK. These partnerships provide access or greater reach in markets with high potential.

## Wealth Management
**£123.9bn AUM**

Investment, advisory and platform services across the wealth spectrum.

### Wealth Management

We work with individuals, families, financial advisers and charities to grow and protect their wealth for the long term. Our Wealth Management services include investment portfolios, wealth and estate planning, and banking services.

Cazenove Capital serves high- and ultra-high-net-worth clients and family offices in the UK. Schroders Wealth Management serves these client segments internationally. A specialist team also serves charities and foundations in this business.

Benchmark provides an investment platform for financial advisers to help them meet their clients' needs. In the UK, it also offers investment advice and wealth planning for individual investors.

## Corporate functions

Service delivery across the Group is enabled by robust and flexible operating systems, which include corporate functions: Global Technology, Operations, Finance, Risk and Compliance, People and Culture, Legal and Governance, Internal Audit and Tax.

## Diversified across channels, regions and asset classes (AUM)

| Channels | |
|---|---|
| Institutional | 64% |
| Intermediary | 19% |
| Wealth Management | 17% |

| Regions | |
|---|---|
| UK | 47% |
| EMEA | 16% |
| Asia Pacific | 25% |
| Americas | 12% |

| Asset classes | |
|---|---|
| Core solutions | 16% |
| Equities | 31% |
| Multi-asset | 14% |
| Fixed income | 12% |
| Private markets | 10% |
| Wealth Management | 17% |

**Our business model** continued

# How our business works

**We combine our broad investment expertise with client insights and market knowledge to develop client-inspired solutions. We actively manage their investment capital with the goal of creating prosperity together and achieving positive outcomes for all stakeholders.**

## Our purpose: creating prosperity together

### Understand our clients' needs

We invest time to understand our clients' evolving needs. Combining a global client perspective with deep local knowledge, we seek to build deeper, longer-lasting relationships. In Asset Management, we offer investment opportunities across public and private markets that respond to clients' needs. In Wealth Management, our differentiated brands offer services that are designed for a range of clients, according to their specific needs and circumstances.

### Create innovative products and solutions

We recognise that clients have a wide variety of needs. Our approach to designing innovative products and solutions is highly collaborative, combining client insights with market and regulatory knowledge and our renowned investment capabilities across public and private markets. We prioritise attention to detail and timely delivery of new products into the market. Our products are designed to suit our clients' risk and return profiles, and their sustainability preferences. We test them rigorously to ensure that they are fit for purpose.

### Actively manage investments

#### Asset Management

Our asset class specialists actively manage clients' investments. Using insights based on our proprietary research and technology, they seek opportunities aligned with clients' long-term objectives.

#### Wealth Management

We manage investments for individuals and families, based on careful consideration of their circumstances and priorities. We focus on the needs of current and future generations through our wealth planning and platform services. Our specialist team serves the investment needs of charities and foundations.

## How we earn money

We generate revenue by charging fees as a percentage of the assets we manage, and for the use of our platform or advisory services, where relevant. We also sometimes earn performance-based revenues, transaction fees and returns on seed and co-investments.

## How we create value over the long term

### Performance for clients

Our active approach seeks to solve complex problems, answer clients' needs and deliver investment outperformance. It is vital that we never lose sight of the people and institutions who entrust us with their money.

Client investment performance (5-year)

**73%**

### Shareholder returns

We focus on working with clients to create better outcomes, driving cost discipline within the business and thoughtfully deploying capital to areas with higher growth potential. In doing so, we aim to drive earnings growth and create long-term value for our shareholders.

Adjusted operating earnings per share

**36.6p**

### Active stewardship of assets

We manage £823.7 billion of assets on behalf of our clients. We seek opportunities for returns by actively engaging with management teams and boards, while helping the businesses we invest in transition to more sustainable models.

Interactions with investee companies across a range of topics

**>8,000**

Strategic context

# Understanding external dynamics

**Our global research and local insight give us a clear view of the factors shaping markets and investor behaviour. Our deep client relationships help us understand the distinct objectives of each client type and how broader global trends influence their needs.**

## Global trends

Wider macroeconomic and industry trends set the backdrop for global markets, shaping how economies evolve and influencing long-term investment opportunities and risks.

### Evolving policy priorities

Increasingly complex geopolitical dynamics have led governments to review defence policy, while maintaining their focus on economic growth and inflation management. The US and Europe are using tariffs and industrial policies to steer investment towards strategic sectors. Such shifts will influence where future opportunities and risks emerge.

### Technology and innovation

Artificial intelligence is transforming industries and leading to major spending on data and energy infrastructure. The US technology sector is expected to drive returns in the near term, however, growth projections are not uniform and fundamentals continue to matter. While opportunities are significant, rising debt-funded investment highlights the need for selectivity.

### Debt and fiscal pressures

Rising long-term interest rates are intensifying concerns about fiscal sustainability, especially as debt dynamics in major global economies have deteriorated and spending pressures persist. Meanwhile, combined monetary and fiscal support may see inflationary pressures re-emerge, which may contribute to greater volatility in financial markets.

### Climate transition

Energy security and the shift to cleaner growth are reshaping economies. The need for capital to move into renewables, adaptation and low-carbon innovation remains. Strong sustainability insights can help identify future winners from the transition.

### Demographic shifts

Populations are ageing in developed economies while younger workforces expand elsewhere, prompting pension reform and changes in savings behaviour. At the same time, a major intergenerational transfer of wealth is underway, influencing consumption patterns and driving demand for income, advice and long-term investment solutions.

### Concentration risk

Across a number of global markets, a small number of large companies now dominate equity indices, delivering strong returns but heightening stock-specific risk. With markets narrowing and volatility rising, investors may consider diversification across regions, styles and asset classes to help manage concentration risk and broaden sources of return.

## Unique client objectives

Each client has their own objectives, risk tolerance and time horizon, reflecting the diversity of priorities that drive investment decisions. It is our fiduciary duty to work with clients to understand these factors and provide solutions that adequately meet their needs.

### Wealth

Banks, advisers and retail investment platforms are serving clients whose wealth is expanding and shifting across generations. These intermediaries, and our own advisers to clients within our wealth business, need to provide personalised strategies that balance performance, diversification and purpose that evolves with the changing policy landscape.

### Family offices

Family offices seek customised solutions that reflect their distinct structures, values and time horizons. They require holistic strategies that manage complexity, support long-term wealth preservation and address the diverse investment and governance needs of multiple generations.

### Endowments, charities and foundations

Universities, charities and other foundations aim to deliver long-term public benefit. They need mission-aligned strategies that balance growth, income and risk while preserving capital for future beneficiaries and maintaining organisational sustainability.

### Insurance

Focused on resilience to inflation, volatility and demographic change, insurance companies need duration-matched returns, stable income and effective asset-liability solutions that can deliver within strict regulatory and capital frameworks.

### Pensions

Corporate defined benefit, defined contribution and public pension funds aim to improve retirement outcomes for members. They need holistic portfolio solutions that provide investment outcomes that address savings gaps or manage surpluses through sustainable run-on approaches.

### Official institutions

Central banks, sovereign wealth funds and government institutions oversee large, long-term pools of capital. They need prudent risk management, liquidity planning, specialist insight and ongoing training to navigate evolving policy priorities and maintain financial stability.

**Strategic context** continued

# Opportunities to meet client demand

**By analysing external factors and understanding the unique needs of each client segment, we seek to anticipate change and respond to areas of growing demand. Drawing on the full breadth of Schroders' expertise, we tailor our capabilities across markets and client segments to address four recurring themes and meet clients' evolving objectives.**

## How we address client investment needs

### *Return opportunities*

Our strength lies in active investing, using deep proprietary research and disciplined investment selection to uncover value.

We meet our clients' need for return opportunities primarily through public and private equity, including global, emerging markets, value and Asian strategies. In private equity, we provide access to small and mid-cap markets, which have outperformed larger companies in recent years.

By combining insights from more than 11,000 company research pieces a year with dynamic asset allocation, we help clients access growth where it is most resilient and avoid areas of concentration risk.

### *Future resilience*

Clients increasingly want portfolios built not just for today's markets but for the challenges ahead. Through our multi-asset and outsourced solutions capabilities, we help clients meet defined objectives – from managing risk budgets to addressing long-term liabilities.

In private markets, our real estate and infrastructure strategies provide inflation-linked, forward-looking exposure.

Sustainability is embedded across our investment processes as a key tool for managing risk, strengthening resilience and identifying tomorrow's winners.

### *Predictable income*

With yields normalising after years of low rates, the demand has shifted from simply reaching for yield to building portfolios that deliver sustainable cash flow and inflation protection.

We have several solutions for clients who are looking for stable cash flows – be that for wealth clients as populations age, or for insurers who are looking for predictable yield.

We have a suite of traditional fixed income strategies, which include credit, global unconstrained, US and emerging market debt. Dividend-paying equities and alternative income strategies such as securitised credit and insurance-linked securities also provide differentiated streams of income for our clients.

### *Trusted advice*

Rising policy uncertainty and growing financial complexity are increasing demand for trusted advice and holistic solutions.

The trust our clients place in us fosters stronger partnerships and helps us deliver better outcomes. Increasingly, we are creating bespoke mandates to meet specific requirements, such as tailored sustainability solutions or multi-private asset combinations.

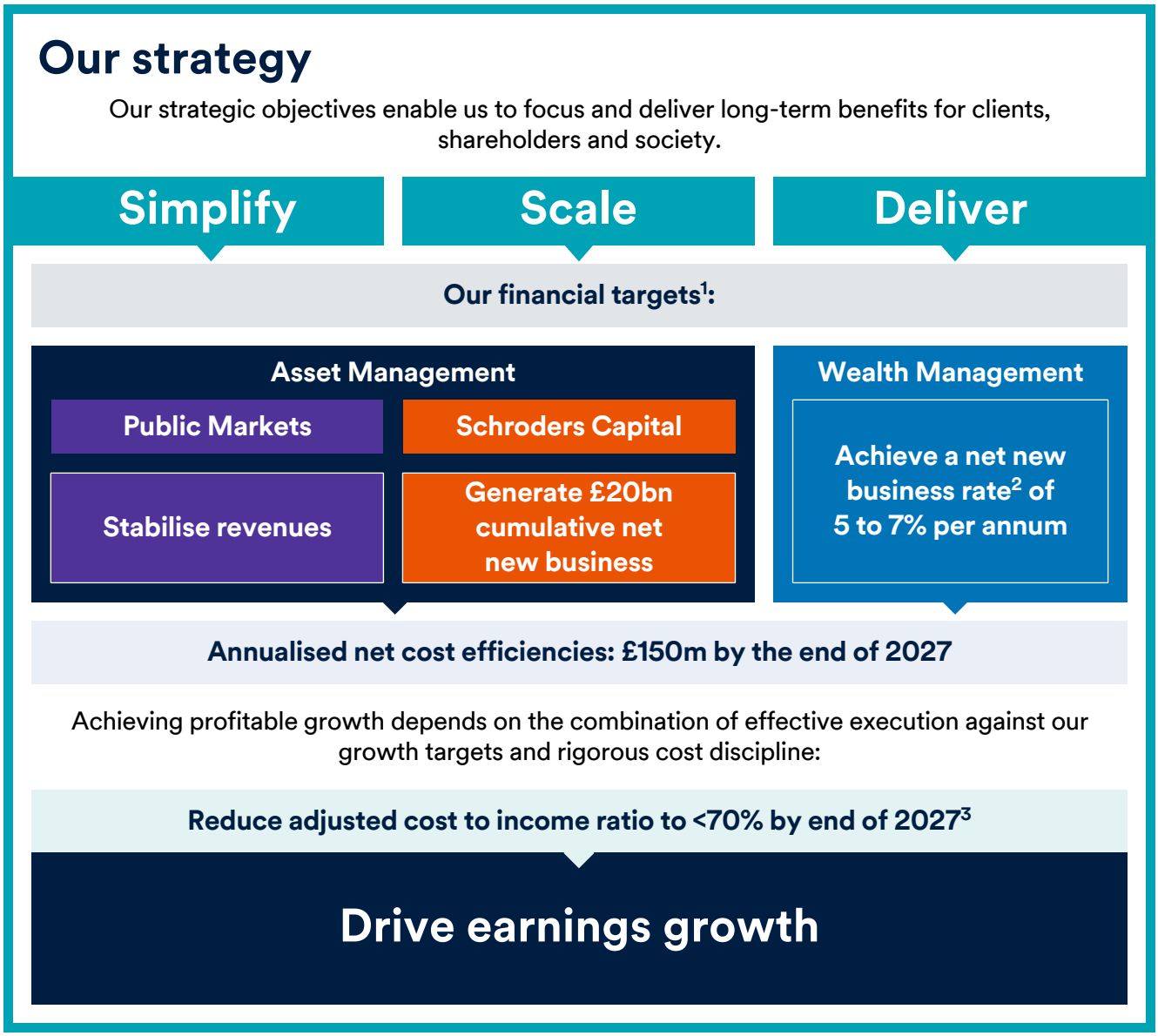
For high-net-worth clients, delivering strong investment outcomes remains essential, but success increasingly depends on broader support, from estate planning to philanthropy and intergenerational wealth solutions that help clients plan for their family's future. We enable advisers to guide their clients through similar transitions via our integrated adviser technology platform business.

Our strategy

# Refocusing for the future

**In 2025, we launched our three-year plan to return the business to profitable growth. As we pursue stronger earnings through revenue initiatives and cost discipline, our commitment to clients remains paramount. We are focusing on where we can create the greatest value, simplifying our operations and scaling our core strengths to deliver better outcomes, greater efficiency and sustainable growth.**

## Three objectives, one goal




For information on the link between strategy and our principal risks, refer to page 27.

1. For the years 2025-2027 inclusive.
2. Net new business as a percentage of opening AUM.
3. Subject to normal market conditions.

Strategic progress

# Actions that have driven progress

**We have made significant progress against the transformation programme underpinning our strategy. We have moved at pace, delivering substantial change ahead of target while continuing to serve our clients and improve profitability. This work lays the foundation for a simpler, more efficient and resilient business.**

## Q1 Launching our plan

- Announced ambitious three-year targets to drive profitable growth
- Enhanced disclosure and simplified reporting to improve transparency
- Instilled refreshed rigour in our expense and capital management
- Focused our procurement process in order to streamline our suppliers

## Q2 Reshaping at pace

- Established two bespoke sustainability mandates worth £7.3 billion
- Welcomed the new CEO of Wealth Management
- Appointed a new Global Head of Client Group
- Broadened our long-standing operating partnership with UST across our operations and technology functions to improve efficiency and drive scale
- Exited Private Credit Australia

## Q3 Evolving our offering

- Increased client access by launching active ETF range in Europe
- Partnered with Hargreaves Lansdown to launch the UK's first Long-Term Asset Fund on a retail platform
- Began managing a £7 billion UK pension fund mandate
- Closed our Munich Real Estate offering to streamline our portfolio

## Q4 Realigning our resources

- Reached our target size of 40 professionals in the Schroders Capital Business Development team
- Appointed a new Head of Investment to drive innovation and support growth in Public Markets
- Regained sole ownership of Cazenove Capital in exchange for our stake in Schroders Personal Wealth

## 2025 Delivering results

- Delivered three-year client investment outperformance of 70%
- Drove net flows of £8.2 billion into our leading capabilities in Public Markets
- Maintained our position as top five global asset management brand[1]
- Identified 16.2% of our public fund range to be merged or closed
- Reduced our adjusted cost to income ratio from 75% to 71%
- Grew our operating earnings per share by 29% year on year to 36.6p

### Our future focus:

**Client outcomes**

Strive to maintain investment outperformance and continue to deliver excellent client service

**Public Markets**

Expand our active ETF range to allow access to active management with increased liquidity and flexibility

**Wealth Management**

Invest in our operating platform to improve client experience and ensure it is future-fit

**Schroders Capital**

Scale our differentiated products that align with client demand with further investment from our balance sheet

**Our people**

Cultivate an environment where our talented employees are empowered to thrive and share in Schroders' success

**Strategic partnerships**

Drive value creation through closer collaboration with our partners, sharing knowledge and innovating together

## Positioning Schroders for long-term growth

1. March 2025: NMG 2024 Global Asset Management Study.

Business and financial review

# Driving sustainable value through focus

## We have taken a disciplined approach to refocusing the business and laying solid foundations for long-term growth.

**Meagen Burnett**
Chief Financial Officer

In 2025, our active approach enabled us to deliver client investment performance of at least 70% over one, three and five years. At the same time, we strengthened client relationships, with engagements increasing by more than 30% year on year. We also saw continued commercial momentum, reflected in gross inflows of £142.0 billion, up 9% (excluding joint ventures and associates).

We grew net operating revenue excluding performance fees and carried interest by 5% (2024: 2%), supported by strong markets and improved business mix. Favourable market conditions and investment performance increased average AUM (excluding joint ventures and associates) by 5%. In addition, strong equity market gains increased the proportion of asset management AUM (excluding joint ventures and associates) invested in equities by 1.5%, which was revenue-accretive given higher average fee rates.

Including higher performance fees and net carried interest and increased returns on seed and co-investments, adjusted net operating income increased 6%.

Our significant progress against our transformation targets and focus on cost discipline ensured that the growth in revenues was not matched by an increase in costs. Instead, we maintained stable adjusted operating expenses year on year. This improvement in operating leverage has resulted in a 25% increase in adjusted operating profit and a 29% increase in adjusted operating basic earnings per share.

A year ago, we committed to four key priorities to drive our progress:

### 1) Accelerate pace of improvement and deploy resource and capital effectively

We continue to make strong progress against our three-year transformation programme, moving at pace to simplify the Group, improve operating leverage and deploy resources and capital more effectively.

### Accelerating cost efficiencies and reinvestment

We further accelerated delivery against our transformation cost target, achieving £75 million of in-year savings through the income statement net of reinvestment, ahead of our expectation of £50 million. On an annualised basis, we have delivered cost savings of £102 million, net of reinvestment, of our three-year £150 million annualised savings target. This was delivered despite incurring a £20 million unanticipated charge to support a programme of remedial works to our London office building.

Savings were driven by continued simplification of our operating model, tighter control of our supplier footprint and the expansion of strategic operating partnerships, including our long-standing relationship with UST. These actions are improving scalability and resilience across our Technology and Operations functions, while maintaining a strong focus on client service.

Consistent with our strategy, we have reinvested selectively to support future growth, including targeted hiring in priority investment areas, hiring for key leadership roles across Wealth Management and Public Markets, strengthening our client coverage model and building out specialist sales capability in Schroders Capital.

2025 represented the first phase of our transformation programme, with a primary focus on resizing the organisation and laying the foundations to continue delivering cost efficiencies as we increasingly pivot towards growth.

We remain firmly committed to delivering £150 million of annualised net cost savings by the end of 2027.

### Portfolio restructuring

Alongside cost actions, we have taken decisive steps to simplify our business portfolio, sharpen our strategic focus and exit markets where we do not see sufficient scale or long-term strategic advantage. During the year, we closed our convertibles desk, exited our real estate business in Munich and our private credit business in Australia, announced our intention to close our business in Brazil, and progressed the restructuring of our business in South Korea. In addition, we initiated the sale of our Indonesian asset management business (subject to regulatory approval). We also transitioned the full ownership of Schroders Personal Wealth (SPW) to Lloyds Banking Group, enabling us to focus on our core strengths within our Wealth Management business.

These actions, while difficult, were important to simplify the Group, improve capital efficiency and ensure resources are focused on areas where we have clear competitive strengths and the greatest opportunity to deliver sustainable, profitable growth.

## Business and financial review continued

### 2) Invest in leading capabilities and broaden client access in Public Markets

At the end of 2025, we were ahead of our objective to stabilise revenues in Public Markets, with net operating revenue including performance fees increasing by 5% year on year. This was supported by strong market conditions, whilst favourable channel and regional mix helped mitigate ongoing revenue margin pressure. We generated NNB of £3.7 billion, with improved demand across both intermediary and institutional channels. Intermediary net flows strengthened through the year, with the final quarter delivering our strongest intermediary flows since the first quarter of 2021. We enter 2026 with a tailwind from the growth in AUM delivered in the second half of 2025.

The nine leading capabilities which we highlighted in our strategy update in March delivered combined net inflows of £8.2 billion, with strongest demand for global equities, credit, and core solutions. We continued to actively reshape the product range and optimise the operating platform around these capabilities. Over 16% of the Public Markets fund range is in the process of merger or closure. Importantly, this period of transformation has not compromised the strength of our investment franchise. We retained over 95% of highly rated employees in Public Markets and improved our three-year investment performance.

We continued to innovate to drive scale and broaden investor access to our capabilities, including through the launch of European Active ETFs and public–private credit. To support the execution of these initiatives and the broader growth of Public Markets, we have reinvested in talent, appointing a new Head of Investment and a new Head of ETFs.

### 3) Drive flows into our differentiated, specialist capabilities in Schroders Capital

Over the year, we reviewed our private markets portfolio and exited markets and capabilities where we did not have sufficient scale or a clear right to win. These actions, outlined above, were taken to concentrate resources on areas where we have strong competitive positions and see durable client demand.

Schroders Capital generated £10.9 billion of gross fundraising, with non-fee-earning dry powder increasing by £0.7 billion to £4.9 billion, reflecting continued client appetite across our core strategies.

We generated NNB of £4.6 billion, including £0.5 billion from Future Growth Capital (FGC). By pillar, we recorded NNB of £1.9 billion in Private Equity, £1.4 billion in Private Debt and Credit Alternatives, £0.8 billion in Infrastructure, and broadly flat NNB in Real Estate.

In December 2025, we won a mandate from Mercer in the UK defined contribution pension market, creating a further opportunity to expand our evergreen private markets range. This included the launch of a bespoke long-term asset fund (LTAF), jointly designed with Mercer, broadening access to diversified private markets exposure. FGC was appointed as the investment manager of Mercer's new private markets LTAF.

To support future fundraising, we completed the build-out of our dedicated Schroders Capital Business Development team, reaching our target of 40 sales specialists. This specialist coverage enhances our ability to engage with clients across regions and channels, particularly in institutional and wealth markets.

The Group has committed up to £500 million of seed and co-investment to support the growth of Schroders Capital. Deployments and commitments continued during the year, supporting fund launches and planned launches, accelerating fundraising and strengthening alignment with client interests, notably the Greencoat Global Fund and BlueOrchard Climate Action Mobilisation Fund.

Taken together, these actions reflect a deliberate focus on building scale, sharpening differentiation and positioning Schroders Capital to capture future growth as market conditions improve. Looking ahead, in February 2026 we also announced a strategic partnership with Apollo to co-develop next-generation public-private investment solutions, further strengthening our private markets proposition.

### 4) Sustain and build on our successful track record in Wealth Management

It was a year of change for the Wealth business, with our new CEO refreshing the leadership team and undertaking a strategic review. We strengthened our Wealth Management segment by regaining full ownership of Cazenove Capital in exchange for our stake in SPW. We have established a new multi-year asset management agreement to continue managing the SPW assets.

Overall, Wealth Management delivered £3.4 billion of NNB, equivalent to an organic growth rate of 2.7%, below our expectations. Despite continued policy uncertainty we saw strong organic growth of 5.2% within our UK private client book.

Our Charities team recorded increased gross inflows in 2025 and have grown their charity market share from 10.7% to 14.1% over the past five years. A small number of large, low-margin outflows in the fourth quarter, combined with elevated reserve drawdowns, resulted in negative net new business for the year.

Against a backdrop of continued macro-economic and policy uncertainty, Benchmark net flows remained muted in the fourth quarter, resulting in total NNB for 2025 of £1.0 billion, equivalent to a NNB rate of 2.9%.

Wealth Management continues to be a key pillar of revenue and profit growth for the Group. In 2025, Wealth Management net operating revenues increased 10%. Adjusted operating profit for the Wealth Management segment increased at a compound annual growth rate of 15% over the last three years.

### Outlook

Over the past year, we have taken decisive action to reshape the Group, strengthening focus, improving operating leverage and reinforcing capital discipline. We remain committed to embedding the changes we have made in the first year of our transformation, and to our target of £150 million annualised net savings.

As we look ahead to 2026, we do so against a market backdrop that remains uncertain and demanding, with elevated valuations in certain asset classes. In these environments, clients need active management most.

Whilst improving momentum in the fourth quarter in Public Markets positions us strongly as we enter 2026, our focus remains on delivering continued strong investment performance, rather than relying on favourable market conditions or a sustained turn in flows.

In Schroders Capital, the priority is to convert the investment made in our specialist business development team into sustained NNB delivery, against a backdrop of more subdued global fundraising.

In Wealth Management, we enter 2026 with confidence in the continued strength of our UK Cazenove Capital business, underpinned by a strong pipeline across charities and UK private clients.

We have a clear understanding of the opportunities and challenges that lie ahead for our own business. Our focus remains on disciplined execution of our strategy, supporting clients with our active approach through complexity and volatility, and delivering against our ambition to return to sustainable, profitable growth.

**Meagen Burnett**

Chief Financial Officer

11 February 2026

## Business and financial review continued

| £bn | 1 January 2025 | Gross inflows | Gross outflows | Net flows | Transfers[1] | Acquisitions and disposals[2] | Investment returns, FX and other[3] | 31 December 2025 |
|---|---|---|---|---|---|---|---|---|
| Equities | 190.2 | 46.0 | (46.4) | (0.4) | (0.4) | – | 35.7 | 225.1 |
| Fixed income | 81.9 | 33.1 | (33.6) | (0.5) | 3.0 | – | 2.6 | 87.0 |
| Multi-asset | 83.7 | 12.8 | (16.3) | (3.5) | 12.4 | – | 9.8 | 102.4 |
| Core solutions | 109.1 | 21.5 | (13.4) | 8.1 | 1.2 | – | 0.2 | 118.6 |
| **Public Markets** | 464.9 | 113.4 | (109.7) | 3.7 | 16.2 | – | 48.3 | 533.1 |
| **Private Markets** | 70.1 | 10.2 | (6.1) | 4.1 | – | (1.4) | (0.2) | 72.6 |
| **Asset Management** | **535.0** | **123.6** | **(115.8)** | **7.8** | **16.2** | **(1.4)** | **48.1** | **605.7** |
| Cazenove Capital and other Wealth | 92.2 | 14.4 | (12.0) | 2.4 | (16.2) | – | 6.9 | 85.3 |
| Benchmark | 34.6 | 4.0 | (3.0) | 1.0 | – | 0.6 | 2.4 | 38.6 |
| **Wealth Management** | **126.8** | **18.4** | **(15.0)** | **3.4** | **(16.2)** | **0.6** | **9.3** | **123.9** |
| **Total excl. JVs and associates** | **661.8** | **142.0** | **(130.8)** | **11.2** | **–** | **(0.8)** | **57.4** | **729.6** |
| JVs and associates | 116.9 | 462.6 | (467.8) | (5.2) | – | (17.1) | (0.5) | 94.1 |
| **Group total** | **778.7** | **604.6** | **(598.6)** | **6.0** | **–** | **(17.9)** | **56.9** | **823.7** |

1. The transfer of £16.2 billion from Wealth Management to Asset Management relates to assets managed on behalf of Schroders Personal Wealth (SPW).
2. Principally relates to the disposal of SPW.
3. Includes markets, foreign exchange and investment performance. Foreign exchange decreased AUM including joint ventures and associates by around £18.4 billion (2024: decrease of £7.9 billion) and decreased AUM excluding joint ventures and associates by around £13.3 billion (2024: decrease of £6.9 billion).

### Financial performance

AUM including joint ventures and associates reached £823.7 billion (2024: £778.7 billion), driven by strong investment returns, favourable market performance and positive NNB.

Markets and investment returns, including those from joint ventures and associates, contributed £56.9 billion. This was despite adverse foreign exchange movements, principally the weakening of the US dollar, reducing AUM by £18.4 billion. Net disposals, including the sale of our stake in SPW, resulted in a further decrease of £17.9 billion. Net inflows of £6.0 billion were driven by Public Markets, Schroders Capital and Wealth Management, partly offset by outflows from our associates and joint ventures.

Average AUM excluding joint ventures and associates increased 5% year on year to £686.2 billion (2024: £652.3 billion). This contributed to a 5% increase in net operating revenues excluding performance fees and net carried interest. Performance fees and net carried interest increased to £79.4 million (2024: £63.4 million), underpinned by strong investment performance, resulting in total net operating revenue of £2,504.3 million, up 6% year on year (2024: £2,370.0 million).

Our adjusted share of profits from joint ventures and associates reflected modest improvement, increasing to £49.3 million (2024: £47.7 million). This was despite the sale of SPW at the start of the fourth quarter. Overall, adjusted net operating income for the year was £2,589.8 million (2024: £2,437.1 million), up 6%.

Total adjusted operating expenses were stable at £1,833.2 million (2024: £1,834.0 million), with net in-year savings from our transformation programme of £75 million and disciplined cost control helping mitigate inflationary pressures. Together with the benefit of operating leverage from higher net operating income, this resulted in an improvement in the adjusted cost to income ratio from 75% to 71%. Within this, operating compensation costs were £1,138.5 million (2024: £1,154.9 million), down 1%. Non-compensation costs increased to £694.7 million (2024: £679.1 million), reflecting a switch from fixed compensation costs as we expand our partnership with UST and the recognition of a provision for remedial building works required at our London premises.

Adjusted operating profit was £756.6 million (2024: £603.1 million), up 25% year on year. Profit before tax was £673.8 million (2024: £558.1 million), an increase of 21%, reflecting the one-off gain of £113.3 million from the sale of SPW, which offset the costs of transformation and other portfolio restructuring items[4] totalling £152.5 million.

The Board has proposed a final dividend of 15.0 pence per share (2024: 15.0 pence per share).

### Asset Management segment

Asset Management adjusted net operating income for the year was £2,030.4 million (2024: £1,934.7 million), up 5%. Further detail on the components of this is set out below.

Adjusted operating expenses decreased 2% to £1,434.7 million (2024: £1,469.7 million), demonstrating the benefit of savings through our transformation programme and broader cost control.

Overall, these movements resulted in an adjusted operating profit of £595.7 million (2024: £465.0 million) for the Asset Management segment.

#### Public Markets

Our Public Markets business saw net inflows of £3.7 billion (2024: net outflows of £21.6 billion) and total net operating revenue of £1,527.9 million (2024: £1,452.3 million). Within this, equities experienced marginal net outflows of £0.4 billion (2024: net outflows of £18.2 billion). Net flows benefitted from mandates awarded through the year, including £4.0 billion from St. James's Place and £3.3 billion from PGGM, although these gains and demand for our global and quantitative equity products were partly offset by outflows from Emerging Market and Asia Pacific equity strategies. AUM in equities finished the year up 18% at £225.1 billion (2024: £190.2 billion), with net operating revenue of £945.2 million (2024: £913.1 million). The net operating revenue margin excluding performance fees reduced by a basis point to 45 basis points (2024: 46 basis points).

In fixed income, global and European bonds continued to attract strong client demand. However, net outflows for the asset class as a whole amounted to £0.5 billion (2024: net inflows of £1.4 billion) largely due to redemptions from US, Asia Pacific, and UK strategies. AUM ended the year at £87.0 billion (2024: £81.9 billion). Net operating revenue was £281.7 million (2024: £255.6 million), while the net operating revenue margin excluding performance fees improved by 2 basis points to 34 basis points (2024: 32 basis points) reflecting positive mix effects.

4. Includes a £20.6 million expected credit loss charge reported outside of operating profit, within other net (loss)/gain on financial instruments and other income.

## Business and financial review continued

Multi-asset strategies experienced net outflows of £3.5 billion (2024: net outflows of £10.3 billion). AUM increased to £102.4 billion (2024: £83.7 billion) due to markets and investment performance, and the transfer of assets managed on behalf of SPW from the Wealth Management segment. Net operating revenue totalled £234.5 million, up from £222.2 million, while the net operating revenue margin excluding performance fees reduced to 24 basis points (2024: 25 basis points).

Core solutions recorded significant net inflows of £8.1 billion (2024: net inflows of £5.5 billion). This strong flow activity was underpinned by continued success in partnering with pension clients on outsourced CIO and fiduciary management solutions. AUM increased to £118.6 billion, up from £109.1 billion last year. Net operating revenue rose to £66.5 million compared to £61.4 million previously. The net operating revenue margin excluding performance fees was stable at 6 basis points (2024: 6 basis points).

### Schroders Capital

Schroders Capital generated gross fundraising of £10.9 billion (2024: £10.8 billion) with good contributions across all asset class pillars. Non-fee-earning dry powder amounted to £4.9 billion at year end (2024: £4.2 billion).

Excluding flows from FGC, NNB was £4.1 billion (2024: £4.5 billion), contributing to an increase in AUM to £72.6 billion (2024: £70.1 billion). Net operating revenue, inclusive of performance fees and carried interest, rose to £438.7 million (2024: £426.7 million). The underlying net operating revenue margin, excluding performance-related items, remained at 57 basis points (2024: 57 basis points).

### Asset Management joint ventures and associates

Our total share of profits from Asset Management joint ventures and associates was £30.3 million (2024: £37.1 million), impacted by softer results from our Fund Management Company venture with Bank of Communications in China due to client redemptions.

Asset Management joint ventures and associates experienced net outflows of £5.6 billion (2024: inflows of £5.7 billion), contributing to a 7% decrease in AUM, closing the period at £94.1 billion (2024: £101.2 billion).

## Wealth Management segment

Wealth Management generated total net new business of £3.4 billion (2024: net inflows of £6.3 billion), with a strong contribution from UK private clients within Cazenove Capital.

The sale of our interest in SPW impacted Wealth Management AUM in two ways. Firstly, the £16.2 billion of assets we continue to manage on behalf of SPW have been transferred to the Asset Management segment. Secondly, the business no longer represents a joint venture of the Group, and so its assets no longer form part of our AUM. Reflecting these changes, Wealth Management AUM excluding joint ventures ended the period at £123.9 billion (2024: £126.8 billion). Net operating revenue was £537.7 million (2024: £491.0 million).

Adjusted net operating income increased 11% to £559.4 million (2024: £502.4 million).

The net operating revenue margin excluding performance fees and network adviser fees remained at 40 basis points (2024: 40 basis points).

Our adjusted share of profits from Wealth Management joint ventures and associates contributed £19.0 million (2024: £10.6 million) with the increase principally driven by improved efficiencies and reduced third-party costs in SPW prior to its sale.

Adjusted operating expenses were £361.1 million (2024: £325.6 million), resulting in adjusted operating profit for the segment of £198.3 million (2024: £176.8 million).

## Financial strength and liquidity

Our year-end capital position remains strong, with a regulatory capital surplus of £1,190 million (2024: £919 million). The Group's net assets were £4.5 billion (2024: £4.5 billion).

The different forms of business that we conduct affect our total assets and liquidity. Generally, assets that are managed by the Group on behalf of clients are not included in the consolidated statement of financial position. There are, however, certain exceptions to this.

Within Asset Management, certain clients invest through life insurance policies that are managed by our Life Company, Schroder Pension Management Limited. The assets backing these policies are held by the Life Company and are therefore included in the consolidated statement of financial position along with a matching policyholder liability. Additionally, we consolidate certain pooled funds which we are deemed to control under accounting standards.

Within Wealth Management, the subsidiaries that provide banking services are legally responsible for the banking assets and liabilities. They are therefore included in the consolidated statement of financial position. The assets are managed to earn a net interest margin while having regard for the liquidity demands that may arise from clients.

After adjusting for these structures, the Group's total assets comprised cash and other financial assets of £2.2 billion (2024: £2.0 billion) and other assets of £3.9 billion (2024: £4.2 billion).

Financial assets include seed investments and co-investments. During 2025, seed investments increased to £336 million (2024: £297 million) and co-investments increased to £167 million (2024: £155 million).

Other assets include goodwill and intangible assets, which are inadmissible for regulatory capital purposes, and assets that support our ongoing operating activities in the form of working capital.

Other liabilities principally comprise trade and other payables, lease liabilities and the Group's Tier 2 notes.

The Group has a committed revolving credit facility of £850.0 million provided by ten banks that matures in November 2029 and which was unutilised at year end (2024: unutilised).

Sustainability at Schroders

# Sustainability is embedded in our business model and strategy

**We help our clients manage risk and meet their investment and sustainability objectives by connecting environmental and social change to investment opportunities.**

Sustainability is a fundamental part of our active management commitment and long-term perspective. Through insight, proprietary tools, stewardship and innovative solutions, we integrate sustainability considerations into our investment processes[1] to help achieve our clients' performance objectives. We also apply similar principles to our own business.

## The sustainability landscape in 2025

The political backdrop to sustainable investment has changed markedly over the last few years. During 2025, the US announced its withdrawal from the Paris Agreement, ended all federal diversity, equity and inclusion programmes and rolled back a wide range of environmental regulations. The EU pulled back the scope of planned sustainability reporting requirements and announced delays to several planned new regulations. Changing policy direction led some companies to pull back the extent or communication of their sustainability ambitions and to limit the number of new commitments.

This backdrop highlights the importance of pragmatism. At the same time, growing evidence of structural impacts from social and environmental change reinforces the importance of our continued focus. During 2025, Arctic sea ice coverage hit new lows, the costs of extreme weather events reached record levels and the number of armed conflicts reached a 50-year high.

We continue to believe that our commitment to examining and preparing for environmental and social changes provides a competitive advantage that is valued by many of our clients. More than half of the world's largest asset owners have made public sustainability commitments and many have prioritised sustainability-related objectives, which we are well positioned to help them achieve.

### Insights

**We understand our clients' needs and apply evidence and expertise with conviction**

Data and analysis, rather than opinion, help us stand apart from peers or convention.

### Inspire

**We apply our philosophy of long-term sustainability to the way we manage our own business**

We aim to lead by example through our own corporate actions, ensuring accountability to all our stakeholders.

### Innovate

**We create innovative products and solutions**

We help clients achieve both their performance and sustainability objectives.

### Influence

**We use our influence as an active owner**

We engage management teams and use voting to drive change that we believe will protect and grow the value of our clients' assets and investments.

### Client-led

Sustainability is an important focus for many of our clients and our priority is to support their objectives. We discussed sustainability-related topics in 956 meetings with clients during 2025.

We were entrusted with over £7.8 billion in new sustainability-focused AUM during 2025.

AUM in sustainability-focused portfolios

**£42.9bn**

2024: £38.6bn

### Active management

For more than five years, we have considered relevant sustainability factors, and integrated that analysis into investment decisions, across the portfolios we manage.[1]

That integration is supported by the suite of proprietary tools and models we have developed, including CONTEXT™, SustainEx™, ThemEx™ and climate-focused tools.

SustainEx™ scores beating benchmark

**91%**

2024: 90%

### Active owners

Our Engagement Blueprint details the areas we prioritise in our sustainability-related engagement and the steps we follow.

We voted at the shareholder meetings of 7,042 listed companies in line with the voting principles and policy we have developed.

Companies engaged on sustainability topics

**588**

2024: 908

1. This is the process of identifying, analysing and incorporating relevant and material environmental, social or governance factors (including climate change) into investment decisions. Such factors may not be the primary factors that influence an investment decision.

**Sustainability at Schroders** continued

# Helping our clients navigate complexity

**We focus on the long-term sustainability trends we believe will be most important to our clients and our ability to deliver the returns and outcomes they expect.**

## Climate

The impacts of climate change are already being felt in increased physical damage and regulatory intervention. To help manage the risks and identify the opportunities those changes present, we have invested in research and proprietary analysis.

Investing in companies and assets which are themselves transitioning towards lower-carbon business models has delivered stronger returns than focusing on companies with already-low emissions.

Identifying those companies relies on a combination of the extensive quantitative modelling we have developed, the fundamental insights and judgements of our investment teams and the encouragement we can provide through engagement.

During 2025, we engaged with 381 companies on climate-related topics and voted on 93 climate-related resolutions at company meetings. Similar principles apply in our engagement with external managers and investments where we do not have voting rights.

We publicly track the results of our climate strategy using the CDP-WWF Temperature Scoring Methodology. This translates companies' decarbonisation targets into a long-term temperature rise, reflecting the outcome if the global economy decarbonised at that pace. Our latest score is 2.4°C, reflecting the commitments of the companies we invest in, our engagement efforts and our investment decisions.

Temperature alignment

**2.4°C**

2024: 2.4°C

With policy progress to date falling short of the levels needed to limit temperature rises to the goals detailed in the Paris Agreement, we are increasingly focusing on assessing the risks and opportunities physical climate risks present to the investments we manage, as well as the opportunities stemming from the need for greater investment in resilience.

While integration of material sustainability analysis into investment decisions has been a priority across Schroders for several years, we also apply our expertise to develop products and solutions to help our clients meet their own sustainability objectives, including decarbonisation goals. We have identified opportunities for innovative solutions in both public and private markets, such as a fund launched by BlueOrchard offering climate finance to small and medium-sized enterprises in emerging markets.

We have made significant changes to our own business over recent years, including the installation of a solar photovoltaic panel system at the Schroders Campus in Horsham and reaching 100% renewable electricity use globally in 2025.

We made CDP's 2025 Corporate A List for climate change (based on 2024 data), meaning we were among the top 4% of nearly 20,000 companies scored. Achieving an A score reflects not just disclosure, but credible, verified action across governance, targets and value chains.

Our climate-related financial disclosures can be found on pages 185 to 201.

CDP climate change rating

**A**

2024: A-

## Emerging issues

While climate change is a key focus for many policymakers, portfolio companies and clients, sustainability covers a wide range of topics to which we apply a similarly thoughtful lens.

Nature loss is a growing challenge and focus for our clients. We have developed NatCapEx™ – a model to quantify companies' nature-related impacts and exposures – both to assess portfolio risks and opportunities and to support our clients with specific nature-related strategies. We apply similar analysis to our investments in private markets, albeit constrained by the availability of data.

In 2025, we published a Group Nature Report, detailing our commitment to manage nature-related risks actively and meet our clients' investment expectations in this area. The report follows the recommendations of the Taskforce on Nature-related Disclosures (TNFD). The report is available at www.schroders.com/nature-report

Taskforce on Nature-related Financial Disclosures (TNFD)

**Early adopter**

Human capital management is a key competitive differentiator in global industries; we have invested in developing analysis to identify those companies with stronger practices and performances in that area, which has proven valuable in supporting our clients through collaborative research and bespoke analysis.

Human rights and modern slavery have become a bigger focus as consumer awareness has grown, and regulators have become more focused on the impacts of human rights failures. Respecting human rights and preventing violations such as modern slavery is a priority in both the investments we manage and our own business.

To help support that priority, we apply consistent principles to identify risks within portfolios and among our suppliers and partners. Human rights is one of the six active ownership priorities detailed in our Engagement Blueprint. We also have mandatory annual modern slavery e-learning training for all employees[1].

Our Modern Slavery Statement is available at www.schroders.com/modern-slavery-statement

## Corporate governance

Corporate governance has been a long-standing focus, since hiring our first governance-focused analyst over 25 years ago. We continue to bring thoughtful principles and investment experience to our corporate governance policies.

During 2025, we published research challenging conventional board tenure norms and examining the effectiveness of engagement on board structures. We were grateful to convene three Director Dialogue meetings to discuss governance-related issues with directors of UK-listed companies.

## Looking forward

The sustainable investment landscape is changing. Political pressures are slowing the pace of regulatory change, and in some cases reversing governments' historical priorities. On the other hand, tangible evidence of the effects of environmental and social change is growing stronger. Increasingly, our clients are looking for pragmatic, thoughtful and investment-centric approaches to navigating that backdrop.

We are evolving and directing our capabilities on supporting our clients to deliver those objectives. By focusing on transition and change, and leveraging our analytical capabilities and active ownership, we believe we can help clients benefit from the value which can be unlocked as companies and assets improve across a range of sustainability-related areas.

1. Excluding Benchmark Capital (and subsidiaries) and Schroders Greencoat.

**Sustainability at Schroders** continued

# We aim to lead by example

## We run our business with purpose and integrity, demonstrating high standards of responsible business practices.

### Our approach in our own business

Responsible business practices are essential to sustaining long-term value for all our stakeholders and strengthening trust in our brand. By embedding strong governance, environmental stewardship and social responsibility into our operations, we help to reduce risk, build resilience and contribute positively to local communities and wider society.

MSCI ESG Rating
**AAA**
2024: AAA

### Our focus on materiality

We assess the environmental and social risks and opportunities that could have a significant impact on our investments' or our business' long-term value. Our latest assessment has highlighted that the following sustainability-related topics are the most financially material to our clients and our business. These priorities will be reviewed periodically to ensure we are responding to our stakeholders' needs and expectations.

We focus our efforts on these issues, and on areas where we are in a strong position to add value.

- **Climate**
- **Our people**
- **Business conduct**
- **Product transparency**

Our Sustainability and Impact Product Framework offers our clients a variety of ways to achieve their specific sustainability goals. Our TCFD product reports are available at www.schroders.com/tcfd-product-reports

### Corporate sustainability framework

Our corporate sustainability framework outlines our priorities for managing sustainability-related issues for our business. The "Non-financial and sustainability information statement" on the right signposts to further information on these topics.

| | People | Planet | Collective action |
|---|---|---|---|
| **Our goals** | We aim to foster an inclusive, supportive environment where our people can achieve their full potential. | We are transitioning to net zero across our operations, reducing our emissions in line with our science-based targets. | We create positive impact by inspiring collective action for charitable causes in our communities around the world. |
| **The foundations** | **Responsible business practices** | | |
| | Including governance, anti-bribery and corruption, human rights and supply chain management. | | |

### Industry engagement

As a large, global and active investment manager we have an opportunity to engage with policymakers and industry groups to share our views and help encourage changes which support our objectives and industry.

We believe our experience and perspective can provide valuable insight and we regularly respond to industry consultations and opportunities to engage with policymakers and regulators. We publish these responses on our website at www.schroders.com/consultations

We participate in a range of sustainability-related initiatives where we believe their aims align with ours and where involvement brings clear benefits to our clients and our business. Currently, we actively participate in the Principles for Responsible Investment, Institutional Investors Group on Climate Change, Asia Investor Group on Climate Change and Global Impact Investing Network, among others.

### Non-financial and sustainability information statement

In accordance with sections 414CA and 414CB of the Companies Act 2006, which outline requirements for non-financial reporting, the table below is intended to indicate where in the Annual Report our stakeholders can find the content they need to understand our development, performance and position regarding non-financial and sustainability matters, including environmental issues, our employees, social matters, respect for human rights, and anti-corruption and anti-bribery efforts. Non-financial key performance indicators can be found throughout the below-referenced sections and on pages 2 to 3.

**Description of business model**
Pages 10 to 11

**Description of principal risks, impacts on the business and risk mitigation**
Pages 25 to 31

**Sustainability at Schroders**
Pages 20 to 22

**Governing our non-financial information**
Page 202

**Climate and environment**
Climate-related financial disclosures, prepared in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022 and FCA UK Listing Rule 6.6.6R(8).
Pages 20 to 22 and 185 to 201

**Our people**
Pages 23 to 24, 52, 61 to 71

**Social matters**
Pages 23 to 24 and 32 to 33

**Human rights**
Pages 20 to 22 and 32 to 33

**Anti-bribery and anti-corruption**
Pages 25 to 31 and 53 to 60

People and community

# Our people, our edge

**Our people's expertise, our trusted brand, and our focus on client-driven innovation give us an edge and enable us to deliver effective investment solutions.**

Our purpose is clear: creating prosperity together. Our people bring this to life through their expertise and commitment. United by this purpose, our teams deliver trusted advice, drive innovation and seek to achieve investment outcomes that create lasting value for clients, communities and shareholders.

We are committed to being an employer of choice. We aim to provide meaningful opportunities for growth and foster an inclusive, supportive environment where our people can achieve their full potential. Our focus is on building enterprise leadership capabilities at every level, encouraging engagement and pride in what we do, and rewarding performance excellence.

Our employee sentiment scores remained robust despite change programmes. Measuring sentiment and listening to our people are fundamental to maintaining a resilient and motivated workforce – especially during periods of transformation. In addition to continuous informal engagements, our global pulse survey and Global Employee Forum ensure our people's voices are heard, providing leadership with direct insights into emerging issues and innovative ideas.

## Driven by purpose, defined by pride

In 2025, the Board introduced a firm-wide scorecard to align employee goals with our purpose to drive both business success and personal growth. Clear and transparent expectations empower our people to deliver for clients and shareholders, and strive for excellence together. For more information on our strategic priorities, progress, and future focus, see pages 14 and 15.

Pride in working for Schroders is a central measure of how our people experience our purpose in practice. Our global pulse survey shows that 77% of employees are proud to work here.

This year, we launched the Global Inclusion Forum to strengthen our commitment to amplifying diverse perspectives. Feedback from our people shows that 80% agree Schroders is committed to inclusion and diversity. These feedback loops enable employee experience to shape business decisions and ongoing progress.

Details of our Board-approved inclusion and diversity aspirations and progress can be found on page 52. Workforce data including a gender breakdown of employees, senior managers and subsidiary board members, as required by Section 414C(8) of the Companies Act 2006 can be found on page 92.

## Leading with vision, accelerating growth

Our success in a fast-changing industry comes from the vision, expertise and adaptability of our people. By developing leadership at every level, our people are empowered and accountable for achieving measurable outcomes defined by our firm-wide scorecard to align employee goals with the Group strategy, driving business success and personal growth.

In 2025, we looked to evolve our culture by launching Schroders Behaviours – practical actions that bring our core values of excellence, innovation, teamwork, passion and integrity into everyday work. While our values define what we stand for, these behaviours set clear expectations and help our people apply our values in practice to serve our clients better.

Our early careers programmes and talent initiatives like "Spotlight" develop future leaders by building essential skills and global connections, creating strong talent pipelines. Internal mobility is central to our approach, with 29% of vacancies filled by existing colleagues, demonstrating our commitment to develop talent from within.

To widen access to career opportunities, we have introduced new approaches to recruitment and job design that support greater inclusion and help us attract a broader range of talent. This enables us to reflect the clients and communities we serve better.

As an equal opportunities employer, Schroders gives fair consideration to all applicants, including those with disabilities. We support colleagues facing health or capability challenges with reasonable adjustments, retraining or redeployment.

More information on workforce diversity and representation – including our latest gender pay gap reporting – can be found in our Reporting Centre (www.schroders.com/reportingcentre).

**Schroders recognised for gender balance: Best Overall, Balance in Business Awards 2025**

We are proud to have been named Best Overall at the Balance in Business Awards 2025, recognising our ongoing commitment to gender balance.

**Our commitment to inclusion**

**80%**

The percentage of employees who agree that we are committed to fostering an inclusive and diverse culture in the workplace. Whilst results have softened slightly, we remain committed to our 2030 inclusion and diversity aspirations. More information is available on page 92.

2024: 89%

**Retention of highly rated employees**

**95%**

Retention of highly rated employees as at 31 December 2025. By nurturing talent at every level and supporting our high-performing workforce, we sharpen our active edge and create lasting value for our clients and our people.

2024: 94%

## Transforming with confidence, supporting wellbeing

Throughout 2025, our business has undergone significant transformation. We recognise that these changes have involved difficult decisions, including some of our people leaving the business. We have managed these transitions carefully, with a strong focus on supporting those affected and investing in the ongoing growth and wellbeing of our people.

As we focus on simplifying our operations, scaling our capabilities and delivering for clients, it is the adaptability and resilience of our people that drive our progress. Our People and Culture team, alongside our leadership and wellbeing specialists, remain committed to providing clear and practical guidance. We work to make support resources visible and accessible to everyone. This supportive framework enables our people to thrive during change, encouraging innovation and learning across the business.

## People and community continued

We treat mental and physical health as equally important. Our holistic approach combines data-driven insights and employee feedback to ensure wellbeing programmes continually evolve to meet our people's needs.

Where teams engage, we see measurable improvements in sentiment, behaviours and performance – with an average net promoter score of +70 – and in our latest pulse survey 70% of employees responded favourably to the statement "Schroders cares about my health and wellbeing".

By closely monitoring engagement with support services and reviewing key workforce trends, we can identify needs early and offer timely assistance. Confidential support is always available through our global Employee Assistance Programme, while our progressive policies, including for mental health and menopause, enable colleagues to have the workplace adaptations they need throughout their careers.

**People at Schroders trust and respect each other**

**76%**

The percentage of employees who agree there is a culture of trust and respect, reflecting a strong and positive workplace environment. Despite a decrease from 2024, this remains above global benchmarks, which is notable as we navigate a period of transformation

2024: 87%

### Rewarding performance, inspiring achievement

Our approach to pay and reward is intentional, transparent and closely linked to short- and long-term business performance. Our Fair Pay for Performance framework aims to ensure reward decisions are balanced, fair and drive high performance. We consider annual performance, market context, peer comparisons and individual achievement, including skills and future potential.

We offer a flexible range of benefits tailored to local markets and individual needs, with inclusive policies to support our people at every stage of their career.

In 2025, we performed a detailed firm-wide salary review and benchmarking process across the Group, in consultation with an employee advisory group that included individuals from a range of functions, levels and regions across the business. For more details, see the Remuneration Report on page 63.

### Supporting environmental and social causes where we operate

Investing in our communities and supporting charitable causes demonstrates how we act with purpose. This fosters a sense of pride and belonging among our people and creates a positive impact on society.

Our Global Charity Committee oversees our approach and reports to our Group Sustainability and Impact Committee. Regional committees, champions and employee resource groups help mobilise and co-ordinate local activities, supporting collective action across our global workforce.

#### Corporate giving

In 2025, we committed £5.5 million[1] to charitable causes around the world (2024: £5.9 million), £2.1 million of which was outside the UK (2024: £1.2 million).

#### Charity partnerships

Our charity partnerships aim to improve equality and protect the planet. Most charities are selected at a regional or country level, enabling our people to connect with local charities and causes. These partnerships can offer opportunities for our people to contribute to positive change in areas such as mental health and wellbeing, education, inclusion, social mobility and the environment.

In 2025 we launched a new global partnership with Fauna & Flora, an international wildlife conservation charity. Through the Schroders "Better Futures Fund", we are committing £1 million per year for three years to support nature, people and climate. We have selected five projects around the world that protect habitats and empower local communities.

**Donations committed to charitable causes[1]**

**£5.5 million**

2024: £5.9 million

#### Employee giving

We encourage employees to give their time and develop their skills by providing 16 hours of paid volunteer time each year. We promote a range of opportunities to suit different skills and time commitments. In 2025, our employees recorded more than 8,200 hours of volunteering during office hours, representing a 24% increase from 2024. This equates to a monetary value of just over £1,000,000[2].

We also offer matching schemes to support fundraising both inside and outside the office, as well as personal payroll giving. These initiatives amplify our people's efforts in fundraising and donating to causes that matter to them.

### UK Dormant Assets Scheme

In 2025, we were among the first participants to join the UK Dormant Assets Scheme, which has now expanded into the investments and wealth management sector. The Scheme allows dormant assets to be channelled into environmental and social causes, while safeguarding the right of customers to reclaim their funds in full at any point.

> **"As an active manager, our people are fundamental to everything we do. Their expertise, diversity of thought, and collaborative spirit drive our ability to deliver exceptional outcomes for our clients."**
>
> **Neil Tomlinson**
>
> Group General Counsel and Interim Chief People Officer

1. We have included charitable donations, memberships and sponsorships as per the Business for Societal Impact (B4SI) methodology.
2. Calculated using the B4SI methodology.

Risk management

# Our Risk Management framework

**Our Risk Management framework has played a pivotal role in enabling us to manage risks during the current period of business transformation. It has allowed us to identify, assess and escalate risks effectively, while maintaining operational resilience and regulatory compliance throughout change. By maintaining robust internal controls and a proactive risk culture, we are well positioned to pursue our strategic objectives with confidence, protecting our reputation and delivering sustainable performance in a dynamic environment.**

## Managing risks

The Board is accountable for the maintenance of an effective system of internal control and risk management. It assesses the most significant risks facing the business, using quantitative exposure measures, such as stress tests, where appropriate, to understand the potential impact on the business.

Non-executive oversight of the Risk Management framework with respect to standards of integrity, risk management and internal control is exercised through the Audit and Risk Committee.

The Group Chief Executive is responsible for the firm's Risk and Control framework. Independent monitoring and reporting of risks and controls is undertaken by the second line of defence.

Risk management is embedded in all areas of the Group. The Group Chief Executive, the Chief Risk Officer and the Group Executive Committee (Group ExCo), as the principal advisory committee to the Group Chief Executive, regularly review the key risks we face. Members of the Group ExCo have risk management responsibility for their respective business areas. Legal entity boards are responsible for managing risks in line with regulatory and legal requirements.

The Chief Risk Officer chairs the Group Risk Committee (GRC), which meets five times per year and is attended by senior management across the firm. The GRC reviews and monitors the adequacy and effectiveness of the Group's Risk Management framework, including relevant policies and limits. It also reviews emerging risks and changes to existing risks.

The GRC is supported by a number of sub-committees, including the Group Conflicts Committee, the Financial Crime Committee and the Information Security Risk Oversight Committee. These sub-committees review and challenge risks and report significant risk matters to the GRC.

## Lines of defence

The first line of defence in managing and mitigating risk consists of the business functions and line managers across the Group. Heads of each function take the lead role in identifying risks and implementing and maintaining appropriate controls to manage these risks. This is supported by our Risk and Control Assessment (RCA) process.

This year we changed our definition of the second line of defence, limiting this to our Risk and Compliance function. Other corporate functions such as People and Culture, Legal and Governance, Tax and Finance have moved to the first line. This change reflects Risk and Compliance being the only function that acts independently to oversee all the Group's key risks. The other corporate functions will continue to oversee specific risks relating to their disciplines. The compliance assurance programme reviews the effective operation of relevant key processes against regulatory requirements.

Internal Audit provides independent challenge and assurance over the Group's control environment, risk management and governance arrangements implemented by management, and forms the third line of defence. The internal audit programme includes regular assessments of the adequacy and effectiveness of these arrangements, together with recommendations for improvement. The team also carries out thematic compliance monitoring work.

We maintain comprehensive insurance cover, with a broad range of policies covering a number of insurable events.

### Three lines of defence

## Managing risks during transformation

We are committed to maintaining stability in the organisation, and for our clients, by effectively managing the risks associated with transformation. We have a comprehensive governance framework providing strong oversight, prioritisation and accountability across all strategic pillars.

Managing people and capacity risk is an ongoing priority, particularly regarding the retention of critical employees and skills during periods of significant change, alongside business-as-usual activity. We are providing targeted support and clear, transparent communication to our teams to ensure continuity and retain key expertise, whilst also fostering a strong understanding and engagement with the rationale and objectives underpinning our transformation.

Second-line oversight is being provided by Risk and Compliance who are actively engaged in providing advice and guidance on identifying and managing the risks associated with high-priority initiatives. This helps ensure critical risks are escalated and managed appropriately through the relevant governance forums. Third-line oversight is being provided through a series of audits.

At the heart of our strategy and decision-making are clients and stakeholders. We focus on maintaining strong client communications, addressing client questions and fully understanding their requirements.

# Areas of focus for risk management

## Supporting Public Markets, Schroders Capital and Wealth Management

We have continued to evolve and align our Risk Management framework to meet the needs of the business as it develops. We have updated our Liquidity Risk framework to support robust liquidity risk oversight of open-ended private market vehicles. Enhancements to the assessment of public market fund liquidity have continued, for example via tailored liquidity stress testing. Transparency and oversight of risks associated with Group-wide cross-investments (e.g. public market funds holding units in private market funds) have been strengthened.

We have worked closely with the business to realign our RCAs to our new business structures. The realignment enables risks to be appropriately identified, mitigated, monitored and managed with accountability and transparency. RCAs remain a core part of our Operational Risk Management framework. We have used our RCAs to help inform our approach to the new material controls requirements in the revised UK Corporate Governance Code, which will take effect at the end of 2026.

Our Risk and Compliance function is committed to continual evolution. As part of our transformation initiatives, we have sought internal and external input on how we can continue to make enhancements. We plan to review the operating model across our first and second lines of defence, and adapt our Risk Management framework based on advice received. This will enable us to continue to support the business in achieving its strategic objectives.

## Counterparty assessment

We have enhanced the Counterparty Assessment framework through the development of an internal rating model that integrates quantitative and qualitative methodologies to provide a robust, forward-looking assessment of creditworthiness. The model will be fully aligned with Basel 3.1 (as required) and will inform both onboarding and renewal processes by benchmarking external credit ratings against our internal model. Outputs from the model will enable internal ratings to be prioritised when appropriate. Regular working groups facilitate continuous improvement, underscoring our commitment to rigorous, data-driven credit risk management.

## Cyber risk

The Board receives regular information from management on key technology projects and cyber security trends, and throughout 2025 has received updates from the Chief Information Security Officer. The Information Security Risk Oversight Committee oversees the management of cyber risk and in 2025 sponsored an independent information security review undertaken by a third-party consultancy. This review highlighted the progress that has been made in our cyber security capabilities over the last three years.

The Group-wide multi-year programme is ongoing and continues to enhance our cyber defences. In parallel we run an ongoing programme of cyber testing, with each test simulating a cyber attack. These tests enable us to assess our progress continually and identify areas to prioritise.

Attacks by organised crime groups (for example targeted ransomware) remain a risk for all financial services organisations.

## Operational resilience

In an increasingly complex and interconnected environment, our ability to anticipate, withstand and recover from operational disruptions is crucial for our clients, our partners and regulators. We have made significant progress in advancing our Operational Resilience framework, meeting the compliance deadlines set by the PRA, FCA, and the Digital Operational Resilience Act (DORA) – the European regulatory standard. However, true resilience requires continuous improvement. Accordingly, we are committed to further strengthening our resilience capabilities through an ongoing programme of severe but plausible scenario testing. These comprehensive exercises involve collaboration with critical third parties and include table-top exercises and simulation tests. Through this proactive approach, we aim to identify areas for enhancement and respond effectively to emerging risks, thereby safeguarding the interests of all our stakeholders.

## Making use of artificial intelligence (AI) in Risk and Compliance

We have developed a Genie “persona prompt” to review our RCAs. Genie is an internal AI assistant. A "persona prompt" is a set of instructions provided to an AI tool enabling it to perform tasks in line with a specific character or role. Our Genie persona highlights areas within RCAs that may benefit from further second-line review and challenge, enhancing the consistency of our approach.

To enhance our approach to credit risk and to deliver cost savings, we have introduced an internally developed AI solution this year, replacing an external provider. Our new Company News Summaries tool strengthens our ongoing monitoring, for example by highlighting negative news on counterparties. It is now fully embedded in our dashboards and integrated into credit risk analysts’ daily workflows. The tool continues to be used alongside a range of established inputs to ensure robust risk oversight and timely responses to emerging risks.

Our Responsible AI Committee provides guidance on and oversight of our use of the technology across the firm. Given the continued importance of controlling AI risks, and to provide a clear escalation route to the most senior individuals in the firm, the Responsible AI Committee has become a sub-committee of the GRC.

# Risk assessment

**Market conditions over the last few years have demonstrated the importance of having robust emerging risk processes.**

Emerging risks and changes to existing risks are identified throughout the year by the first line of defence or through the horizon scanning and monitoring activities performed by the second line. They are reviewed and discussed at relevant risk committees (for example, the GRC and its sub-committees or the Asset Class Risk and Performance committees). Those relevant to specific entities are discussed at entity boards and those affecting the Schroders Group are considered by the Audit and Risk Committee and Board.

Periodically, we also complete a formal assessment of the risks faced by our business using a top–down and bottom–up approach.

The top–down approach uses analysis from the Risk team and discussions with senior management and subject-matter experts around the Group. Existing risks and emerging risk trends are reviewed against the current internal and external environment, geopolitical factors, market conditions, changing client demand and regulatory sentiment. Each risk is then analysed to assess how it can be managed and mitigated.

The bottom–up approach uses the results from our RCAs, trends in risk events and high-impact issues logged in our operational risk database.

The results of these assessments are used to inform our key risks, which are presented to the GRC prior to the Audit and Risk Committee and Board.

The Board has ultimate accountability for identifying, managing and monitoring the firm's principal risks, ensuring these are aligned with Schroders' risk appetite and strategic objectives. To assist the Board, the Audit and Risk Committee reviews the Group's key risks and proposed principal risk disclosures. It monitors these risks throughout the year by reviewing a quarterly dashboard of metrics and other papers covering a range of risk topics. The Remuneration Committee is responsible for ensuring that all relevant risk and conduct considerations have been taken into account as part of determining remuneration policies and outcomes, and therefore supports the Audit and Risk Committee and Board in providing oversight of the conduct aspects of People and Conduct risk.

We have reviewed the list of key risks and identified a sub-set that represents the Group's principal risks. These are the principal risks most likely to impact our strategy, business model, external reputation and future performance. We have consolidated several risks that were previously reported separately, recognising that they related to similar factors. This enables us to provide stakeholders with a more integrated view of the risks most material to the Group. Specifically, fee attrition, changing investor requirements and product strategy and management risk have been incorporated within business model disruption risk. Market returns has been integrated into financial risk. Financial crime risk has been included within regulatory risk, and conduct risk has been moved within people risk. Third party risk has been disclosed as a new principal risk this year as a result of our increased use of outsourcing. Reputational risk has been removed given it arises as a consequence of other principal risks.

The numeric icons are for presentational purposes only and do not indicate a rank. The risks represent our exposure after mitigating controls are applied. Trend arrows are included to show our assessment of how our risk profile has changed since last year. Commentary to explain the changes can be found on pages 28 to 31.

| | Principal risks | 2025 | 2024 |
|---|---|---|---|
| 1 | Business model disruption | ↔ | ↔ |
| 2 | Financial risk | ↔ | ↔ |
| 3 | Information security and technology risk | ↔ | ↔ |
| 4 | Investment performance risk | ↔ | ↔ |
| 5 | Operational process risk | ↔ | ↔ |
| 6 | People and conduct risk | ↔ | ↑* |
| 7 | Regulatory risk | ↔ | ↔ |
| 8 | Sustainability risk including climate change | ↔ | ↔ |
| 9 | Third party risk | ↑ | N/A |
| 10 | Transformation risk | ↔ | ↑* |

* We reported these risks as having increased in the 2024 Annual Report and Accounts because, whilst they were stable in 2024, they had increased between 31 Dec 2024 and March 2025 when the report was published.

| Movement versus prior-year position | Categories of risk |
|---|---|
| ↑ Increased | Strategic risk |
| ↔ Remained the same | Business risk |
| ↓ Decreased | Operational risk |

## Our strategy and risk appetite

Our strategy is set with an understanding of the strategic risks inherent in the environment in which we operate. There are set out in the table above and are described in more detail on pages 28 to 31. By closely analysing external factors, our Group ExCo is able to design a strategy that is robust and adaptable. Our business and operational risks (also noted above) are the risks that could impact the execution of our strategic objectives. For these risks, we develop risk appetite statements that define the levels of risk the Board is willing to accept in the pursuit of the Group's strategy.

Our risk appetite statements are reviewed and approved annually. We have a Group-level risk appetite statement and a number of entity-level statements. Each risk appetite statement is supported by a number of metrics and tolerances to enable us to provide an assessment of risk position versus appetite. We monitor these metrics on a quarterly basis and review and update our risk appetite statements at least annually, or following periods of organisational change.

We confirm that the Group has an effective risk and controls process, supported by an appropriate governance framework.

## Risk management continued

| | Description | How we manage this |
|---|---|---|
| 1 ↔ | **Business model disruption**<br>Our business model faces potential disruption from a range of external factors. Technological advancements, particularly the rapid evolution of AI, present both challenges and opportunities, not only for our firm but also for the broader asset management industry, our clients' businesses, and the industries in which they operate. At the same time, the broader environment continues to shift through trends such as product innovation, changes in market participation, increasing protectionism, and the forces of deglobalisation.<br>Client demands are evolving rapidly. There is growing pressure on traditional active management fees, driven by increased competition from lower-cost passive products and cyclical demand for lower-margin strategies. As clients increasingly expect more value at lower cost, the importance of innovative and competitive product offerings is heightened. Advancements in client distribution technology are also facilitating changes in how clients wish to access investment services, requiring us to ensure that our platform and product range remain relevant and responsive to their needs.<br>Further, there is a risk that intermediaries may capture a greater share of revenue streams, which could erode our margins if we do not respond effectively. If we fail to adapt or extend our business model and product suite in response to these shifts, we risk not meeting our clients' evolving investment objectives or maintaining our competitive position, potentially leading to a reduction in assets under management.<br>In addition, ongoing geopolitical uncertainty, including the imposition of sanctions and the outbreak of conflicts, poses an external threat that could adversely affect our global business activities. | We have established a substantial transformation programme to ensure this risk is mitigated and stakeholder value can be preserved and enhanced in the future.<br>We continue to invest in the development of our technology platform to create efficiency and enable innovation. Our approach is to be at the forefront of disruptive and transformative technologies such as AI and blockchain, adopting these responsibly through an appropriate governance framework.<br>We regularly monitor developments in countries subject to geopolitical risk and take steps to protect our people and assets where necessary. This includes monitoring and reviewing portfolio exposures, potential single name and/or sector vulnerability, and possible outcomes under different scenarios.<br>We continue to build and adapt our investment, distribution and solutions capabilities to anticipate and address evolving client needs. In response to ongoing fee pressures and industry shifts, our focus extends beyond investment excellence to encompass our ability to develop deep partnerships – offering integrated solutions that align investment strategies with clients' broader objectives.<br>The launch of our European active exchange-traded funds is another example how we address evolving client needs. |
| 2 ↔ | **Financial risk**<br>We are exposed to market, credit, liquidity and capital risks resulting from our balance sheet exposures including our principal investments. Market, credit and liquidity risks also impact the assets managed on behalf of clients. Adverse movements in financial markets – including equity, credit, interest rates, and currency – can lead to reductions in the value of assets under management (AUM), impact revenues, and restrict our ability to raise and deploy capital, particularly in private markets. Heightened and persistent geopolitical uncertainty, evolving global government policies, and volatile foreign exchange rates further amplify these risks, contributing to unpredictable market conditions. Sustained market declines or spikes in volatility could therefore undermine the Group's strategic objectives and financial performance. | We manage capital, liquidity and the Group's own investments through Board-set limits and through the Group Capital Committee. Equity market and credit spread risks in seed investments are hedged where it is economic and practicable to do so, and foreign currency Group investments are hedged back to sterling. We monitor our credit and counterparty exposure in the Group balance sheet, in our bank lending portfolios and in our client assets.<br>We have diversified income streams across a range of markets to mitigate a considerable fall in any one area. Our focus on growing our Schroders Capital product range and investment capabilities, as well as the continued success of our Wealth Management business, allows us to have a broader range of income streams which are less directly linked to markets. |

## Risk management continued

| | Description | How we manage this |
|---|---|---|
| 3 ↔ | **Information security and technology risk**<br>Information security risk relates to the confidentiality, integrity or availability of services being negatively impacted by the activities of a malicious insider or external party. Technology risk refers to the failure to deliver scalability, integrity and availability of systems that leads to a negative impact on the Schroders business and our client experience. Advances in AI and deep-fake technology create opportunities for more advanced social engineering techniques to be used in cyber attacks. These advances and other information identified through our threat intelligence and active cyber testing continue to provide insight into the areas we should focus on to enhance our cyber defence capabilities.<br>The overall transition to cloud-based services has yielded substantial benefits to our organisation but has also meant we are reliant on the cloud service provider, which brings its own risks. We plan to replace our Wealth Management system and will need to manage this carefully to minimise client disruption.<br>Cyber threats, stemming from highly capable criminal organisations and state-sponsored entities, persist and continue to grow, but we continually adapt and advance in response to these threats. This includes ensuring we have response and recovery capabilities that are frequently tested, and effective, to minimise impact in the event that we are compromised. There is a risk of data loss as we make changes to our workforce. Overall the trend remains stable. | We have a dedicated Information Security function responsible for the design and operation of our Information Security Risk framework, which includes oversight of critical third parties' cyber capabilities. Information security risk is overseen by specialists within both the second and third lines of defence and is monitored by the Information Security Risk Oversight Committee. This governance ensures clear accountability, independent risk challenge, and escalation, with regular monitoring and review of cyber risk metrics aligned to the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We operate a Global Technology Risk Committee to oversee operational risk associated with IT services across the organisation. A Responsible AI Committee provides guidance and oversight of our use of the technology.<br>Our data loss prevention controls seek to prevent the loss of sensitive information and intellectual property. We monitor our people closely and act decisively in closing down system access when roles change, or when staff are at risk of redundancy or leave the firm. |
| 4 ↔ | **Investment performance risk**<br>There is a risk that portfolios may not meet their investment objectives (including sustainability objectives) or that there is a failure to deliver consistent and above-average performance. There is a risk that clients will move their assets elsewhere if we are unable to outperform competitors or unable to deliver the investment objectives. Strong investment performance is critical to the success of Schroders.<br>In 2025, 70% of client assets outperformed benchmarks over three years and 73% outperformed benchmarks over five years. | The management of investment performance risk is a core skill of the Group. We have clearly defined investment processes designed to meet investment targets within stated parameters. The Group Investment Risk team provides additional review and challenge of investment risks across Public Markets, Schroders Capital and Wealth Management.<br>Oversight of both risk and performance is embedded in our business processes and governance.<br>We use sustainability risk toolkits to support day-to-day risk oversight and formal review and challenge of investment risk at Asset Class Risk and Performance committees. We have an Integration Accreditation framework which we use to assess the integration of sustainability factors into our investment desks' processes, and re-accredit them on an annual basis. |

## Risk management continued

| | Description | How we manage this |
|---|---|---|
| 5 ↔ | **Operational process risk**<br>Operational process risk is the risk of inadequate, failed or inefficient internal processes within our organisation, which gives rise to the potential for loss or negative impact. Examples of significant business processes are compliance with fund or mandate restrictions, implementation of mandate changes, asset pricing, trade execution for investment portfolios, whether these occur within Schroders or appointed third parties. It also includes risks from the potential ineffective management of joint ventures and associates.<br>The ongoing transformation programme will result in changes to people, processes and systems. This may increase the likelihood of operational process errors. | Our key business processes are reviewed regularly and the risks are assessed through the RCA process. Operational risk events are reviewed to identify root causes and implement control improvements. We have a well-established process to assess the risks within our supply chain. We review suppliers throughout the supplier life cycle to identify potential risks which may impact the quality or continuity of service.<br>During 2025 we established a second-line oversight framework for transformation risk. |
| 6 ↔ | **People and conduct risk**<br>People and conduct risk may arise from: an inability to attract, look after and retain employees to support business activities or strategic initiatives; non-compliance with legislation; failure to manage employee performance and morale; poor conduct and behaviour which may impact our culture; and disputes with employees.<br>Our global pulse survey shows that 77% of employees are proud to work for Schroders. Retention of key talent remains a focus. | We regularly review our employee value proposition. Deferred compensation arrangements targeted at key employees support retention, and succession and development plans are in place for key roles. We monitor employee engagement and morale through regular pulse surveys and look at these scores when assessing the performance of each business area. We have policies and procedures to manage employee issues and interests appropriately, handling them fairly and in compliance with local legislation. We encourage appropriate conduct via our Conduct Risk framework and values.<br>For more details of how we are mitigating risks relating to organisational change see "Transformation risk" on page 31. |
| 7 ↔ | **Regulatory risk**<br>Regulatory risk is the risk of fines, penalties, censure or other administrative sanctions arising from our failure to identify or meet regulatory requirements and expectations including those relating to the prevention of financial crime. We are subject to an extensive and evolving regulatory framework in all jurisdictions in which we operate. There is a risk that changes to regulations (or the pace of such change) may have a material effect on our ability to achieve our strategic objectives. | We promote a strong compliance culture and seek to maintain good relationships with our regulators, engaging with them openly and regularly. We have a suite of compliance policies that set out the controls required for regulatory compliance, supported by training and compliance assurance programmes. To reinforce our commitment to integrity further, we have a robust whistleblowing process that is designed to empower employees and external parties to report concerns anonymously without fear of retaliation, ensuring that all voices are heard and issues are investigated and addressed promptly. |

## Risk management continued

| | Description | How we manage this |
|---|---|---|
| 8 ↔ | **Sustainability risk including climate change**<br>Sustainability risk including climate change is the risk of failure to understand, accurately assess and manage the disruptive impacts of social and environmental changes on our business. It covers a wide range of topics, with consequences for many aspects of our business. Sustainability as a value proposition expands beyond investment performance risk. Not meeting our disclosed sustainability commitments, including corporate climate change targets, could adversely impact our reputation, reduce our ability to differentiate in the market, and impair our capacity to attract talent. This can materially impact our business model and commercial success. Political and social attitudes towards sustainable and climate issues have diverged in recent years, and political efforts to tackle global challenges have waned further. There is a risk that clients who are critical of sustainability, or those with stronger purpose-led missions, may choose to invest elsewhere if they perceive our position on sustainability as being different from theirs. This could lead to a reduction in AUM. Conversely, the opportunity to leverage distinctive capabilities could enable us to differentiate our services and product range, which will be attractive for some clients. Therefore on balance this risk remains at the same level as reported previously.<br>The impact of climate on each of our principal risks is set out on page 197. | We have established a corporate sustainability strategy which is formally reviewed on an annual basis. Sustainability trends influencing our industry, the corresponding climate and nature-related risks and opportunities are regularly assessed, informing how we respond in the short and long term. Ongoing risk mitigation in line with the established policies and procedures is embedded within business governance. This includes our emphasis on integrating sustainability into established functions across the Group, including investment decisions, client engagement priorities, product development strategies and our compliance, legal and regulatory controls and oversight. We have conviction in our approach of actively managing the risks and opportunities associated with sustainability including climate change. |
| 9 ↑ | **Third party risk**<br>The firm is reliant on material suppliers and third parties to perform or support many of our critical services. Therefore, disruptions to these services or failures to deliver in line with contractual requirements can lead to a negative impact on our clients, our staff and the firm. This risk has increased in 2025 as we have increased our use of third parties, hence disclosing this as a principal risk. | We have an established framework that enables third party relationships to be properly onboarded, overseen and managed. This includes a dedicated Procurement team and policy as well as a Third Party Risk Management Policy. Any material issues observed as part of the ongoing management and oversight are reported and assessed by senior management. |
| 10 ↔ | **Transformation risk**<br>Failure to manage and/or deliver transformation effectively across the firm could impact our ability to achieve our strategic objectives, including future growth of the business. Given the oversight of the transformation programme by senior management, and substantial progress made in 2025, we are currently on track for successful completion and the risk is stable. We continue to monitor and manage the potential impact for other areas like our people, our reputation and our operations. | In 2025 we have focused on identifying areas where we can be more efficient while enabling the business to continue to grow. Our transformation plans are being carefully designed and executed with a long-term outlook and clients at the centre of our decisions.<br>We have established a Group Planning and Transformation Office to ensure that all initiatives are effectively co-ordinated across the business. This office sequences activities in a manner that mitigates inherent risks and is closely managed. Communication is handled with care, and there is oversight from senior individuals who maintain strong connections with the Group ExCo. |

Stakeholder engagement

# Our stakeholders

**This section highlights our proactive approach to stakeholder engagement and outlines how stakeholders' interests have shaped our decisions throughout the year.**

| Stakeholder | How do we engage with them and consider their interests? | Outcomes |
|---|---|---|
| **Clients**<br>**Building our clients' future prosperity**<br>Our purpose is to create prosperity together. Our vision is to partner with our clients, providing trusted advice, and to invest in the assets and markets that matter to them, building their future prosperity through excellent investment outcomes. | We engage with clients through specialist teams based in regional hubs around the world, combining our global presence with strong local client relationships. This approach allows us to provide expertise across Public Markets, Schroders Capital and Wealth Management, aligning our products and services to client needs and delivering dedicated support through Client Service Hubs.<br>In 2025, we continued to prioritise client engagement and understanding through a comprehensive approach that integrates feedback and insights from a diverse client base. The transformation of Client Group during the year created new opportunities across the firm to enhance collaboration with and for our clients, marked by the appointment of our new Global Head of Client Group in August.<br>By engaging with clients and considering their interests, we aim to build and maintain strong relationships, addressing their needs and concerns proactively. Factors that could affect these relationships include changes in client expectations and market dynamics, which we continuously monitor and adapt to. | Schroders continues to rank fifth in brand awareness among over 2,770 managers.<br>The 2025 Schroders Global Investor Insights Survey found that, due to macroeconomic and portfolio resilience concerns, 80% of respondents planned to increase their use of active management over the next 12 months. |
| **Shareholders**<br>**Delivering long-term sustainable value for our shareholders**<br>The engagement and support of our shareholders is vital to achieving our strategic objectives and driving business growth. The support of our shareholder base plays a crucial role in endorsing the long-term approach we take in managing our business. | Our Annual General Meeting remains a cornerstone of engagement with our shareholders. In the first quarter we unveiled our strategy update. Our results announcements and regular quarterly trading updates in the first and third quarters are also important opportunities to update shareholders on progress.<br>We also hold specific roadshows to provide further context and respond to investor questions. Throughout the year, Elizabeth Corley, Richard Oldfield and Meagen Burnett, together with the Investor Relations team, met with many shareholders across our base to continue building these important relationships. In December, following our Schroders Capital Investor Day, our CEO of Schroders Capital also met with shareholders to discuss our ambitions in private markets. In December, we hosted a retail investor engagement webinar through ShareSoc[1].<br>We remain proactive in engaging with shareholders to ensure their views and perspectives are considered in our decision-making and to strengthen the partnerships that underpin our long-term success. | The interests of our shareholders closely align with those of our clients. Meeting client needs allows us to deliver value to those who have invested in our business.<br>In 2025, we enhanced transparency and simplified reporting to give shareholders clearer insight into progress and performance. By focusing on delivering against our strategic objectives, we create the conditions for long-term success, in which our shareholders also participate. |
| **Our people**<br>**Fostering a purpose-led, inclusive and high-performing culture**<br>Our employees are key to the success of our strategy, transformation and delivery for clients. Their skills and commitment drive our progress. We support an inclusive, high-performing culture and invest in our people, recognising that diverse perspectives strengthen our ability to deliver a broad range of insights and solutions for our clients. | We are committed to proactive engagement, ensuring colleagues remain informed and involved through a mix of in-person, hybrid and digital channels. Regular town halls led by the Group Chief Executive and Group Executive Committee provide updates on strategy and performance, supported by intranet and email communications, video blogs and "pulse point" sessions.<br>Open dialogue is central to our approach. Live Q&A sessions follow every town hall, while our pulse survey, Global Employee Forum, Global Inclusion Forum and employee resource groups provide valuable feedback directly to the Board.<br>This two-way engagement ensures employee views are reflected in decision-making, supports high levels of contribution to business performance, and enables Directors to take colleague interests into account when making principal decisions.<br>Feedback from surveys, forums and networks directly shapes our decisions and helps us create a stronger, more inclusive culture. | 78% of respondents to our employee pulse survey said they understood how their role links to Schroders' overall goal and purpose, demonstrating a strong sense of connection and alignment with our strategy.<br>We remain committed to open communication and consultation with our Global Employee Forum, Global Inclusion Forum and other employee-led networks. Our networks see more than 3,500 active memberships, with colleagues often participating in multiple networks. By listening to our people and acting on their views, we continue to evolve and deliver a workplace where everyone is empowered to thrive. |

1. ShareSoc - the short name and registered trade mark of the UK Individual Shareholders Society.

## Stakeholder engagement continued

| Stakeholder | How do we engage with them and consider their interests? | Outcomes |
|---|---|---|
| **Portfolio companies**<br>**Working with investee holdings**<br>Engaging with portfolio companies and management teams is central to the value we deliver as an active investment manager. | Engaging with portfolio companies helps us understand management priorities and strategies, while giving us opportunities to support companies to strengthen their long-term resilience and sustainability.<br>Our Engagement Blueprints set out our principles for engaging with companies in both Public Markets and Schroders Capital. We focus on material sustainable risks and opportunities that are important or potentially important to their long-term performance. This includes engaging and voting to encourage improved transparency, governance and oversight, and strategy and action related to these risks and opportunities. Investment teams across Schroders engage with investee management teams, with support from the central Sustainable Investment team in relevant areas. | Active ownership is a key element of the value we can bring to our clients. Through thoughtful and constructive engagement, we can support boards and management teams to adapt to change, and deliver more resilient business models as well as stronger investment outcomes.<br>In 2025, we had over 8,000 interactions with management teams on a wide range of topics, of which we recorded 956 as sustainability-focused. |
| **Wider society**<br>**Supporting our communities and the environment**<br>We recognise the responsibility we have to wider society. Our corporate sustainability strategy is embedded into our business and focuses on improving equality and protecting the planet. | Our global and regional charity committees consider causes across the globe for our corporate charitable donations. Our annual "people" campaign aims to raise awareness and funds for causes reflecting the current socio-economic climate. We respond to humanitarian appeals with corporate donations, and support employees to volunteer, fundraise or donate through paid leave, contribution matching and payroll giving.<br>We conduct an annual greenhouse gas inventory and carry out periodic risk assessments of our global offices to manage our environmental risks and opportunities. Membership of industry initiatives keeps us informed on emerging trends and best practice. | In 2025, we committed £5.5 million to charitable causes, including £1 million for a new global partnership with Fauna & Flora.<br>Our total operational Scope 1 and 2 greenhouse gas emissions decreased by 41% from the 2019 base year. We maintained our target of sourcing 100% renewable electricity for our global offices, which we achieved a year ahead of schedule in 2024. |
| **Regulators**<br>**Building respectful relationships**<br>We are committed to engaging proactively with regulators and key industry bodies by sharing insights, supporting policy development, and advocating for better functioning markets. | In addition to our Compliance and Risk teams, who directly liaise with regulators, we have a dedicated public policy presence in the UK and Brussels for the EU.<br>Our Public Policy team engages regularly with officials, and our responses to formal consultations are available on our website[1]. Senior management maintains regular meetings with regulators, fostering strong relationships. The Audit and Risk Committee receives reports on regulatory engagement and the potential impact of regulatory changes on our business.<br>Through our engagement, we aim to comply with current requirements, shape future ones, and contribute to a competitive and resilient financial system. | In 2025, the Public Policy team addressed UK topics including the proposed sustainability reporting standards and, in the EU, the Commission's Savings and Investment Union initiative, particularly securitisation reform. We engaged with supervisory teams on operational resilience, the Overseas Fund Regime, Consumer Duty, and valuation and liquidity of private markets. We also collaborated with supervisors to launch the UK's first Long-Term Asset Funds (LTAFs) for experienced private and institutional investors. |
| **External suppliers**<br>**Working with trusted partners**<br>Our global network of external partners and suppliers supports our corporate strategy by providing expertise and specialist skills. | Our Procurement and Third-Party Risk Management Policy governs the Group's sourcing and oversight of, and engagement with, suppliers. Day-to-day oversight and engagement is conducted by our Procurement team and relevant business teams. Material issues are escalated where necessary to senior management and relevant committees. Throughout 2025, we have continued to review our global supply chain, reducing the number of suppliers and placing greater reliance on a smaller group of key partners. This approach enables more focused and effective engagement and supports our transformation agenda. | We recognise our suppliers as essential stakeholders and support fair payment practices by making timely payments in accordance with agreed terms. Our annual Modern Slavery Statement, approved by the Board, sets out our approach to assessing and managing modern slavery risks in our supply chain. |

### Section 172 statement

In fulfilling their duties under section 172 of the Companies Act, the Directors have considered the factors set out in section 172(1)(a) to (f), together with the interests of the Company's key stakeholders. Examples of how stakeholder interests have been considered are provided throughout this report. Specific examples of how these interests and the section 172 factors have influenced the Board's principal decisions during the year are set out on page 46.

**For further information please refer to our KPIs on pages 2 to 3, Sustainability at Schroders on pages 20 to 22, People and community on pages 23 to 24, and our Climate-related financial disclosures on pages 185 to 201.**

1. www.schroders.com/policymakers/

Viability and going concern statement

# Viability and going concern statement

**In accordance with the UK Corporate Governance Code, the Directors have carried out a robust assessment of the key risks facing the Group and expect that Schroders plc will continue to be viable for at least the next five years.**

## Assessment of prospects

The five-year period to December 2030 is consistent with the Group's strategic business planning and forecasting period. The Group's strategic and financial planning process includes a detailed review of the business model and key assumptions. It is led by the Group Chief Executive and Chief Financial Officer in conjunction with management teams. The outlook was most recently updated in February 2026. The business planning process considers the risks that may materially impact the Group, and assesses the need for business model changes. The business plan reflects the Group's strategy and diversified business model, which are summarised on pages 12 to 15 and 10 to 11 respectively.

Key assumptions underpinning the financial planning process include: AUM growth from both markets and net new business; changes to net operating revenue margins owing to changes in business mix, planned business activity and industry-wide margin pressures; and additional costs including those arising from continued investment in the development of the business.

Progress against financial budgets and key objectives is reviewed throughout the year by both the Board and the Group Executive Committee (Group ExCo), along with periodic reviews of the capital and dividend policies.

## Assessment of viability

The assessment of the Group's viability requires the Directors to consider the principal risks that could affect the Group, which are outlined on pages 25 to 31. The Directors review the key risks regularly and consider the options available to the Group to mitigate these risks so as to ensure the ongoing viability of the Group.

Stress testing is performed on the Group's business plan and considers the impact of a number of the Group's key risks crystallising over the assessment period. This includes consideration of new and emerging risks, identified through the business planning process, that could have a material impact over the five-year planning period.

The severe but plausible stress scenarios applied to the business plan include consideration of the following factors:

- a deterioration in the value of our AUM, for example as a result of a severe period of market stress, the return of significant inflationary pressures combined with a marked slowdown in global growth, or the early crystallisation of certain climate change risks
- a significant decline in net operating revenue margins reducing projected revenues
- the impact of a material operational risk event or poor performance which could lead to reputational damage and significant outflows of our AUM.

The Group also assesses the impact of regulatory stress scenarios published by the Bank of England. The stress scenarios are consistent with those used in the Group's consolidated Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process.

Having reviewed the results of the stress tests, including a scenario that combines a number of the factors set out above, the Directors have concluded that the Group would have sufficient capital and liquid resources and that the Group's ongoing viability would be sustained. In drawing this conclusion, the Directors assessed the management actions that are available to the Group and were comfortable that they are sufficient in order to maintain adequate capital and liquidity surpluses. The Directors also have regard to business model changes that might be required given the new environment in which the Group would be operating.

It is possible that a stress event could be more severe and have a greater impact than we have determined is plausible. In this context, we conduct reverse stress tests, which demonstrate the unlikely and very extreme conditions required to make our business model non-viable.

The Directors' current, reasonable expectation is that Schroders plc will be able to continue in operation, meeting its liabilities as they fall due, over a viability horizon of at least five years. The Board's five-year viability and longer-term assessment is based on information known today.

## Going concern

The going concern disclosure below provides an assessment of the Group's ability to continue operating for at least the next 12 months.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in this Strategic report. In addition, the financial statements include: information on the Group's approach to managing its capital and financial risk; details of its financial instruments and hedging activities; and its exposures to credit and liquidity risk.

The Group has considerable financial resources, a broad range of products and a diversified client mix and geographical footprint. As a consequence, the Directors believe that the Group is well placed to manage its business risks in the context of the current economic outlook.

Accordingly, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date the Annual Report and Accounts is approved. They therefore continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Pages 1 to 34 constitute the Strategic report, which was approved by the Board on 11 February 2026 and signed on its behalf by:

**Richard Oldfield**
Group Chief Executive
11 February 2026

# GOVERNANCE

## Governance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Board of Directors and Company Secretary

# Leading the way

**Collectively responsible for the direction, oversight and performance of the Company**

(NG) Nomination and Governance Committee
(AR) Audit and Risk Committee
(R) Remuneration Committee
Chair

| | Skills, experience and contribution | Current external appointments |
|---|---|---|
| **Dame Elizabeth Corley** Chair (NG) | Elizabeth was appointed as an independent non-executive Director in September 2021 and became Chair at the conclusion of the 2022 Annual General Meeting.<br>Elizabeth is a non-executive Director of London Stock Exchange Group plc, Chair Emerita of the Impact Investing Institute and a Trustee of the British Museum Trust. She was previously the CEO of Allianz Global Investors and a non-executive Director of Morgan Stanley Inc., Pearson plc and BAE Systems plc.<br>Elizabeth is a leading figure in financial services with over 45 years' experience, and is active in representing the investment industry and developing standards. Elizabeth has significant expertise in asset management, impact investing and sustainability, and brings a wealth of investor, governance and boardroom experience to the Board. | – Non-executive Director of London Stock Exchange Group plc<br>– Chair Emerita of the Impact Investing Institute<br>– Trustee of the British Museum Trust |
| **Richard Oldfield** Group Chief Executive | Richard was appointed as Group Chief Executive on 8 November 2024, having joined Schroders in October 2023 as a Director and Chief Financial Officer.<br>Richard is a chartered accountant and was Network Vice Chairman and Global Markets Leader at PricewaterhouseCoopers (PwC) until October 2023, where he led market-facing activities, initiatives and strategy. Prior to this, he held several senior management positions at PwC UK, including Head of Clients and Markets, Head of Strategy and Communications, and UK Banking and Capital Markets Assurance Leader. His experience includes time spent working across Africa, Asia, Europe and North America.<br>Richard brings extensive capability in leading an international business, combined with technical and strategic capabilities. His global perspective, deep understanding of client needs, and experience in advising large multinational financial services organisations are instrumental in supporting the delivery of our strategy. | – Trustee and Chair of the Finance and Administration Committee of The Duke of Edinburgh's International Award Foundation<br>– Member of the FCA Practitioner Panel |
| **Meagen Burnett** Chief Financial Officer | Meagen joined Schroders in January 2023 as Chief Operating Officer. In January 2025, she became Chief Financial Officer, overseeing the Group's Finance function including tax and treasury, as well as operations, technology, commercial transformation and corporate services.<br>Prior to joining Schroders, Meagen spent 11 years at M&G plc as Chief Operating Officer and held various transformation, operational, audit, risk and IT control roles at J.P. Morgan, Goldman Sachs and KPMG.<br>With more than 25 years spent in financial services, Meagen is an experienced leader in delivering organisational change. She brings a strong commercial focus to resource and capital allocation and drives innovation and efficiency across our business processes. | – None |
| **Johanna Kyrklund** Group Chief Investment Officer | Johanna joined Schroders in 2007, was appointed Group Chief Investment Officer in September 2019, and as an executive Director in January 2025. She is responsible for overseeing the investment performance, philosophy and process across all asset classes at the firm as well as leading the Public Markets business.<br>Prior to joining Schroders, Johanna was a fund manager at Insight Investment from 2005 to 2007 and Head of Asset Allocation at Deutsche Asset Management from 1997 to 2005.<br>Johanna brings extensive investment experience, a depth of industry knowledge and a strong focus on client outcomes. Her role on the Board underscores the importance of active investment expertise at Schroders. | – Member of Christ Church Investment Committee |

## Board of Directors and Company Secretary continued

| | Skills, experience and contribution | Current external appointments |
|---|---|---|
| <br>**Iain Mackay**<br>Senior Independent Director<br>NG AR R | Iain was appointed to the Board as an independent non-executive Director in January 2024, and was appointed as Senior Independent Director in May 2025.<br>Iain is a chartered accountant and was Chief Financial Officer at GSK plc until 2023. He was a member of the GSK leadership team and was responsible for Global Finance and several of GSK's key global functions, including Investor Relations, Digital and Tech, and Global Procurement. Prior to joining GSK, Iain was Group Finance Director at HSBC Holdings plc, a position he held for eight years. Iain has lived and worked in Asia, the US and Europe and, before HSBC, was at General Electric, Schlumberger Dowell and Price Waterhouse.<br>In addition to his experience as Chief Financial Officer of FTSE 100 companies, Iain brings considerable knowledge of global organisations operating in many of the international markets where we are located. | – Non-executive Director and Chair of the Audit and Risk Committee of National Grid plc<br>– Non-executive Director of UK Government Investments<br>– Director of O-I-Glass, Inc. |
| <br>**Claire Fitzalan Howard**<br>Non-executive Director<br>NG | Claire was appointed as a non-executive Director in April 2020.<br>Claire is a non-executive Director of Caledonia Investments plc, Director and Trustee of the Schroder Charity Trust and a Trustee of a number of charitable foundations. She was previously a non-executive Director of Gauntlet Insurance Services.<br>Claire brings experience of family-owned businesses in financial services and from her non-executive roles. Claire is a descendant of John Henry Schroder, co-founder of the Schroders business in 1804. Claire's appointment reflects the commitment to Schroders of the Principal Shareholder Group, which has been an important part of Schroders' success over the long term. | – Non-executive Director of Caledonia Investments plc<br>– Director and Trustee of the Schroder Charity Trust<br>– Trustee of a number of charitable foundations |
| <br>**Rakhi Goss-Custard**<br>Independent non-executive Director[1]<br>NG AR | Rakhi was appointed as an independent non-executive Director in January 2017.<br>Rakhi is an experienced executive in digital retailing, having spent 12 years at Amazon, where she was Director of UK Media. Prior to joining Amazon, she held roles at TomTom and in management consultancy in the US. She was previously a non-executive Director of Intu plc, Rightmove plc and Kingfisher plc.<br>Rakhi's experience in the digital world through her work at Amazon, and more recently through her experience as a non-executive Director on other boards, is highly valuable to the Group as digital innovation has an increasingly important impact on the asset management industry.<br>1. Rakhi will be stepping down from the Board with effect from the conclusion of the Annual General Meeting on 16 April 2026. | – Non-executive Director of Trainline plc and Chair of the Remuneration Committee |
| <br>**Ian King CBE**<br>Independent non-executive Director<br>NG R | Ian was appointed as an independent non-executive Director in January 2017.<br>Ian was Chief Executive of BAE Systems plc from 2008 to 2017, having been originally appointed to the BAE board as Chief Operating Officer, UK and Rest of the World. Prior to this, he was Chief Executive of Alenia Marconi Systems. Ian also served as a non-executive Director and Senior Independent Director of Rotork plc until June 2014. In December 2025, Ian was awarded a CBE in the King's New Year Honours List for services to the transport and defence sectors.<br>Ian brings strong global leadership expertise, gained through senior roles in major multinational companies and in capital markets as both an executive and non-executive director. | – Senior Adviser to the board of Gleacher Shacklock LLP<br>– Chairman of Senior plc<br>– Director of High Speed Two (HS2) Limited and lead non-executive Director for the Department for Transport |

## Board of Directors and Company Secretary continued

| | Skills, experience and contribution | Current external appointments |
|---|---|---|
| <br>**Leonie Schroder**<br>Non-executive Director<br>NG | Leonie was appointed as a non-executive Director in March 2019.<br>Leonie is currently a Director and Trustee of the Schroder Charity Trust and has held a number of roles in the charity sector.<br>Leonie is a descendant of John Henry Schroder, co-founder of the Schroders business in 1804. Leonie's appointment reflects the commitment to Schroders of the Principal Shareholder Group, which has been an important part of Schroders' success over the long term. | – Director and Trustee of the Schroder Charity Trust<br>– Director of a number of private limited companies |
| <br>**Annette Thomas**<br>Independent non-executive Director<br>NG R | Annette was appointed as an independent non-executive Director in September 2023 and became the designated non-executive Director responsible for engagement with the workforce in January 2026.<br>Annette has 25 years' experience in leading global publishing and data analytics businesses, across academic, educational and consumer media verticals. Most recently, she served as CEO of Guardian Media Group, a position she held until June 2021. Prior to this, Annette was CEO of the Web of Science Group at Clarivate plc, a data, analytics and software business focused on research and higher education. She has also served as CEO of Macmillan Publishers and led the digital and global transformation of Nature Publishing Group.<br>Annette brings experience in leading global publishing and data analytics businesses, together with her expertise in digital, data and analytics. This provides great benefit to the Group as we continue to invest in these important areas. | – Non-executive Director of Pearson plc<br>– Non-executive Director of EcoVadis<br>– Senior Adviser to General Atlantic |
| <br>**Frederic Wakeman**<br>Independent non-executive Director[2]<br>NG AR R | Frederic was appointed as an independent non-executive Director in January 2024.<br>Frederic was Managing Partner and Head of TMT at Advent International, a leading global private equity investor. During his 23-year career, Frederic managed Advent's London and New York offices and served on both its European and North American Investment Advisory Committees.<br>Frederic brings insights into the sustainability and conservation sectors. He also brings experience of private equity and private markets more generally, which is of great benefit as we continue to build Schroders Capital.<br>2. Frederic will succeed Matthew Westerman as Chair of the Remuneration Committee with effect from the conclusion of the Annual General Meeting on 16 April 2026. | – Founder of Blue Endeavor Ventures<br>– Co-founder of Scale-Up Fund |

## Board of Directors and Company Secretary continued

| | Skills, experience and contribution | Current external appointments |
|---|---|---|
| **Matthew Westerman CBE** Independent non-executive Director[3] NG AR R | Matthew was appointed as an independent non-executive Director in March 2020 and was appointed as Chair of the Remuneration Committee in April 2022.<br>Matthew started his career at Credit Suisse First Boston, later joining Rothschild & Co, where he became Managing Director and Joint Chief Executive of ABN AMRO Rothschild. In 2000, he moved to Goldman Sachs, becoming a partner in 2002 and leading major businesses within the Investment Banking Division. He left Goldman Sachs in 2016 to become Co-Head of Global Banking at HSBC. In June 2024, Matthew was awarded a CBE in the King's Birthday Honours List for services to museums and cultural heritage.<br>Matthew brings significant experience of global financial markets after a distinguished career in investment banking. | – Director of MW&L Capital Partners<br>– Foundation Fellow of Balliol College, Oxford<br>– Trustee of the UK Holocaust Memorial Foundation |
| **Kate Graham** Group Company Secretary | Kate was appointed as Group Company Secretary in May 2024.<br>Kate was previously Deputy Group Company Secretary at Aviva, leading the global Governance team, and Partner at PwC, where she led the Listed and Financial Services Governance practice.<br>Kate is responsible for the Group's governance framework and is the principal adviser on all governance matters.<br>Kate brings great experience in operating commercial and effective governance frameworks for multinational and regulated groups. | – Member of the Governance Committee of the Institute of Chartered Accountants in England and Wales |

3. Matthew will step down as Chair of the Remuneration Committee with effect from the conclusion of the Annual General Meeting on 16 April 2026. He will remain a member of the Committee.

In February 2026, the Company announced its intention that William Lin will join the Board as an independent non-executive Director in May 2026. As William's intended effective appointment date falls after 11 February 2026, it is not reflected in the charts below.

## Composition of the Board at 11 February 2026

### Board composition

| | |
|---|---|
| Executive Directors | 25% |
| Non-independent non-executive Directors | 17% |
| Independent non-executive Directors | 58% |

### Non-executive Directors' tenure

| | |
|---|---|
| 0–3 years | 33% |
| 3–6 years | 33% |
| 6–9 years | 33% |

### Board gender diversity

| | |
|---|---|
| Male | 42% |
| Female | 58% |

### Board ethnic diversity

| | |
|---|---|
| White | 83% |
| Ethnically diverse | 17% |

Corporate governance report

# Active oversight, challenge and engagement

## With optimism and a renewed sense of purpose, we will pursue a focused strategy and streamlined operational plan.

**Dame Elizabeth Corley**
Chair

**I am pleased to present our Governance report for 2025. The following pages set out an overview of the activities of the Board and its Committees throughout the year, how we fulfilled our responsibilities and the governance frameworks that support both the Board and the wider business.**

### Strategy and transformation

In March 2025, the Company presented a simplified strategy, outlining the aspirations for Public Markets, Schroders Capital and Wealth Management. During the year, the Board continued to oversee and test the execution of that strategy, including a particular focus on the Wealth Management and Schroders Capital businesses in November.

The transformation programme underpinning that strategy has been challenged and discussed by the Board and the Audit and Risk Committee over the course of the year. We have welcomed the rigour and transparency regarding the related KPIs that have enabled management to deliver at pace against our targets.

### Performance and our clients

Johanna Kyrklund's appointment to the Board as Group Chief Investment Officer in 2025 reinforced the Board's commitment to investment performance and client outcomes. Her insights have strengthened the Board's focus on the quality of Schroders' active investment expertise, particularly at a time when market conditions have heightened clients' appreciation of active management.

Clients have remained central to the Board's discussions, with considerations ranging across investment performance, client experience, the impact of the Company's brand and reputation, leadership of the Client Group, strategic partnerships and the strength of active management in managing the risks confronting our clients.

### Culture and our people

During a year of considerable change, the Board monitored the impact of that change on our people, and also considered the culture that would be required to accelerate growth objectives and drive accountability. The Board relied on key performance indicators in the global pulse survey and employee feedback from the Global Employee Forum to assess and monitor how well culture is understood and embedded throughout the organisation.

Non-executive Directors are encouraged to engage with our business and attend client events. The Board also receives training and regular briefings throughout the year, detailed on page 43.

### Our Board

Deborah Waterhouse stood down as an independent non-executive Director at the AGM in 2025, and Rakhi Goss-Custard will be stepping down from the Board at the conclusion of the AGM in April 2026. I would like to thank Deborah and Rakhi for their significant contribution to the Board during their tenure as Directors.

In February 2026, we were pleased to announce our intention to appoint William Lin to the Board with effect from May 2026. William brings extensive international and transformation expertise and I, and the Board, look forward to working with him.

The Nomination and Governance Committee Report contains details of the Board composition and succession planning activities undertaken in the year.

### Our shareholders

I have had the opportunity to meet with several of our shareholders over the course of this year. Common themes from those meetings included support for the simplification of the business, and the capital discipline demonstrated in our quarterly results updates, as well as a focus on future long-term growth plans.

### Looking ahead

The Board's objectives for 2026 are set out on page 49, informed by the external Board performance review we undertook this year. The Board will continue to oversee the execution of our growth strategy with an ongoing focus on delivering for our clients, cost discipline, and embedding and monitoring our desired culture. I am looking ahead with confidence to the longer-term opportunities for growth.

**Dame Elizabeth Corley**
Chair
11 February 2026

## Corporate governance report continued

# 2025 Board and Committee attendance

Directors are expected to attend all meetings of the Board and Committees on which they serve. Details of Board and Committee attendance are included in the table below.

Where a Director is unable to attend a meeting, their views are sought in advance and shared with the Board.

| | Board[1] | Nomination and Governance Committee[2] | Audit and Risk Committee[3] | Remuneration Committee[4] |
|---|---|---|---|---|
| **Chair** | | | | |
| Dame Elizabeth Corley | 8/8 | 5/5 | | |
| **Executive Directors** | | | | |
| Richard Oldfield | 8/8 | | | |
| Meagen Burnett | 8/8 | | | |
| Johanna Kyrklund | 8/8 | | | |
| **Non-executive Directors** | | | | |
| Iain Mackay[5] | 8/8 | 5/5 | 7/7 | 2/2 |
| Claire Fitzalan Howard | 8/8 | 5/5 | | |
| Rakhi Goss-Custard | 8/8 | 5/5 | 7/7 | |
| Ian King[6] | 8/8 | 5/5 | | 8/8 |
| Leonie Schroder | 8/8 | 5/5 | | |
| Annette Thomas[7] | 8/8 | 5/5 | | 8/8 |
| Frederic Wakeman | 8/8 | 5/5 | 7/7 | 7/8 |
| Deborah Waterhouse[8] | 0/3 | 0/1 | 0/2 | |
| Matthew Westerman | 8/8 | 4/5 | 7/7 | 8/8 |

1. There were seven scheduled Board meetings held during the year and one ad hoc meeting to consider strategy updates in December.
2. There were five scheduled Nomination and Governance Committee meetings held during the year.
3. There were five scheduled Audit and Risk Committee meetings held during the year and two ad hoc meetings to consider 2024 and 2025 corporate reporting and annual results.
4. There were five scheduled Remuneration Committee meetings held during the year and three ad hoc meetings to consider the Directors' Remuneration Policy review.
5. Iain Mackay was appointed as Senior Independent Director at the conclusion of the Company's AGM on 1 May 2025, succeeding Ian King. Iain Mackay was appointed as a member of the Remuneration Committee on 18 September 2025.
6. Ian King stepped down from the role of Senior Independent Director at the conclusion of the Company's AGM on 1 May 2025, remaining on the Board as an independent non-executive Director.
7. In January 2026, Annette Thomas succeeded Ian King as our designated non-executive Director responsible for engagement with the workforce and, as part of this role, chairs the Global Employee Forum.
8. Deborah Waterhouse retired from the Board at the conclusion of the Company's AGM on 1 May 2025. Deborah did not attend meetings in January, February and March 2025 due to unforeseen circumstances.

## The Board and its Committees

The Board has collective responsibility for the direction, oversight and performance of the Company. It is accountable to shareholders and other stakeholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. In discharging its responsibilities, the Board takes appropriate account of the interests of our wider stakeholders, including clients, shareholders, our people, portfolio companies, wider society, regulators, and external suppliers. Certain decisions can only be taken by the Board, including on the Group's overall strategy, significant new business activities, and the strategy for management of the Group's capital. These areas are contained in the Schedule of Matters Reserved to the Board, which can be found on the Company's website[9], and are summarised on page 42.

The Board has delegated specific responsibilities to Board Committees, notably the Nomination and Governance Committee, the Audit and Risk Committee and the Remuneration Committee.

The papers for and minutes of Committee meetings are made available to all Directors. At each scheduled Board meeting, the Chair of each Committee provides the Board with an update of the work currently being carried out by the Committee they chair. Membership of the Committees is detailed in each Committee's report. The Committees' terms of reference can be found on the Company's website[10].

The Chair also has regular meetings with the non-executive Directors without the executive Directors being present. These meetings are informal discussions and do not have fixed agendas. At least once a year the Chair also meets with just the independent non-executive Directors.

Board calls are used as an additional avenue for communication to supplement the formal Board meeting programme; these are held between the scheduled meetings.

9. www.schroders.com/board-matters
10. www.schroders.com/board-committees

## Corporate governance report continued

# Governance framework

**Board**

The Board is collectively responsible for the direction, oversight and performance of the Company.

## Matters reserved to the Board

**The Group's overall strategy**

- The Company's capital strategy and changes to the capital or corporate structure
- Significant new business activities
- Dividend policy
- Annual Report and financial and regulatory announcements
- Annual budgets and financial commitments and material or strategic acquisitions and disposals
- Risk Management framework, risk appetite and tolerance limits
- Board and Committee composition, succession planning and Committee terms of reference
- Remuneration strategy
- Corporate governance arrangements, including Board conflicts of interest
- Maintenance of an effective system of internal controls and risk management
- Assessing and embedding Group culture and values

The full Schedule of Matters Reserved to the Board can be found on the Company's website, at www.schroders.com/board-matters

### Chair

The Chair is responsible for the leadership of the Board, ensuring its effectiveness and setting its agenda. She is responsible for creating an environment for open, robust and effective debate and challenge. The Chair is also responsible for ensuring effective communication with shareholders and other stakeholders.

### Group Chief Executive

The Group Chief Executive is responsible for the executive management of the Company and its subsidiaries. He is responsible for proposing the strategy for the Group and for its execution. He is assisted by members of the Group ExCo, the GRC and the GSI.

### Chief Financial Officer

The Chief Financial Officer has direct responsibility for financial management, capital and treasury, with oversight of operations and technology. She is assisted by members of the Group Capital Committee.

### Group Chief Investment Officer

The Group Chief Investment Officer is responsible for the oversight of investment performance across all business lines.

### Senior Independent Director (SID)

The SID acts as a sounding board for the Chair, oversees the Chair's evaluation, and serves as an intermediary for other Directors if needed. He is also available as an alternative point of contact for shareholders and stakeholders as required.

### Non-executive Directors

Non-executive Directors are expected to: provide independent oversight and constructive challenge; help develop proposals on strategy; and oversee performance and resources, including key appointments and standards of conduct.

### Nomination and Governance Committee

Responsible for reviewing the composition of the Board and its Committees, executive succession, and overseeing the Group's governance arrangements.

**Chair:**
**Dame Elizabeth Corley**

### Audit and Risk Committee

Responsible for overseeing financial and non-financial reporting, the Risk Management and Internal Control framework, and internal and external audit.

**Chair:**
**Iain Mackay**

### Remuneration Committee

Responsible for reviewing the remuneration strategy of the Group, the Remuneration Policy for Directors and overseeing remuneration business-wide.

**Chair:**
**Matthew Westerman**[1]

### Group Executive Committee (Group ExCo)

The Group ExCo comprises senior management who have primary responsibility for the delivery and execution of the Group's strategy, and for operational performance. It is an advisory committee to the Group Chief Executive.

### Group Risk Committee (GRC)

The GRC assists the Group Chief Executive in discharging his responsibilities in respect of risk and controls. The GRC is chaired by the Chief Risk Officer and has a number of sub-committees, which look at specific areas of risk.

### Group Capital Committee

The Group Capital Committee assists the Chief Financial Officer in managing the Group's capital, liquidity, seed investments, co-investments and other investments.

### Group Sustainability and Impact Committee (GSI)

The GSI Committee comprises senior management across the Group and provides advice to the Group Chief Executive to assist him in discharging his responsibilities regarding sustainability and impact.

1. Matthew will step down as Chair of the Remuneration Committee with effect from the conclusion of the Annual General Meeting on 16 April 2026. He will be succeeded by Frederic Wakeman.

## Corporate governance report continued

### Independence

The Board remains committed to ensuring that at least half the Board, excluding the Chair, are independent Directors. All the non-executive Directors are independent in terms of character and judgement.

Claire Fitzalan Howard and Leonie Schroder are not considered independent under the UK Corporate Governance Code as they are both members of the Principal Shareholder Group. The Nomination and Governance Committee believes the judgement and experience of Claire Fitzalan Howard and Leonie Schroder continue to add value to the Board and the Group. The Board has therefore recommended their re-election at the 2026 AGM.

Ian King was appointed to the Board on 1 January 2017 and has now served for more than nine years. As the search for additional independent non-executive Directors continues, and to maintain an appropriate balance of skills and experience, the Board proposes to extend his tenure until the end of 2026, subject to shareholder approval at the 2026 AGM. The Board considers Ian's industry and transformation experience to be important to the overall balance of skills on the Board as we continue to deliver our strategy. His senior board-level insight and deep understanding of the Group will also support continuity as the transformation progresses. In reviewing Board composition, the Board considered the tenure of all Directors and the need for non-executive Directors to maintain independence of mind and objective judgement. The Board concluded that Ian continues to provide effective challenge and remains independent in character and judgement.

### Director appointments and time commitment

The rules providing for the appointment, election, re-election and removal of Directors are contained in the Company's Articles of Association. The Company may only amend its Articles of Association by special resolution of the shareholders.

In accordance with the Articles of Association, William Lin will not stand for election at the 2026 AGM, as his intended effective date falls after the meeting. All other Directors are required to seek re-election on an annual basis unless they are retiring from the Board. Rakhi Goss-Custard will not be seeking re-election as a Director and will stand down at the conclusion of the 2026 AGM. Details of the Directors' length of tenure are set out on page 39.

Non-executive Directors' letters of appointment stipulate that they are expected to commit sufficient time to discharge their duties.

The Board has adopted a policy that allows executive Directors to take up one external non-executive directorship. Non-executive Directors are required to consult the Chair before taking on any additional appointments. The Board is satisfied that all Directors continue to be effective and demonstrate commitment to their respective roles.

For details of executive Directors' service contracts, termination arrangements, and non-executive Directors' letters of appointment, please refer to the Remuneration report from page 61.

### Board training

The Board believes that the ongoing development and briefing of Directors is an important part of the Board's agenda. The Board receives regular briefings throughout the year to provide it with a deeper understanding of the Group. The Chair and Group Company Secretary, with input from Board members, discuss briefing topics annually and agree what these should cover.

In 2025, the Board received a dedicated briefing on cyber security, which included a crisis simulation exercise and a review of the Board's role in managing cyber risk. Additional briefings were provided on the strategic application of artificial intelligence and on changes in the UK pensions and savings market.

Members of the Board Committees also receive regular updates on technical developments at scheduled Committee meetings.

### Board induction

The Group Company Secretary supports the Chair and Group Chief Executive in providing a personalised induction programme for all new Directors. This helps familiarise newly appointed Directors with their duties and the Group's culture and values, strategy, business model, businesses, operations, risks and governance arrangements.

The induction process is reviewed regularly and is updated and tailored to ensure that it remains appropriate. Induction and briefing meetings are generally open to any Director to attend if they wish to.

Committee-specific inductions are also arranged when membership changes, and these induction processes are tailored to the skills and knowledge of the individual and the forthcoming Committee agenda items. In September 2025, Iain Mackay was appointed to the Remuneration Committee and received a personalised induction led by the Global Head of Reward and People Risk. The induction covered the Committee's remit, the Group's approach to remuneration, and key areas of focus.

Upon William's appointment, a comprehensive and tailored induction programme will be provided. The induction will include:

- meeting all members of the Group ExCo and their teams to gain an insight into, and an understanding of, the opportunities and challenges facing their area of responsibility
- one-to-one meetings with other senior management across the Group, including first, second and third lines of defence, to understand the Group's Risk Management framework and internal controls and our technology platforms
- an overview of the Group's ownership structure and significant shareholders.

## Corporate governance report continued

### Compliance with the 2024 UK Corporate Governance Code (Code)[1]

During 2025, the Board complied with the Code and applied all its principles and provisions.

The following table sets out examples of how the Board has applied each principle, assisting our shareholders to evaluate our Code compliance.

| Code principle | |
|---|---|
| **Board leadership and company purpose** | |
| **A Role of the Board** | The Company is led by an effective Board that is collectively responsible for the Company's long-term sustainable success and ensures that due regard is given to the interests of our stakeholders. The Board reviews the Group's financial performance at each scheduled meeting and maintains ultimate responsibility for the Group's control framework.<br>**ⓘ See "Key areas of focus, stakeholder engagement and outcomes" on pages 46 to 47.** |
| **B Our purpose, values and strategy** | The Board has collective responsibility for setting the Company's overall strategy and purpose in line with the Group's culture and values. The Board retains authority over key decisions, such as significant new business activities and capital management.<br>**ⓘ See "Key areas of focus, stakeholder engagement and outcomes" on pages 46 to 47.** |
| **C Outcomes** | The Board considers stakeholder feedback in its discussions and decision-making. The outcomes of Board decisions reflect Schroders' strategy and objectives and aim to support the long-term success of the business.<br>**ⓘ See "Key areas of focus, stakeholder engagement and outcomes" on pages 46 to 47.** |
| **D Engagement** | The Board recognises that engaging with and taking account of the views of the Group's stakeholders is key to delivering the Group's strategy and long-term objectives.<br>**ⓘ See "Key areas of focus, stakeholder engagement and outcomes" on pages 46 to 47.** |
| **E Workforce engagement** | During the year, the Board received and discussed updates on Schroders' people and culture. The Board has a designated non-executive Director responsible for engagement with the workforce. That role provides two-way communication between the Board and employees, working alongside our employee representative groups. In addition, the Chair and non-executive Directors take opportunities to engage informally with our people across the business, including during visits to our offices outside London; this year, the Board visited Zurich.<br>**ⓘ See "Key areas of focus, stakeholder engagement and outcomes" on pages 46 to 47.** |
| **Division of responsibilities** | |
| **F The role of the Chair** | The roles of the Chair and Group Chief Executive are separate. The Chair has overall responsibility for the leadership of the Board and for its effectiveness in all aspects of its operation. Dame Elizabeth Corley has been Chair since the conclusion of the 2022 AGM and was considered independent on appointment.<br>**ⓘ Job descriptions for the Chair and Group Chief Executive can be found at www.schroders.com/board-matters.** |
| **G Board composition** | The Board is committed to ensuring that at least half the Board, excluding the Chair, are independent Directors. The Board operates effectively with a balanced composition of executive Directors, independent non-executive Directors, and Directors connected to the Principal Shareholder Group. No individual or group of individuals can dominate the Board's decision-making.<br>During 2025, the succession planning process was focused on reviewing the composition of the Board over the short, medium and long term, and the recruitment of additional independent non-executive Directors.<br>**ⓘ See page 39 for the composition of the Board and page 51 for the succession process.** |
| **H Role of the non-executive Directors** | Non-executive Directors are expected to provide independent oversight and constructive challenge, and help to develop proposals on strategy. They monitor management performance, review the Company's financial information and assess the adequacy of controls and risk management systems. |
| **I Group Company Secretary** | All Directors have access to the advice and support of the Group Company Secretary and her team. Through them, Directors can request additional briefings on the business and external developments, or request to receive independent professional advice at the Company's expense. |

1. The 2024 Code is available at www.frc.org.uk.

## Corporate governance report continued

### Composition, succession and evaluation

| | | |
|---|---|---|
| J | **Appointments to the Board** | The process for Board appointments is led by the Nomination and Governance Committee, which makes recommendations to the Board.<br>See the Nomination and Governance Committee report on pages 50 to 52. |
| K | **Skills, experience and knowledge of the Board** | During 2025, the Nomination and Governance Committee carried out a succession planning process to ensure the Board's composition, skills, and experience remain appropriate.<br>See the Nomination and Governance Committee report on pages 50 to 52. |
| L | **Board performance review** | In accordance with the Code requirement, an external Board performance review was conducted in 2025, facilitated by Christopher Saul Associates. The previous externally facilitated Board performance review was conducted by Independent Board Evaluation (IBE) in 2022, while the reviews in 2023 and 2024 were conducted internally.<br>See "2025 Board performance review" on page 49. |

### Audit, risk and internal control

| | | |
|---|---|---|
| M | **Internal and external audit** | The Audit and Risk Committee oversees the relationship with the external auditor, Ernst & Young (EY). The Head of Group Internal Audit reports directly to the Committee Chair.<br>See the Audit and Risk Committee report on pages 53 to 60. |
| N | **Fair, balanced and understandable assessment** | The Audit and Risk Committee reviews the Company's financial reporting in detail and recommends to the Board whether the Annual Report and Accounts, when taken as a whole, are fair, balanced and understandable.<br>See the Audit and Risk Committee report on pages 53 to 60. |
| O | **Risk management and internal control framework** | The Audit and Risk Committee conducts an annual assessment of the effectiveness of the system of internal controls and reviews the adequacy of risk management arrangements in line with the business and strategy. The Committee also considers principal, emerging and thematic risks that could affect the Group.<br>See the Audit and Risk Committee report on pages 53 to 60. |

### Remuneration

| | | |
|---|---|---|
| P | **Policies and practices** | Executive remuneration is designed to align with our purpose. Our existing Directors' Remuneration Policy, approved at the 2023 AGM, applies for three years. We will seek shareholder approval for our updated Directors' Remuneration Policy, which was developed following engagement with our shareholders, at the 2026 AGM.<br>See the Remuneration report on pages 61 to 89.<br>See the updated Directors' Remuneration Policy on pages 72 to 78. |
| Q | **Remuneration policy** | The Remuneration Committee provides independent oversight of the Group's Remuneration Policy and determines the remuneration of the Chair and the executive Directors within the shareholder-approved policy. Directors do not participate in decisions regarding their own remuneration.<br>See the Remuneration report on pages 61 to 89.<br>See the updated Directors' Remuneration Policy on pages 72 to 78. |
| R | **Exercising independent judgement and discretion** | We operate a simple and transparent pay-for-performance approach, aligning executive remuneration with shareholder and client interests, financial performance, and progress towards strategic objectives.<br>See the Remuneration report on pages 61 to 89. |

## Key areas of focus, stakeholder engagement and outcomes

At each scheduled Board meeting, the Board discusses reports from: the Group Chief Executive on the performance of the business; the Chief Financial Officer on financial performance; and the Group Company Secretary on governance developments. The Group Chief Investment Officer presents a quarterly investment report. Following each Committee meeting, the Committee Chairs provide a report to the Board.

During 2025, the Board considered the Group's growth strategy, capital position, business performance, progress made against our transformation programme, our clients, our strategy in the context of external markets, our culture and people, and engagement with shareholders and regulators.

In discharging their section 172 duties, the Directors have had regard to the matters outlined in section 172(1)(a) to (f), together with the interests of the Company's key stakeholders. The Board considered stakeholder interests as part of its discussions and decision-making throughout the year. Details of our key stakeholders, how we engage with them, and the results of that engagement are outlined on pages 32 and 33.

The Directors acknowledge that not every decision made will necessarily result in a positive outcome for all stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities, and having a process for decision-making, the Board does, however, aim to make sure that its approach to decision-making is aligned with stakeholder interests. The Board remains committed to promoting the long-term success of the Company for the benefit of all members and to acting fairly between the interests of all shareholders.

The examples provided in the table below and overleaf show how the Board considered matters set out in section 172 in respect of key decisions made during 2025, taking into account the views of key stakeholders while continuing to promote the Group's long-term success.

## Key stakeholders

**Clients** | **Shareholders** | **Our people** | **Portfolio companies** | **Wider society**

**Regulators** | **External suppliers**

**For more detail on our stakeholders, see pages 32 to 33.**

| Engagement and stakeholder input | Board discussions/decisions | Outcome (action) |
|---|---|---|
| **People and culture (Employees)** | | |
| Cultural change and employee engagement have been central to the Board's oversight of the transformation programme, including consideration of the enterprise-wide behaviours required to accelerate our organic growth plans.<br><br>We have remained committed to open dialogue with our employees through our Transformation Communications Hub, Company-wide town halls, divisional and functional briefings, and support and wellbeing initiatives. Our pulse surveys are also used to monitor employee engagement and morale.<br><br>We launched a Global Inclusion Forum and strengthened our engagement with the Global Employee Forum. These structured forums create clear channels for Board engagement, increase the visibility of diverse employee perspectives at Board level, and enable the Board to monitor diversity and inclusion across the group. | Assessing and monitoring the impact of transformation and organisational change on our people and culture has been a particular focus for the Board, and discussions in 2025 focused on the behaviours required to improve efficiency, linking performance and reward, and the importance of fostering a diverse and inclusive culture. In addition, the Board has considered how to increase opportunities for employee development and progression.<br><br>The Board reviewed themes arising from employee feedback obtained via our global pulse survey. These reports gave clear insights into employee sentiment.<br><br>In addition to the Board's discussions regarding culture, the Nomination and Governance Committee reviewed and discussed the approach to executive management succession planning and talent development, with a particular focus on enterprise-wide leadership. | The Board supported the review of culture initiated by management during the year, which focused on developing enterprise-wide leadership and embedding the desired organisational culture of accountability. The clear articulation of that culture will enable the Board to assess how effectively the desired culture is being embedded.<br><br>The Board supported the Group Chief Executive in making key appointments, including the CEO of Wealth Management and the Global Head of Client Group, strengthening the senior leadership team.<br><br>In January 2026, Annette Thomas assumed the role of designated non-executive Director responsible for engagement with the workforce and, as part of this role, chairs the Global Employee Forum, providing a clear and formal route for a breadth of employee perspectives to be communicated to the Board. |

## Corporate governance report continued

| Engagement and stakeholder input | Board discussions/decisions | Outcome (action) |
|---|---|---|
| **Simplification, transformation and growth** | | |
| **Simplification**<br>The Company has widely communicated the initiatives supporting our growth strategy and transformation programme to our external and internal stakeholders.<br>We have focused on those products and business areas where Schroders has clear strengths and a competitive advantage, with a goal of driving earnings growth. Simplification in this area has included refining our global footprint and exiting activities where we do not have a competitive edge.<br>Clients were kept informed about any changes impacting them via regular engagement meetings and more formal communication where required. | The Board discussed and set the strategy as presented in March 2025 and approved the targets for the related transformation programme. In doing so, the Board considered the likely long-term consequences of these decisions, in order to shape a strategy that supports sustainable growth. During the year, the Board reviewed progress against the underlying KPIs.<br>Key considerations included the financial impacts of transformation and the closure or sale of businesses in non-growth areas.<br>The Board considered the impact on stakeholders during its discussions on these changes, including the importance of assessing and monitoring the impact on clients and employees. | As part of our commitment to clients, the Board made the decision to disengage from the joint venture with Lloyds Banking Group and regain full ownership of Cazenove Capital in exchange for our stake in Schroders Personal Wealth. The remaining partnership with Lloyds Banking Group allows us to focus on where we can deliver the greatest value and reinforces our position as a trusted partner, helping more people across the UK to grow and preserve their wealth.<br>Following the strategic review of our global footprint, the Board also took the decision to exit two markets where it was recognised we could not scale alone – Brazil and Indonesia. |
| **Transformation**<br>By remaining proactive and visible about what sets Schroders apart throughout our transformation, we aim to strengthen our brand and reputation and demonstrate to employees and shareholders that we value our people and their contributions.<br>Regular employee engagement mechanisms, such as pulse surveys, forums, town halls and digital feedback tools, have enabled the Board to maintain a clear understanding of our people's experiences and priorities.<br>Through our market announcements we have highlighted the areas where we have made strides in progressing our transformation agenda and we will continue to keep our stakeholders updated on progress against our growth ambitions during 2026. | The Board discussed continued efforts by the Company to keep our people informed, engaged and supported as we execute on the transformation plan. The Board remained cognisant of maintaining the Company's strong and respected brand and reputation, which are underpinned by high standards of business conduct and supported by talented teams, client loyalty, long-term strategic partnerships, and our global reach combined with deep local relationships.<br>The Board received updates on and reviewed the impacts of transformation on our technology and operations infrastructure, and on our people and culture, and discussed client responses to changes. The Board also approved a new risk appetite statement for transformation risk. | When decisions were approved relating to the transformation of the business during the year, particular attention was given to the impact on our people and employee morale. The need to manage and communicate changes with respect, whilst investing in the ongoing growth and wellbeing of our people, was an area of focus for the Board.<br>The Board also supported a decision to expand our long-standing relationship with UST, outsourcing technology services to improve the operating leverage in our business. |
| **Growth**<br>We provided shareholders with a strategy update alongside our full-year results for 2024, and continued that engagement in the second half of the year, including via investor events in the US, Asia and Europe. There has also been a proactive communication programme with our clients to keep them abreast of changes.<br>We have continued to communicate with our stakeholders throughout the year via regular regulatory announcements, providing updates on our progress against our strategic ambition to return to profitable growth.<br>Further details on how we have engaged with our key stakeholders during the year are included on pages 32 and 33. | The Board considered the activities required to achieve the growth plans outlined in March 2025, including the products required to meet clients' evolving needs.<br>At the strategy session in November, the Board conducted a deep dive on the Schroders Capital and Wealth Management strategies and business plans. Discussions covered the desired future state and how our proposition, footprint and operating model would need to evolve so as to support optimally a modern, scalable and globally competitive business. | The Board reviewed the execution plan, governance framework and business case that would support investment and enable disciplined delivery and measurable outcomes.<br>In support of our growth strategy, we listed our first two European active exchange-traded funds (ETFs) on the London Stock Exchange during the year, further demonstrating our ability to develop and offer clients actively managed and relevant products.<br>The Board approved a firm-wide scorecard to align employee goals with the Group strategy, enhancing accountability and decision-making, and driving business success and personal growth. |

# 2025 Board objectives

The 2024 Board performance review was undertaken internally and, in light of the findings of that review, the Board set the following high-level objectives for 2025.

| Objective | Progress made during 2025 |
|---|---|
| **Strategy**<br>– Execution of transformation, supported by clear key performance indicators (KPIs)<br>– Maintaining an appropriate balance between immediate actions and longer-term strategy | The Board monitored the progress of the transformation programme and approved a new risk appetite statement for transformation risk. Key considerations included the financial impact of transformation, the closure or sale of businesses in areas without growth potential, Group technology and operations infrastructure, sales and marketing transformation, and the effects of transformation on our clients, people and culture. The Board also discussed cyber, information security resilience and opportunities to accelerate our artificial intelligence capabilities.<br>The Board introduced a firm-wide scorecard to align employee goals with the Group strategy, and to enhance accountability and decision-making. Revised management accounts were also introduced to enable performance to be measured against the agreed KPIs.<br>Alongside monitoring the effects of immediate transformation actions, the Board remained focused on longer-term strategy. Discussions covered positioning the Group for longer-term growth and identifying opportunities for accelerated growth, with focused discussions on Wealth Management and Schroders Capital. The Board endorsed management's refreshed growth strategy based on deploying active management across asset classes to deliver client-focused solutions. |
| **Clients**<br>– A sustained focus on investment performance, client satisfaction and sales effectiveness | The Board actively monitored investment performance throughout the year, supported by the Group Chief Investment Officer's quarterly investment report, and closely examined any areas of underperformance.<br>Sales effectiveness was a central topic of the Client Group transformation, which the Board is continuing to consider into 2026. In support of this, the Remuneration Committee discussed the links between performance ratings and compensation outcomes.<br>The Board encouraged a thoughtful approach to proposed product rationalisation, including the closure or merger of underperforming or sub-scale funds. The Board also discussed client responses to changes arising from the transformation programme as well as the Active Edge brand campaign and the role of active management. |
| **People**<br>– Executive management pipeline, succession and personal development plans<br>– Monitoring the impact of organisational change on our people and culture and assessing how the desired culture was being embedded | The Nomination and Governance Committee reviewed the proposed approach to executive management succession planning and talent development, and discussed progress on the Group ExCo succession plan. The Board supported the Group Chief Executive in making key appointments, including the CEO of Wealth Management and the Global Head of Client Group.<br>Board discussions were focused on the impact of organisational change on our people and culture. The Board also supported management in considering the culture and behaviours needed to achieve our organic growth goals, develop enterprise-wide leadership and drive accountability, as well as the need to embed a culture that is both diverse and inclusive. |
| **Governance**<br>– A long-term approach to Board evolution<br>– Active oversight by the Board of reputation | The Board reviewed the Company's reputation, considering its main drivers, potential threats, and related reputation management strategies.<br>The Nomination and Governance Committee focused on longer-term Board succession planning. The Committee assessed the existing skills and experience on the Board against those anticipated to be needed over the next two to five years. This assessment informed the role profiles for the independent non-executive Director recruitment. The Committee met with several candidates for the independent non-executive Director positions, of whom the shortlisted candidates were interviewed by the Board.<br>In November 2025, the Nomination and Governance Committee reviewed the effectiveness of the refreshed Governance framework, including the adoption of the related governance principles by the subsidiaries within the Group. In addition, there has been increased engagement between the Board and subsidiary boards, including joint training sessions and opportunities for informal networking. |

## 2025 Board objectives continued

### 2025 Board performance review

The Board approved the appointment of Christopher Saul Associates to conduct the 2025 Board performance review (the performance review), which included an assessment of the Board, its principal Committees and individual Directors. The performance review also considered how effectively the Board understands the views and requirements of stakeholders. The Chair and the Senior Independent Director were available to the reviewer as escalation points if required. Christopher Saul Associates has no other connection with the Company.

The performance review included one-on-one interviews with each Director and the Group Company Secretary, as well as members of the Group ExCo and a number of other non-Board members who attend or support the Board and its Committees, including the Company's external auditor. The performance review also included the evaluator attending a cycle of meetings of the Board, Audit and Risk Committee, Remuneration Committee and Nomination and Governance Committee, as well as a review of Board and Committee minutes, papers and other corporate documents.

A Board performance review report, including a summary of the performance of the Board's principal Committees, was presented to the Board in January 2026. Iain Mackay, as Senior Independent Director, discussed the feedback regarding the performance of the Chair with the rest of the Board before giving feedback to the Chair.

The performance review concluded that the Board and its Committees were working effectively, with positive progress made in relation to Board dynamics in the last twelve months. The new executive Directors had settled into their roles, with a good relationship evident between them, and with the non-executive Directors. The relationship between the Chair and the Group Chief Executive was effective, with a clear distinction between the two roles maintained. The Senior Independent Director received positive feedback in relation to his transition into the role during the year. The Board was considered collegiate, highly professional and well led by the Chair, with meetings that were thoughtfully well structured. Looking ahead, with the focus on sustainable growth, the Board was advised to challenge itself on the "must wins" for the year ahead. The non-executive Directors remained well informed, engaged throughout and contributed thoughtfully to the discussion in meetings.

The Audit and Risk, Nomination and Governance, and Remuneration Committees were effective and well integrated with the Board. Further details on the findings of the Committee reviews are included in each of the individual Committee reports.

The executive Directors work well together and the Group ExCo have a constructive and respectful relationship with the Board. The review suggested steps to deepen relationships between the Board and the Group ExCo and to allow non-executive Directors to become more familiar with the capabilities of the Group ExCo members as part of the Board's focus on succession and talent development.

Board oversight of subsidiaries had increased and become more prominent during the year, which was welcomed. The Board's engagement with clients was considered appropriate, and its relationship with regulators was positive and constructive. Communication with employees, particularly regarding transformation plans, showed careful consideration for the impact on people during Board discussions.

The review made several recommendations for the Board to consider, including:

- Succession: Continued active focus on the plans for non-executive Director recruitment, and on executive succession, during the course of 2026.
- Strategy: Continued oversight of longer-term growth plans for Wealth Management and Schroders Capital and a clear articulation of the value provided by the diversified group.
- Risk and compliance: Continued focus from the Audit and Risk Committee on the refinement of the Risk Management operating model and respective roles of first and second lines of defence.
- People: Close monitoring of the people risks that inevitably arise during a period of transformation.
- Key subsidiaries: Continued enhancement of the oversight of the effectiveness of subsidiary governance.

The Chair and the Group Company Secretary were tasked with taking the recommendations forward.

## 2026 Board objectives

As an outcome of the external Board performance review process, the Board agreed a number of objectives under the major themes of strategy, clients, people, risk and governance.

### Strategy

- Oversight of the execution of longer-term growth plans, particularly for Wealth Management and Schroders Capital, with a continued focus on product innovation
- Ensuring strategic plans remain agile and responsive to evolving market conditions, including the impact of technology

### Clients

- Continued focus on reputation and client satisfaction
- Greater focus on sales performance, including deep dives by business area

### People

- Executive management succession planning, including the development of enterprise-wide leadership skills
- Continued monitoring of how the desired organisational culture is embedded

### Risk and Governance

- Through the Audit and Risk Committee, refinement of the Risk Management operating model and respective roles of first and second lines of defence
- Building stronger relationships with the boards of subsidiary companies

Nomination and Governance Committee report

# Securing future leadership in a time of change

**Dame Elizabeth Corley**

Chair of the Nomination and Governance Committee

| Committee membership |
|---|
| Dame Elizabeth Corley (Chair) |
| Claire Fitzalan Howard |
| Rakhi Goss-Custard |
| Ian King |
| Iain Mackay |
| Leonie Schroder |
| Annette Thomas |
| Frederic Wakeman |
| Deborah Waterhouse (until 1 May 2025) |
| Matthew Westerman |

**See page 41 for meeting attendance.**

**I am pleased to present my report as Chair of the Nomination and Governance Committee.**

In my report last year, I outlined a number of priorities for the Committee in 2025. These included enhancing Board composition, strengthening executive succession planning to ensure it remains effective and agile, and building a robust internal talent pipeline for future executive leadership.

The appointment of independent non-executive Directors was an important focus for the Committee this year. In February 2026, we announced our intention to appoint William Lin to the Board with effect from May 2026, bringing extensive international and transformation expertise. Our search for additional independent non-executive Directors will continue during the first half of 2026. Looking ahead, the Committee will continue to focus on Board composition and non-executive Director recruitment and on its oversight of executive succession planning to strengthen leadership capability across the Group further.

## Key areas of focus during 2025

- Considered Board succession planning, including the Board composition and skill set required to oversee the performance of the business over the medium term, and led the search and appointment process for a new independent non-executive Director
- Discussed, and recommended to the Board, changes to Committee composition and the appointment of Iain Mackay as Senior Independent Director
- Considered executive management succession planning and talent development
- Monitored progress against the Board's 2025 objectives
- Oversaw the effectiveness of the corporate governance arrangements for the Company and its subsidiaries

## Responsibilities of the Nomination and Governance Committee

The Committee is responsible for keeping under review the composition of the Board and its Committees. It oversees succession planning for Directors and executive management, monitors inclusion and diversity policies and practices, and considers corporate governance matters across the Company and its subsidiaries, including Board, Committee and Director performance.

The Committee's terms of reference are available on the Company's website at www.schroders.com/board-committees.

Biographical details and experience of the Committee members are set out on pages 36 to 39.

## Nomination and Governance Committee report continued

### Board responsibilities

During the year, the Committee oversaw a number of changes to independent non-executive Director responsibilities. In anticipation of his completing nine years on the Board in 2026, and after seven years in the role, Ian King stood down as Senior Independent Director and was succeeded by Iain Mackay, with effect from 1 May 2025. In January 2026, Annette Thomas succeeded Ian King as our designated non-executive Director responsible for engagement with the workforce.

Iain Mackay was appointed as a member of the Remuneration Committee in September 2025. Iain's appointment reinforces the link between the Audit and Risk Committee and the Remuneration Committee, promoting a fully integrated approach to reward, risk and performance oversight. Iain brings financial expertise and deep understanding of risk management to the Committee.

In January 2026, the Company announced that Frederic Wakeman will succeed Matthew Westerman as Chair of the Remuneration Committee following the conclusion of the 2026 AGM. This transition reflects Matthew's appointment as non-executive Chair of Schroder & Co. Limited, subject to regulatory approval. Frederic, who has served on the Committee since August 2024, brings extensive experience in leading high-performing, client-focused businesses, a strong focus on financial performance, and deep knowledge of both public and private markets. Matthew will remain a member of the Committee.

### Board succession planning

The Committee undertakes a thorough annual review of the Board's composition to support discussions on succession planning. During the year, the Committee initiated a search for additional non-executive Directors. This followed Deborah Waterhouse's decision not to seek re-election at our 2025 AGM and in anticipation of the planned retirement of Rakhi Goss-Custard, who will reach her nine-year tenure in 2026. On behalf of the Board, I would like to thank Deborah and Rakhi for their valuable contributions during their time as Directors.

The Board's skills matrix informed the search process by identifying both the existing strengths and the capabilities required to support the Group's long-term strategy. The Board is well balanced, with strong coverage across core areas including strategy, asset management, clients and people and reward. However, the matrix highlighted opportunities to strengthen skills in digital innovation and transformation, international expertise, recent executive experience, and the continuity of senior Board-level insight. Candidates were sought whose experience would complement the Board's existing capabilities and address areas where future gaps were anticipated.

To support the process, the Committee engaged Nurole and Egon Zehnder. In line with Provision 20 of the UK Corporate Governance Code, the Committee confirms that Nurole has no connection with the Company other than its work advising on Board appointments. Egon Zehnder provides the Company with additional services, including executive coaching and mentoring, leadership assessments and development programmes.

A sub-committee was established to oversee the recruitment process, including the initial shortlisting of candidates. Interviews were conducted by all Directors, following which the Committee made a formal recommendation to appoint William Lin to the Board for approval.

William brings extensive international experience and expertise in leading large-scale transformation across complex global organisations. His global perspective, including deep experience in Asia, will be a valuable addition to the Board.

All Directors receive a comprehensive and tailored induction plan, including internal appointments. Further details on the induction process can be found on page 43.

### Executive succession planning and talent development

The Committee reviewed executive succession plans during the year, with a focus on the strength and depth of the leadership team supporting the executive Directors. In July, it approved a refreshed, enterprise-wide approach to succession planning, aimed at building a future-ready leadership pipeline with a particular emphasis on enterprise leadership, transformation, and cross-functional capability. A fair, transparent and systematic talent assessment process underpins this approach, enabling targeted development programmes to address capability gaps and reinforce areas of strength. The initial focus is on the Group Executive Committee and functional executive committees, ensuring that credible, high-potential successors are identified for each role, with clear development plans in place.

### Diversity in recruitment and succession

The Committee considers different aspects of inclusion and diversity in both appointment and succession planning. This helps to develop a pipeline that is diverse, inclusive and provides equal opportunities. Our Board Diversity Policy is on page 52 and further detail on inclusion and diversity initiatives can be found on page 92.

### Directors standing for election and re-election

At the February 2026 meeting, the Committee agreed that all Directors standing for re-election continue to make valuable contributions to the Board's deliberations and recommended their re-election. This recommendation includes Ian King, who has served on the Board for more than nine years. The Committee considered his tenure in the context of the Board's overall composition and remains satisfied that he continues to provide effective challenge and demonstrates independence of mind and objective judgement. The recommendation also includes Leonie Schroder and Matthew Westerman, who will have served on the Board for more than six years at the date of the AGM. In making this recommendation, the Committee considered feedback from the external Board performance review conducted by Christopher Saul Associates, and the outcome of the Board succession planning referred to above.

As required by the UK Listing Rules, the appointment of independent Directors must be approved by a simple majority of all shareholders and by a simple majority of the independent shareholders. Further details are set out in the 2026 Notice of AGM.

### Oversight of Board objectives

In 2024, the Committee's remit was expanded to include oversight of governance matters. As part of this, the Committee assumed oversight of progress against the Board objectives set out in the 2024 Annual Report which were aligned to the themes of strategy, clients, people and governance, while maintaining a focus on operational delivery.

Throughout the year, the Committee reviewed the objectives and the progress made against them. It identified opportunities to enhance the objectives, particularly in relation to transformation, and emphasised the importance of embedding the right behaviours and reinforcing a culture of accountability. As a result, an additional objective was introduced to reflect the Board's role in shaping, evolving and embedding the Group's culture. Progress against these objectives is described on page 48.

## Nomination and Governance Committee report continued

### Subsidiary governance

The responsibilities of the Committee include reviewing and making a recommendation to the Board regarding approval of the corporate governance arrangements of the Company and its subsidiaries, and assessing the ongoing operation and effectiveness of those arrangements. The Committee also monitors whether these arrangements adhere to best practice in corporate governance, recommending changes to the framework to the Board as necessary.

During the year, the Committee oversaw the continued implementation of the Group Governance framework, with a focus on enhancements across technology, processes and people. Key developments included the transition to a new governance technology platform, aimed at strengthening oversight and reporting capabilities, and the introduction of a Global Entity Governance Policy, which sets a baseline standard of governance for all subsidiaries globally. In addition, the Committee reviewed proposals to strengthen the appointment process for internal directors to subsidiary boards, supporting consistency and transparency across the Group's governance practices. Committee members took opportunities to engage with our subsidiary non-executive Directors during the year, including joint training sessions and more informal networking. The Committee noted that Matthew Westerman's appointment as Chair of Schroder & Co. Limited, subject to regulatory approval, will further strengthen the connection with the Schroder & Co. Limited Board and between the Wealth Management Audit and Risk Committee and the Board Audit and Risk Committee.

### Assessing Board and Committee performance

A key role of the Committee is to oversee the annual Board and Committee performance review. In line with best practice, a formal and rigorous review of Board and Committee performance is conducted annually, with an externally facilitated review conducted every three years. Our last external review was conducted in 2022. In 2025, the Board performance review was conducted externally by Christopher Saul Associates.

The process, findings and resulting recommendations can be found on page 49 and have been reviewed by Christopher Saul Associates.

### Committee performance in 2025

The annual review of the Committee's effectiveness was undertaken as part of the overall external Board performance review process which is described on page 49. Governance matters, including subsidiary oversight, had been managed well. Areas identified as requiring further focus and clear, actionable plans during 2026 included Board and executive succession planning.

### Priorities for 2026

As we move into 2026, the Committee will continue to focus on Board composition to oversee the delivery of the Group's strategic priorities and support organisational change. Recruitment of non-executive Directors will remain a focus, with continued emphasis on maintaining a balance of skills, experience, diversity and independence aligned to the long-term needs of the business. The Committee will also maintain oversight of executive succession planning, supporting the targeted implementation of the refreshed enterprise-wide approach to strengthening leadership capability across the Group. In addition, the Committee will focus on embedding the Entity Governance Principles and further developing the subsidiary governance dashboard to enhance transparency and accountability for governance across the organisation.

By order of the Board.

**Dame Elizabeth Corley**

Chair of the Nomination and Governance Committee

11 February 2026

## Policy on Board diversity

The Board recognises the importance of diversity and that it is a wider issue than gender and ethnicity.

We look for diversity of skills, thought, experience and background, which is important for the effectiveness of our Board, its Committees and the management team. Diversity across our workforce is discussed by the full Board. The specific diversity aspirations for the Group are set by the Board, on recommendation from management, as part of our People and Culture updates. All appointments are made on merit.

The Board understands the value of gender and ethnic diversity and is committed to having a minimum of 40% of Board positions held by women and to meet the Parker Review's recommendations of having at least one Director from an ethnic minority on the Board. As at 11 February 2026, the Board meets both the gender and ethnicity recommendations, with women comprising 58% of the Board and two Directors from an ethnic minority. We intend only to use the services of executive search firms which have signed up to the Voluntary Code of Conduct for Executive Search Firms.

Details of our inclusion and diversity initiatives, progress toward achieving our objectives, and gender diversity statistics for both the Board and senior management can be found on page 92.

Audit and Risk Committee report

# Strengthening risk management and controls

**Iain Mackay**
Chair of the Audit and Risk Committee

| Committee membership |
|---|
| Iain Mackay (Chair) |
| Rakhi Goss-Custard |
| Frederic Wakeman |
| Deborah Waterhouse (until 1 May 2025) |
| Matthew Westerman |

**See page 41 for meeting attendance.**

**I am pleased to present the Committee's report for the year ended 31 December 2025. The Committee has a broad agenda and plays a key role in overseeing the strength of the Company's financial statements and the robustness of the Group's system of internal controls and financial and risk management. We continue to work closely with both senior management and the external auditor to understand the changing landscape, both externally and across the business, and are grateful to Ernst & Young (EY), our external auditor, for their ongoing assurance and challenge**.

The Committee recognises the importance of our system of internal controls and the role it plays in mitigating risk. During the year, we continued to consider updates from management on the proposed approach to the new requirements for reporting and assurance of material controls in the revised UK Corporate Governance Code, which applies from 2026. We carefully considered our approach to implementation over the year, focusing on refining our methodology to ensure we have appropriate assurance over our internal controls.

The transformation activities of the Group were a key consideration for the Committee over the year, to ensure the effective management of potential risks and ensure operational resilience has been appropriately considered in light of structural changes.
The Committee was updated on transformation progress and the oversight undertaken by the second line for transformation risk. Group Internal Audit activities were re-prioritised over the year to provide assurance and oversight of transformation across the Group.

In addition, operational resilience remained a key focus, particularly with increased transformation activities over the year. The Group's operational resilience self-assessment, which the Committee considered, identifies our important business services, provides information on oversight of critical third parties, sets out impact tolerances to avoid intolerable harm to our clients, and identifies areas where we should enhance our operational resilience. The Committee also considered various operational stress scenarios to support the Board's conclusions on the viability and going concern statement set out on page 34.

Sustainability and climate-related risks, relating to both our business and the investments we manage, remain an important topic for the Committee and are considered in our quarterly reports. The Committee also discussed and was supportive of integrating the Company's key sustainability and climate reporting into the Annual Report for 2025.

## Audit and Risk Committee report continued

### Role of the Audit and Risk Committee

- The principal role of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to financial reporting, financial controls, audit, risk management and internal controls. All members of the Committee are independent non-executive Directors. Biographical details and the experience of Committee members are set out on pages 36 to 39.
- The Board has determined that members collectively possess the necessary competence for the sector in which the Group operates based on their previous experience in other organisations. Additionally, the Board considers that Iain Mackay, a chartered accountant, has the recent and relevant financial experience required to chair the Committee. Invitations to attend all Committee meetings are extended to the Chair, Group Chief Executive and Chief Financial Officer, and Directors who are not members attend on an ad hoc basis.
- The Committee also benefits from the advice of the Global Head of Finance, the Chief Risk Officer, the Head of Group Internal Audit and the Group General Counsel. The Committee also invited other senior management to attend as appropriate. The Chair of the Wealth Management Audit and Risk Committee (WMARC), who is an independent non-executive Director of Schroder & Co. Limited, attended one meeting of the Committee and a written update is provided to each meeting on matters related to core elements of the Wealth Management business. Representatives from EY, including Simon Michaelson, Lead Audit Partner for the 2025 financial year, attended all of the Committee's scheduled meetings.
- Private meetings are held with the external auditor in the absence of management. Additionally, private meetings were held with the Chief Financial Officer, Chief Risk Officer, and Head of Group Internal Audit. These meetings provide an opportunity for any matters to be raised confidentially.

The Committee continues to play an important role in reviewing conduct risk in the Group. This includes oversight of the operation and evolution of our Conduct Risk framework, designed to identify emerging trends and heightened areas of risk. Conduct risk is informed by a number of elements, including conduct risk appetite statements and oversight by the second line of defence.

In the face of escalating cyber attack threats, the Committee continued to prioritise cyber security and technology risk while considering metrics, challenging progress and evaluating the necessary technology and operational models to assess the Group's readiness for evolving threats, including an external assessment of the Group's information security controls.

I would like to thank Deborah Waterhouse for her significant contribution over her five years on the Committee. I would also like to thank James Beszant and welcome Simon Michaelson as our Lead Audit Partner for the 2025 financial year. I am grateful to management, the external auditor and all members of the Committee for their support in 2025, and look forward to our continuing work in 2026.

**Iain Mackay**

Chair of the Audit and Risk Committee

11 February 2026

**The Committee's primary responsibilities are the oversight of:**

### Financial reporting, financial controls and audit

- The content and integrity of financial and Pillar 3 reporting
- The appropriateness of accounting estimates and judgements
- The effectiveness of the Financial Control framework, including considering the appropriateness of the going concern and viability statements
- The effectiveness and independence of the external auditor
- The recommendation to the Board of the appointment of the external auditor

### Risk management and internal controls

- The Group's Risk and Control framework, whistleblowing procedures and the Financial Crime framework
- The Group's Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP), wind-down plan, risk appetite, recovery plan, resolution process and operational resilience self-assessment
- The Group's conduct risk processes and procedures
- The Group's regulatory compliance and conduct processes and procedures, and its relationships with regulators and compliance monitoring
- The Group's Internal Audit function
- The Group's legal risk profile, emerging litigation risks and disputes
- Emerging and thematic risks that may have a material impact on the Group's operations
- Information and cyber security, technology risk and resilience, and the emerging risks of AI

## Audit and Risk Committee report continued

### Key areas of focus during 2025

The key areas that the Committee considered are set out below. In addition, at each quarterly meeting the Committee received updates from Group Finance, Internal Audit, Risk and Compliance, Legal and the external auditor, covering ongoing projects and the key issues that had arisen since the last meeting. The Committee also reviews a quarterly dashboard of metrics to monitor key risks, as well as internal audit metrics and the status of relevant change projects and sustainability targets.

### Financial reporting and financial controls

- As part of the Group's annual reporting cycle, the Committee considered the 2024 Annual Report and Accounts and 2025 half-year results, including financial estimates and judgements and governance considerations.
- Ahead of preparing the 2025 Annual Report and Accounts, updates were provided on the effectiveness of our internal controls, and on the Group accounting policies. The going concern and viability statements, Pillar 3 regulatory disclosures and climate-related disclosures within the annual report were also considered.
- In relation to the 2025 half-year results, the Committee considered changes to the presentation of the Group income statement and associated KPIs.
- The Committee evaluated the proposal to accelerate the Group's financial and corporate reporting by three weeks for the 2025 year end, considering the perceived risks and implications in its implementation.
- The Head of Group Tax updated the Committee on the Group's tax strategy, our approach to tax risk, the key tax risks facing the Group, and how the Group's effective tax rate is expected to evolve in the coming years.

### External audit

- When considering the 2024 Annual Report and Accounts, the Committee assessed the oversight and independence of the external auditor and audit effectiveness.
- In relation to audit quality and effectiveness, the Committee discussed the results of the external auditor feedback questionnaire and noted the areas of improvement that had been identified. EY presented plans to respond to the feedback, and these were discussed by the Committee. The Committee reviewed EY's audit plan for 2025, including key audit matters and focus areas. Fees for non-audit services were reviewed and approved by the Committee.
- The Committee reviewed and discussed the findings of the Financial Reporting Council (FRC)'s 2024/25 audit quality inspection report, and considered any impact on the Company's audit approach and testing strategy.
- Policies for safeguarding the independence of the external auditor were considered and reapproved.
- The Committee received an update on management's preparations for the upcoming external audit tender.

### Internal Audit

- As part of the governance considerations for the 2024 Annual Report and Accounts, the Committee considered the annual assessment of the Group's governance and Risk Management and Control framework, conducted by Group Internal Audit.
- The Internal Audit Charter was reviewed and reapproved.
- Looking ahead to 2026, the Committee considered and approved the 2026 internal audit and compliance testing plan, which is based on an assessment of the risks the business faces.

### Risk management and internal controls

- When reviewing the 2024 Annual Report and Accounts and Pillar 3 disclosures, and 2025 half-year results, the Committee considered the Group's key risks and Risk Management framework. The Chair of the WMARC provided an update on the activities of the WMARC and its oversight of the financial reporting, risk management and internal controls of the core business entities within Wealth Management.
- The Committee considered the ICAAP, ILAAP, Group wind-down plan, Group recovery plan and operational resilience self-assessment for recommendation to the Board. The approach taken for the Group's resolution process was also considered. The Committee approved the stress scenarios for use in the Internal Capital and Risk Assessment required for Schroder Investment Management Limited under the Investment Firms Prudential Regime.
- Group Financial Crime Compliance provided a review of financial crime risk, including updates on the regulatory landscape and effectiveness of the Group Financial Crime framework, and on the Group's financial crime control systems.
- Thematic issues were considered throughout the year, including whistleblowing, our conduct risk oversight, transformation risk, third party risk management and a deep dive into our Benchmark Capital business.
- Our Chief Technology Officer and Chief Information Security Officer provided updates on information security and technology risk and resilience, including progress against our cyber strategy, the cyber threat landscape, and the evolution of AI and other emerging technology risks, which was supplemented by an external information security assessment of the Group. The Committee provided oversight of structural changes in Group Technology as part of the Group's wider transformation activities.
- The Committee considered transformation risk as part of the wider Group's objective of implementing strategic change, focusing on managing structural and operational risks and ensuring effective oversight and controls had been implemented and maintained.
- The Committee reviewed climate-related disclosures in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework and recommended the Group's Climate Report 2024 to the Board for approval. Sustainability risks were also considered as part of the Committee's review of key risks.
- The Chief Risk Officer outlined a proposal on implementing the new requirements for reporting and assurance of material controls in the revised UK Corporate Governance Code; the proposal highlighted the planned assurance for material controls, leveraging our existing Internal Control framework where applicable.

## Audit and Risk Committee report continued

### Significant accounting estimates and judgements

The preparation of the financial statements requires the application of certain estimates and judgements. The material areas of estimation and/or judgement are set out in the note on the presentation of the financial statements on page 151. Each of these areas is considered by the Committee based on reports prepared by management.

During 2025, the Committee considered the potential implications of construction issues identified in respect of the head office building in London. The Committee continues to monitor ongoing developments on this matter. The Committee also considered the estimates applied in the valuation of the financial liability to acquire outstanding interests in certain businesses, including Greencoat. In 2025, this resulted in a reduction to the carrying value of the liability which has been recognised in equity. Additionally, the Committee considered changes to the presentation of the financial statements made in 2025 and the impact of the transformation programme. This included the recognition and separate presentation of transformation costs and the accounting for portfolio restructuring activity, most notably the sale of the Group's stake in Scottish Widows Schroder Wealth Holdings Limited (SPW) as part of the transaction to regain full ownership of Cazenove Capital. The most significant estimates and judgements in respect of the 2025 financial statements relate to the accounting for the defined benefit pension scheme and carried interest. The Committee's agreed actions are summarised in the table below.

Throughout the year, the Committee receives reports from the external auditor, EY. These reports set out the audit procedures performed, challenges raised to management, and conclusions reached on areas of judgement and estimation. Further information on how EY challenged management is included within the Independent auditor's report on pages 175 to 181.

| Significant estimates and judgements | Action and conclusion |
|---|---|
| **Pension scheme** | |
| The Group's principal defined benefit pension scheme (Scheme) is in respect of certain UK employees and former employees.<br><br>The Scheme was closed to future accrual on 30 April 2011 and, as at 31 December 2025, had a funding surplus. The pension obligation, which was valued as £505.3 million at the year end, is estimated based on a number of assumptions, including mortality rates, future investment returns, interest rates and inflation. The Scheme's assets are invested in a portfolio designed to generate returns that closely align with known cash flow requirements and to hedge the interest rate and inflation risks.<br><br>**Please refer to note 23 for more information on the estimates and judgements made in respect of the Scheme.** | Group Finance provided the Committee with a report that included the key financial assumptions which had been applied by the independent qualified actuaries, Aon Solutions UK Limited, to determine the Scheme surplus. EY's report to the Committee set out its audit procedures and conclusions on the pension assets and liabilities, including those procedures completed by EY's specialists.<br><br>The Committee considered and challenged the proposed assumptions and was satisfied that the estimates were appropriate. |
| **Carried interest** | |
| The Group recognises carried interest from its Schroders Capital business. This revenue stream is dependent on the future value of certain investments that may not crystallise until an uncertain date in the future. The Group is contractually committed to make payments to various parties based on a relevant proportion of carried interest received, including as part of deferred consideration arrangements.<br><br>For financial reporting purposes, the Group is required to estimate the value of carried interest receivable, which was £155.8 million as at 31 December 2025, in accordance with the requirements of IFRS 15 Revenue from Contracts with Customers, and the fair value of related amounts payable based on the requirements of IFRS 9 Financial Instruments.<br><br>The key inputs used in determining carried interest comprised the fair value of the relevant assets on which carried interest may be earned, future growth rates, the expected realisation dates and the discount rates.<br><br>**Please refer to note 2 for the estimates and judgements made in respect of carried interest receivable and amounts payable in respect of carried interest.** | The Committee received a report from Group Finance, which reviewed the assumptions and inputs for estimating the amounts receivable and payable in respect of carried interest. The Committee challenged management and considered the judgement applied in determining the principal assumptions, and the sensitivity of the relevant balances to those assumptions.<br><br>The Committee discussed the accounting for carried interest with EY and considered the findings from its audit work. Once the Committee was satisfied with the estimates and judgements applied, the estimated carrying values were approved.<br><br>The Committee considered the disclosures presented in respect of 2025 and concluded that they were appropriate. |

## Audit and Risk Committee report continued

### Financial reporting and financial controls

The Committee reviews whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements, including those summarised on page 151. The Committee is also required to report to shareholders on the process it followed in its review of significant estimates and judgements that it considered during the year, as set out on page 56.

Financial reporting is reliant on there being an appropriate financial control environment. The Committee receives reports on the existing control environment as well as plans to enhance controls in the future, along with progress made against previous planned changes. These reports provide a detailed summary of the controls that exist across the Finance function globally and support the Group's risk and control assessments. For more details, see pages 25 to 31.

The Committee received reports throughout the year on regulatory, legal and other matters which may have a potential impact on the Group's financial reporting. The matters considered included the FCA's industry-wide review of the provision of ongoing services provided by financial advisers. This did not result in a material impact on the Group's financial performance for the year.

The Committee assessed a proposal to accelerate the Group's financial reporting for the 2025 year end and considered the potential risk implications and changes to current processes, including the impact on financial reporting and internal control.

The Committee considers other controls that might have an impact on financial reporting. During 2025, the Committee considered management's assessment of the cyber risks posed to the Group. The Committee also reviews the Group's tax strategy annually.

The financial control environment, including our information technology environment, is also subject to audit procedures by the Group's internal and external auditors. After considering reports from Group Finance, Internal Audit and EY, the Committee considered that an effective system of internal controls had been in place during the course of 2025.

The Committee conducted an in-depth review of the Group's financial projections and the application of appropriate stress scenarios. The Committee took into account the impact of risks, including climate change and prevailing macroeconomic factors, and was able to recommend that the Board can make the viability statement, as set out on page 34, and to support the going concern basis of preparation of the financial statements.

### Legal

Legal reports provide the Committee with information about emerging legal risks and notable developments in new law and regulation. The reports also provide detail on any material ongoing disputes and litigation in which the Group is interested or may have exposure. During the year, notable topics on which the Committee was briefed included progress in new product initiatives, such as active ETFs and implementation of the FCA's new sustainability product labelling regime, developing UK regulation in employment and corporate reporting, as well as policy changes relevant to Schroders' offerings in the EU, the US and Asia.

### Risk management and internal controls

The Board has overall responsibility for the Company's system of internal controls, the ongoing monitoring of risk and internal control systems, and for reporting on any significant failings or weaknesses. The system of controls is designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives, and can only provide reasonable assurance against material misstatement or loss. The Board has delegated to the Committee responsibility for monitoring and reviewing the effectiveness of the Risk Management and Internal Control framework.

The Committee carried out the annual assessment of the effectiveness of internal controls during 2025, including those related to the financial reporting process. The Committee also considered the adequacy of the Group's risk management arrangements in the context of the Group's business and strategy. In carrying out this assessment, the Committee reviews the results of the annual Risk and Control Assessments, any significant risk events, and actions taken to remediate these. The Committee also considered reports from the Global Head of Finance, Group General Counsel, Chief Risk Officer, Head of Group Internal Audit and EY. This enabled an evaluation of the effectiveness of the Group's Internal Controls framework. As part of the internal control process, each member of the Group Executive Committee has attested to the appropriateness and adequacy of risk management arrangements in their area, and has confirmed that appropriate controls are in place.

The Group continually works to enhance systems to support and improve the control environment.

## Fair, balanced and understandable

A key focus for the Committee is its work in assisting the Board in confirming that the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable, and assessing whether it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. In assessing this, the Committee considered the key messages communicated in the 2025 Annual Report and Accounts, as well as the information provided to the Committee and the Board as a whole during the year.

The Committee, having completed its review, recommended to the Board that, when taken as a whole, the 2025 Annual Report and Accounts is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

## Audit and Risk Committee report continued

### UK Corporate Governance Code

During the year the Committee continued to review progress against the key changes contained in the UK Corporate Governance Code affecting the Group, being the requirement for the Board to provide a declaration of the effectiveness of our material controls, as set out in Provision 29 of the Code.

Over the year, material controls were identified and debated by the Committee, and consideration was given to the current assurance processes and broader Risk Management and Compliance framework. The Committee also discussed a proposed plan for implementation, which is ongoing and includes comprehensive actions over 2026 to ensure clear understanding and ownership for demonstrating control effectiveness.

### Risk and Compliance

Risk and Compliance reports set out changes in the level or nature of the key risks faced by the Group. These reports also cover developments in the approach to managing these risks, the procedures in place to identify and manage emerging risks, and information on significant operational risk events.

The reports outlined the Group's management of key regulatory engagements and change programmes throughout the year. This included changes to our processes for regulatory change horizon scanning, tracking and ownership, and the planning and execution of the compliance assurance programme covering testing and monitoring. The reports explained how specific emerging risks were being managed and made reference to our regular cross-functional emerging risk meetings. These provide a forum to identify and communicate emerging risks, enabling them to be escalated to relevant individuals and management appropriately. Additional specific reports allowed the Committee to consider a range of factors when determining the key emerging and thematic risks and uncertainties faced by the Group. These included assessments of risk tolerance and stress testing of the Group's capital and liquidity positions, as well as the production of the Group's operational resilience self-assessment, recovery plan, resolution process and wind-down plan. The Committee also considered the management of third party risks and risks related to the Benchmark Capital business.

During the year the Committee reviewed the Group's arrangements in relation to conflicts of interest, financial crime, information and technology risk, and conduct risk. Additionally, the Committee considered regulatory change and the supervisory horizon, engagement with regulators, cyber resilience, oversight of third-party suppliers, and the Group's whistleblowing protocols. The Committee also received updates from Group Financial Crime on the programme of work for strengthening the Group's Financial Crime framework and compliance with global financial crime regulations. The Committee reviewed the Group's key risks and the proposed principal risk disclosures. To provide stakeholders with a more integrated view of the risks most material to the Group, the Committee agreed to consolidate several risks that were previously reported separately, recognising they arose due to similar factors.

Further information can be found in the "Risk management" section of the Strategic report set out on pages 25 to 31.

### Internal Audit

The Committee has authority to appoint or remove the Head of Group Internal Audit, who reports directly to the Chair of the Committee. During 2025, the Committee approved the Internal Audit Charter.

The Committee also has responsibility for approving the Internal Audit budget and plan and being satisfied that the function has appropriate resources and skills and continues to be an effective and valued assurance function within the Group. The function monitors developments in internal audit practices and undertakes quality and assurance activities. In satisfying itself as to the quality, experience and expertise of the function, the Committee reviews reports on progress against a rolling plan of audits approved by the Committee. These reports cover any significant findings from audits performed, including any observations on culture and recommendations to improve the control environment, and their subsequent remediation. In addition, the Committee had regular interaction with the Head of Group Internal Audit, both at Committee meetings and through other regular meetings outside the formal schedule.

During 2025, a broad range of audits were conducted across the Group. The 2025 internal audit plan was regularly reassessed by the Committee and Internal Audit to allow for the appropriate allocation of resources and to remain in line with the risk profile of the business; it was also redesigned over the year to create capacity for the audit of key Group transformation activities.

The annual internal audit and compliance testing plans are developed using a risk-based approach to provide proportionate assurance over the Group's controls for the key risks set out on pages 25 to 31. For example, as in previous years, in 2026 a range of audits will be undertaken to test the adequacy of aspects of the Group's cyber security and other technology risks. Planned audits include coverage of risks arising from our transformation programme, alongside operational, business and strategic risks. As well as undertaking internal audit projects, senior Group Internal Audit employees attend relevant oversight and management committees and regulated entity Board meetings to provide input and challenge on the topics discussed.

# Audit and Risk Committee report continued

## Oversight of the external auditor

### Auditor oversight conclusion

The Committee is satisfied with EY's work and that it is objective and independent. Accordingly, the Committee has recommended to the Board that a resolution be put to the 2026 AGM for the reappointment of EY as external auditor, and the Board has accepted this recommendation. When making the recommendation to the Board, the Committee confirmed that the recommendation was free from influence by a third party and that no contractual term of the kind mentioned under Article 16(6) of the Audit Regulation had been imposed on the Company.

The Committee places great importance on the quality, effectiveness and independence of the external audit process. The Committee oversees the relationship with EY, including safeguarding independence, approving non-audit fees, recommending the auditor's appointment at the AGM and determining the auditor's remuneration.

The external audit was last put out to tender in 2016, with EY starting as the Group's auditor for the financial year commencing 1 January 2018. In line with regulation, the Company will commence a competitive audit tender in 2026, led by the Committee, which will complete by 2027 at the latest.

Ahead of recommending the reappointment of the external auditor to the Board and shareholders, we perform an assessment of external audit quality to ensure we maintain the highest possible standards. James Beszant was the Lead Audit Partner from the 2023 audit to the conclusion of the 2024 audit. At that time, having served on the audit team since the 31 December 2018 year end, James was required to rotate after the 31 December 2024 year end, and Simon Michaelson has succeeded James as Lead Audit Partner for the 2025 audit. The Committee confirms that the Company has complied with, throughout the year under review and as at the date of this report, the provisions of the Competition and Markets Authority (Penalties) Order 2014 relating to the UK audit market for large companies.

During the course of the year, the Committee did not make any changes to the scope of the audit as it concluded that it was sufficient.

### Assessment of audit quality and effectiveness

The Committee is responsible for evaluating the performance of the external auditor. In February 2025, ahead of consideration of the 2024 Annual Report and Accounts, the Committee received initial feedback on the conduct of the 2024 audit, which identified no significant areas of concern. A full assessment of the external auditor was carried out by way of a questionnaire prepared in accordance with the FRC's guidance and completed by key stakeholders.

Interviews with senior managers and Group Finance were also held. The findings of the questionnaire were presented to the Committee in May 2025. EY generally scored highly in the auditor effectiveness questionnaire and was assessed to have delivered an effective audit in its seventh year. Areas of improvement were identified and discussed with EY to allow for enhancements to be made ahead of the 2025 audit.

The Committee reviewed the 2025 external audit plan presented to the Committee in May 2025. The plan included considering the impact of business transformation and strategic change, including accounting for potential restructuring costs and the implications of the acceleration of the year-end reporting cycle on existing processes and audit strategy. Updates were received from the external auditor throughout the year, demonstrating that professional scepticism had been applied through challenge of judgements, estimates and disclosures. Matters arising from the audit were communicated to the Committee on an ongoing basis.

The Committee reviewed and discussed the findings of the FRC's audit quality inspection report results for EY. The Committee discussed the impact on the Schroders audit plan, and how EY maintains and monitors a high-quality audit generally, noting the importance of continued investment in the digitalisation of audit procedures through AI capability, allowing more focused time on analysis of judgements and risks. EY undertakes a range of processes that are designed to promote, embed and monitor audit quality. The structure of the audit team has been designed by the Lead Audit Partner to deliver and maintain a high-quality audit. EY continues to assess the structure, experience and knowledge of the team, with a view to maintaining and enhancing audit quality and encouraging collaboration. In making this assessment, the Committee and EY have discussed and considered several Audit Quality Indicators (AQIs). These include: audit planning milestones; hours spent; internal and external reviews and results; training undertaken and experience of the team; senior team members' responsibilities and their time commitments; and the extent to which specialists are involved in the audit.

### Independence and non-audit services

The Committee has responsibility for monitoring the independence and objectivity of the external auditor. Since its appointment, EY has continued to confirm its independence, and this remained the case during 2025 and prior to issuing its opinion on the Annual Report and Accounts. In addition to the annual review of effectiveness, the Committee considered EY's independence and objectivity throughout the year. No Committee member has a relationship with the external auditor which impacts independence.

A key factor in ensuring auditor independence is the Committee's consideration of the provision of certain non-audit services by EY. The Committee maintains a policy on the engagement of the auditor for the provision of non-audit services, to safeguard its independence and objectivity. This policy is reviewed annually and takes account of relevant regulatory restrictions and guidance in the jurisdictions in which the Group operates, including those in the UK. The policy prohibits the provision of certain non-audit services and contains rules regarding the Committee approving permitted non-audit services.

Details of the total fees paid to EY are set out in note 3(c) to the accounts. The policy on non-audit services restricts the appointment of EY to the provision of services that are closely related to the audit. Other services, where they are not prohibited, may also be considered, but these will not normally be approved by the Committee. Certain services that are provided to the Group are closely related to the audit but are not required by regulation. The Committee considers that these services are most appropriately performed by the Group's external auditor as they support the statutory audit and provide the external auditor with relevant insights on aspects of the business, although they are not necessarily directly related to the financial statements.

Non-audit fees, excluding audit-related assurance services required under regulation, equated to 17% of audit fees (2024: 16%).

During 2025, non-audit services mainly comprised assurance services in respect of controls reports and regulatory reporting normally conducted by the Group's external auditor. These services are assurance in nature and are not considered to present a risk to independence.

## Audit and Risk Committee report continued

### Audit Committees and the External Audit: Minimum Standard

In May 2023, the FRC published the Audit Committees and the External Audit: Minimum Standard, which took effect immediately for FTSE 350 companies on a comply or explain basis. This report describes how the Committee has complied with each relevant provision of the Minimum Standard during the year.

### Committee performance in 2025

The annual review of the Committee's effectiveness was undertaken as part of the overall external Board performance review process which is described on page 49. The effectiveness of the Committee was described as very strong. Preparation for meetings was comprehensive and meetings were well chaired, allowing for focused discussions and inviting thoughtful contributions and challenge.

### Committee's assessment of internal control and risk management arrangements

The Committee was content with the effectiveness of the Group's processes governing financial and regulatory reporting and controls, its culture, its ethical standards and its relationships with regulators. The Committee was also satisfied with the appropriateness and adequacy of the Group's risk management arrangements and supporting risk management systems, including the risk monitoring processes, the Internal Control framework and the three lines of defence model.

### Priorities for 2026

During 2026, as well as considering standing items of business informed by the Committee's terms of reference, the Committee will also focus on the following areas in 2026:

- refinement of the Risk Management operating model and respective roles of first and second lines of defence
- cyber security and information technology risks
- operational resilience
- regulatory change
- business transformation and industry thematic risks
- implementing the requirements of Provision 29 of the 2024 UK Corporate Governance Code
- audit tender.

By order of the Board.

**Iain Mackay**
Chair of the Audit and Risk Committee
11 February 2026

Remuneration report

# Incentivising the delivery of our strategy

**Matthew Westerman**

Chair of the Remuneration Committee

**Committee membership**

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| Matthew Westerman (Chair) |
| Ian King |
| Iain Mackay (from 18 September 2025) |
| Annette Thomas |
| Frederic Wakeman |

See page 41 for meeting attendance and page 42 for a summary of the responsibilities of the Committee.

**On behalf of the Remuneration Committee, I am pleased to present our Directors' Remuneration Policy, alongside an overview of executive Director and wider workforce remuneration for the 2025 financial year.**

2025 was a year of strategic evolution and significant change for the business. At the start of the year, we welcomed Meagen Burnett and Johanna Kyrklund to the Board, whose appointments have brought valuable expertise and fresh perspectives. Their addition further strengthens the Board's executive leadership following Richard Oldfield's appointment as Group Chief Executive in November 2024.

In March 2025, we announced our three-year transformation programme, which sets out a clear strategy to create a high-performing, resilient and growing business. A key priority for the executive Directors, with support from the Committee, was therefore to incentivise employees appropriately to deliver on this plan and to reward them for the achievements to date.

## Directors' Remuneration Policy review

In line with the normal three-year cycle, the Committee performed a comprehensive review of the Directors' Remuneration Policy (the Policy) during 2025. The Committee undertook extensive shareholder consultation, offering our major shareholders an opportunity to provide feedback that helped to shape the final Policy proposals.

Whilst our review of the current Policy highlighted that its overall construct remained fit for purpose, it was apparent that changes to the Policy and its implementation were needed in some areas to improve alignment to the Group's strategy. We are therefore incorporating new metrics into the 2026 annual bonus and long-term incentive plan (LTIP) scorecards, closely aligned to our ongoing transformation programme and growth ambitions. At the same time, we are also proposing to transition to a three-year LTIP performance period to align more closely to our strategic time horizons.

It was also clear that fixed pay levels for executive Directors had fallen significantly behind market, having not been increased since 2014. We are therefore proposing material one-off salary increases for the Group Chief Executive (CEO) and Chief Financial Officer (CFO), as well as a moderate increase for the Group Chief Investment Officer (CIO). These increases will take effect within their respective total remuneration caps, and will apply when calculating LTIP grants and minimum shareholding requirements, thereby increasing long-term shareholder alignment.

The Board has also reviewed the remuneration policy applicable to independent non-executive Directors (INEDs) and will be introducing a minimum shareholding requirement of 100% of base fees, to be attained within three years. This Policy change will also increase alignment between the INEDs and our shareholders.

Full details of the Policy proposal are set out on pages 72 to 78.

## Key actions taken in 2025

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|---|---|
| **Directors' Remuneration Policy review** | – Detailed review of our current Policy and a range of potential enhancements, with input from an extensive shareholder consultation.<br>– Determined changes to bonus and LTIP metrics to drive alignment to our transformation objectives. LTIP performance period also adjusted to 3 years to improve alignment to our strategic time horizons.<br>– Executive Director fixed pay levels reviewed, in line with approach for wider workforce, and increases to £800,000, £550,000 and £425,000 determined for the CEO, CFO and CIO respectively. |
| **Wider workforce fixed pay review** | – Comprehensive review of our fixed pay levels across the organisation to support competitive pay for our talent and address inflationary pressure, resulting in salary increases totalling up to £35 million for 2026.<br>– The total increase will be managed within our stated targets to reduce our cost-to-income ratio and achieve £150 million of annualised cost savings by the end of 2027. |
| **2025 executive Director outcomes** | – Determined annual bonus scorecard outcomes of 96% for the CEO, 99% for the CFO and 88% for the CIO.<br>– Strengthened long-term shareholder alignment for the second consecutive year, by increasing LTIP grants within the existing total remuneration caps. This resulted in a LTIP grant of £2.4 million for the CEO for 2025 (from £1.5 million for 2024) whilst the CFO and CIO will be granted £1.1 million and £1.0 million respectively. |
| **2022 LTIP vesting** | – Determined an expected outcome of 20% for the 2022 LTIP, the performance period for which ended on 31 December 2025, for our previous executive Directors, Peter Harrison and Richard Keers. |

## Role of the Remuneration Committee

The principal role of the Committee is to assist the Board in fulfilling its oversight of executive Director and wider workforce remuneration. All members of the Committee are independent non-executive Directors. Biographical details and the experience of members are set out on pages 36 to 39. The Board has determined that, by virtue of their previous experience gained in other organisations, members collectively have the competence required relevant to the sector in which the Group operates.

The Committee's primary responsibilities include:

- reviewing the Group's remuneration strategy and recommending the Directors' Remuneration Policy to the Board
- determining the remuneration of the Group Chair and the executive Directors within the Policy approved by shareholders
- determining the level and structure of remuneration for other senior executives (including members of the Group Executive Committee (Group ExCo), the Chief Risk Officer, the Head of Group Internal Audit and the Group Company Secretary), monitoring the level and structure of remuneration for other material risk takers, and overseeing remuneration more broadly across the Group
- recommending to the Board the annual spend on variable remuneration
- reviewing the design and operation of share-based remuneration, other deferred remuneration plans and employee carried interest-sharing arrangements
- overseeing any major change in the employee benefits structure throughout the Group
- reviewing remuneration disclosures and compliance with relevant requirements
- receiving and considering feedback from shareholders and representative shareholder bodies.

The Committee's terms of reference are available on our website at www.schroders.com/board-committees.

### Approach to wider workforce remuneration

Our people are paramount to the successful delivery of our strategy. We need to continue to attract, motivate and retain the best people to help drive the changes we have outlined and deliver the level of performance we aspire to achieve. One component of this is ensuring that our fixed pay levels remain competitive, fair and attractive.

In 2025, we performed a detailed firm-wide salary review and benchmarking process with the aim of addressing areas where fixed pay had fallen behind competitive market levels. At the same time, we aimed to adjust for inflationary pressure in many of the countries in which we operate, particularly for our more junior employees. As a result of this exercise, we will deliver salary increases for the majority of our workforce, with material increases targeted at individuals in areas of our business where we were behind market.

The total increase of up to £35 million will be managed within our stated targets to reduce our cost to income ratio and achieve £150 million of annualised cost savings by the end of 2027.

As set out above, fixed pay levels for the executive Directors have also been reviewed, in line with the approach taken for the wider workforce and using similar comparator groups. Further details of the Group-wide remuneration outcomes are set out on page 63.

### 2025 executive Director remuneration outcomes

During the first year of our three-year transformation programme, we have achieved record assets under management (AUM) in supportive markets and delivered strong investment performance. We are also outperforming our cost targets and have grown revenues, resulting in an adjusted operating profit of £756.6 million.

The executive Directors have remained focused on supporting the delivery of our transformation, with rapid progress and positive results already realised. Notably, we simplified our operations, launched our first two European active exchange-traded funds (ETFs), and regained full ownership of Cazenove Capital. The delivery on our transformation objectives reflects our commitment to building a resilient business for the future.

The Committee carefully considered the Group's achievements, as well as individual performance, over the year when determining the bonus outcomes for the executive Directors. The 2025 annual bonus scorecard resulted in an outcome of 69% of the maximum 70% for the financial element of the scorecard and between 20% and 30% of the maximum 30% for the non-financial element. As a result, the overall scorecard outcomes are 96%, 99% and 88% of maximum for the CEO, CFO and CIO respectively. While these outcomes result in material increases compared to the prior year, the Committee is comfortable that they are appropriate in the context of the Group's very strong performance in the year. Further details of 2025 performance and outcomes are set out on pages 63 to 66.

In addition to annual bonuses, executive Directors are also eligible to receive LTIP awards. For the LTIP awards to be granted in March 2026 in respect of 2025, the Committee determined to increase the grants within the total remuneration caps for the second consecutive year, further increasing the weighting towards long-term performance and alignment with shareholders. This will result in awards of £2.4 million, £1.1 million and £1.0 million for the CEO, CFO and CIO respectively.

### 2022 LTIP vesting

In March 2022, LTIP awards were granted to Peter Harrison and Richard Keers, the CEO and CFO at the time, subject to performance conditions over a four-year performance period ending on 31 December 2025. Upon the retirement of Mr Harrison and Mr Keers, their respective awards were pro-rated to reflect the time served over the performance period.

We anticipate that the 2022 LTIP awards will vest in March 2026 at 20% of maximum. This outcome reflects earnings per share (EPS) and net new business (NNB) metrics lapsing in full, alongside full achievement of the climate metric. The Committee reviewed the expected vesting outcome and was comfortable that the outcome is appropriate. A 12-month holding period will apply to the LTIP awards once vested. Further details of the 2022 LTIP awards are on page 80.

### Regulatory developments

The Committee reviewed relevant regulatory developments during the year, including changes to the Prudential Regulation Authority (PRA) remuneration rules. While these changes currently have limited impact on the Group's remuneration practices, the Committee is mindful of potential future changes being considered by the Financial Conduct Authority (FCA) and will continue to monitor these closely to consider any resulting implications.

### Other areas considered by the Committee in 2025

- Overall fixed and variable compensation spend for the year
- Review of compensation outcomes, including control function input, sustainability of earnings, diversity and competitiveness
- Review of gender and ethnicity pay gaps
- Review of key remuneration disclosures
- Regulatory matters, including our Material Risk Taker identification framework, annual independent review of remuneration and Group Risk Adjustment framework
- Shareholder and voting agency feedback on remuneration
- Annual reviews of terms of reference, advisers and Group ExCo shareholding levels

# 2025 outcomes

## Performance context

As at 31 December 2025, AUM reached a record level of £823.7 billion, driven by positive net new business of £11.2 billion, robust investment performance and favourable market conditions. We have grown revenues and are outperforming our cost targets, which has enabled us to deliver adjusted operating profit of £756.6 million (2024: £603.1 million). The Board has recommended a final dividend of 15.0 pence per share. This results in a total dividend for the year of 21.5 pence per share (2024: 21.5 pence per share).

From a strategic perspective, we also made strong progress against our key priorities in 2025. As well as launching our first two European active ETFs and bringing Cazenove Capital back into full ownership, we continued the simplification of our geographic footprint, announcing plans to leave two non-core markets (Indonesia and Brazil). These achievements demonstrate our commitment to achieving progress against our transformation targets, and lay the groundwork for a more efficient and resilient business in the future.

For more information on our strategic and financial performance, please see the Group Chief Executive's and Chief Financial Officer's statements, beginning on page 7 and page 16 respectively.

## Group-wide remuneration outcomes

When discussing remuneration outcomes for the wider workforce this year, the executive Directors and the Committee focused on the need to incentivise the delivery of our transformation programme and reward the significant achievements made to date. Our people are paramount to the successful delivery of our strategy and we are proud that 95% of our high performers were retained in 2025.

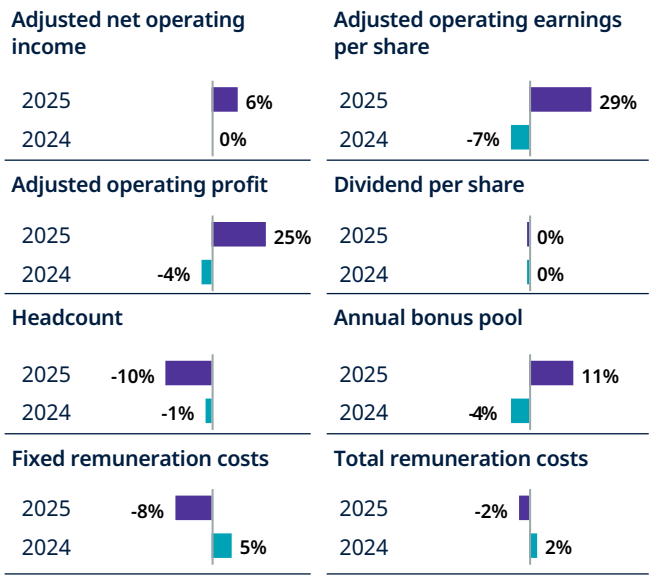
The Committee considered both financial and non-financial performance when setting the bonus pool, as well as an assessment of overall market conditions and wider stakeholder experience. The Committee and Board concluded that a bonus pool of £304 million struck the right balance across relevant stakeholders, including shareholders, clients and employees. Salary increases made earlier in 2025 were lower than previous years, partially offsetting the increase in the bonus pool and resulting in total compensation changes for employees that were generally between +1% and +11%.

As set out on the previous page, a firm-wide salary review and benchmarking process was undertaken in the year to improve competitiveness, recognising salaries had fallen behind the market in some business areas. This review was also intended to address inflationary pressure on salaries in many of the countries in which we operate, particularly for our more junior employees. The result of this overall review was that over 75% of employees are receiving a salary increase for 2026. These increases will be reflected in total compensation outcomes for 2026.

Individual bonus and salary amounts were determined according to our Fair Pay for Performance framework, summarised to the right. In reviewing outcomes, the Committee evaluated analytics on differentiation, diversity and competitiveness and was satisfied that the year-end process was rigorous and that outcomes reflected financial and non-financial performance, including conduct.

| Outcomes for the wider workforce | 2025 | 2024 |
|---|---|---|
| Bonus-eligible employees | **5,226** | 5,761 |
| Bonus pool | **£304m** | £275m |
| % change bonus (median) | **14.3%** | -3% |
| % change total compensation (median) | **3.8%** | 5% |
| % change future salary (median) | **3.8%** | 0% |

## Key performance and remuneration metrics




## Fair pay for performance

Remuneration outcomes for our employees are governed by our Fair Pay for Performance framework. This framework, available to all employees on our intranet, describes the variety of factors considered in making pay decisions at Schroders, including:

- **Annual performance** – including individual performance, contribution, behaviours and conduct, business and team performance, and Group-wide performance and affordability
- **Individual context** – including an individual's skills/ experience, progression, succession and future potential as well as consideration of multi-year performance context
- **Market context** – consideration of market pay levels for a given role/geography and review of relevant competitor insights, local market conditions and general market outlook
- **Internal and external relativities** – ensuring fairness of outcomes versus peers and market

## 2025 outcomes continued

### Executive Directors' remuneration outcomes

#### 2025 annual bonus

Executive Directors' bonuses are determined by the Committee through a balanced scorecard approach. At the start of 2025, the Committee established and disclosed metrics consisting of 70% financial factors and 30% non-financial factors. These metrics were selected to ensure alignment to the Group's three-year transformation strategy, as announced in March 2025.

Target ranges for each financial metric were set with reference to the Board-approved budget, market expectations, prior-year outcomes, strategic priorities and the wider market outlook. When setting these ranges, the Committee also remained mindful of the potential significant impact that evolving market conditions could have on bonus outcomes. As in previous years, the ranges were set such that meeting the threshold leads to a 25% payout, achieving the target leads to a 65% payout, and reaching the maximum leads to a 100% payout. No changes were made during the year to the metrics or target ranges.

At the end of the year, the Committee assessed the level of performance against these financial target ranges to determine the appropriate outcome. The table below provides details of the target ranges for the financial metrics and the corresponding payouts. The overall financial scorecard outcome was 69% out of the maximum 70%.

The bonus scorecard also includes non-financial performance, which the Committee evaluates based on quantitative and qualitative objectives established at the beginning of the year. The Committee acknowledged the achievements detailed on the next page, which include: the launch of our active ETF product range in Europe; launch of our Active Edge campaign; and the strengthening of our Wealth Management platform by regaining full ownership of Cazenove Capital. The Committee also recognised the progress against the transformation programme since it was announced to the market in March 2025. This non-financial evaluation is combined with an assessment of each individual's personal performance, as summarised on page 66.

Based on performance achieved against the non-financial component of the Group scorecard as well as personal performance, the Committee confirmed non-financial scorecard outcomes of 27% for Richard Oldfield, 30% for Meagen Burnett and 20% for Johanna Kyrklund, out of the maximum 30%.

Whilst the combined financial and non-financial scorecard outcomes result in material increases to annual bonus outcomes compared to the prior year, the Committee is comfortable that they are appropriate in the context of the Group's very strong performance in the year.

#### 2026 LTIP grant

For the LTIP awards to be granted in March 2026 in respect of 2025, the Committee determined to increase the grants within the total remuneration caps for the second consecutive year, further increasing the long-term alignment to shareholders. This will result in awards of £2.4 million, £1.1 million and £1.0 million for the CEO, CFO and CIO respectively.

These awards will be granted under the final year of our current Policy. However, in line with the changes proposed under our new Policy, the 2026 LTIP performance period will be measured over three years followed by a two-year holding period to ensure the overall incentive horizon remains at five years.

Further details of this change and the performance measures that apply to the grant are set out on page 71.

#### 2022 LTIP vesting

None of the current executive Directors received LTIP awards in March 2022, for the performance period concluding on 31 December 2025, and therefore no amounts will vest to them.

Vesting outcomes for 2022 LTIP awards made to former executive Directors are set out on page 80.

### Assessment of the financial metrics of the executive Directors' 2025 annual bonus scorecard

| | | Targets | | | | | |
|---|---|---|---|---|---|---|---|
| **2025 scorecard metric** | Weighting | Threshold 25% | Target 65% | Maximum 100% | Outcome | Metric payout % of max for metric | Bonus payout % of max bonus |
| Adjusted operating profit (£m) | 30% | 540 | 610 | 710 | 757 | 100% | 30% |
| Investment performance | 20% | 50% | 60% | 70% | 70% | 100% | 20% |
| Annualised net new revenue (£bn) excluding JVs and associates | 10% | 0.0 | 12.0 | 23.0 | 30.2 | 100% | 10% |
| Proportion of AUM that outperforms its sustainability benchmark (SustainEx™) | 10% | 86% | 89% | 93% | 91% | 85% | 9% |
| **Total outcome of the financial metrics** | | | | | | | **69%** |

## 2025 outcomes continued

### Non-financial assessment for executive Directors' annual bonus scorecard

| Criteria | Performance in 2025 |
|---|---|
| **Strategic progress (see pages 12 to 15 for more information)** | |
| Transformation and strategy | – Achieved in-year cost savings of £75 million, making significant progress towards our 2027 transformation target of £150 million.<br>– Made progress towards three-year target of stabilising of Public Markets revenues and Schroders Capital net new business target of £20 billion by the end of 2027.<br>– Announced our strategic decision to exit two markets – Indonesia and Brazil.<br>– Invested in talent, with strengthened leadership in Wealth Management and Client Group.<br>– Development of a Capital Allocation framework to prioritise the use of capital to support the maximisation of return on shareholders' capital. |
| Operating model review | – Simplified the Client Group operating model to enhance accountability for sales and to create capacity to grow in a scalable way.<br>– Established a centre of excellence in Singapore to strengthen our digital assets capabilities, enhancing our ongoing collaboration with the Monetary Authority of Singapore (MAS).<br>– Transitioned to an outsourced managed service model for certain IT infrastructure and other services with our long-established partner, UST.<br>– Reshaped our management accounts to improve consistency, clarity and alignment to other publicly listed companies. |
| Continued growth of Wealth Management | – Strengthened our Wealth Management platform by regaining full ownership of Cazenove Capital in exchange for our stake in Schroders Personal Wealth.<br>– Wealth Management achieved £3.4 billion net new business, achieving 3% organic growth. |
| **Client engagement and feedback (see pages 32 to 33 for more information)** | |
| Delivering for clients | – Engagement with clients up more than 30% year on year.<br>– Launch of the first two European active ETFs.<br>– Active Edge campaign launched.<br>– Partnership with Hargreaves Lansdown to offer Long-Term Asset Funds (LTAFs) tailored for experienced private investors.<br>– Established a new multi-year investment management agreement to continue managing Schroders Personal Wealth and Scottish Widows assets. |
| **Sustainability (see pages 20 to 22 for more information)** | |
| Climate engagement with companies | – Strong engagement with companies on sustainability topics. During 2025, we engaged with 381 companies on climate-related topics and voted on 93 climate-focused resolutions at company meetings.<br>– In-scope Group investments reached a 2.4°C temperature alignment score, in line with our near-term target of 2.2°C by 2030, based on CDP-WWF methodology.<br>– Developed an innovative analytical framework to assess companies' decarbonisation prospects, which has supported portfolio analysis and strategies tailored to clients' investment objectives. |
| Progress versus the Group's own multi-year climate-related targets | – Good progress made against our multi-year target of reducing Scope 1 and Scope 2 emissions by 46% by 2030 from a 2019 base year, with a 41% reduction achieved in 2025, a 4% reduction from 2024 and outperforming the 1.5°C science-based trajectory.<br>– Sourced 100% renewable electricity for all owned or leased offices, globally.<br>– Achieved 60% reduction in Scope 3 business travel emissions in 2025, ahead of the 50% reduction target by 2030. |
| Continued evolution of our Sustainability framework | – As political momentum toward climate action has slowed, we have emphasised our proprietary transition and decarbonisation capabilities in client engagement.<br>– Our clients appointed us to manage over £7.8 billion in new sustainability-focused mandates during 2025.<br>– We were a TNFD early adopter, leveraging analysis using our proprietary NatCapEx™ model which estimates companies' nature-related impacts and exposures. |
| **People and talent (see pages 23 to 24 for more information)** | |
| Retention and engagement | – 77% of our people are proud to work at Schroders.<br>– 95% of high performers retained.<br>– Over 75% of employees receiving a salary increase in 2026 as a result of our salary review and benchmarking exercise.<br>– Successfully managed the first year of our transformation programme without business disruption. |
| Inclusion and diversity | – 80% of our people believe that Schroders is committed to inclusion and diversity.<br>– "Best Overall" in the FTSE 100, FTSE 250 and Private Companies category at the INSEAD Business In Balance awards 2025. |
| **Risk and governance (see pages 25 to 31 for more information)** | |
| Governance, risk and reputation | – Continued progress against Group-wide multi-year programme to enhance cyber defences.<br>– Advanced our Operational Resilience framework, meeting deadlines set by PRA, FCA and Digital Operational Resilience Act (DORA).<br>– Good standing with regulators, with sustained effort put into relationships. |

## 2025 outcomes continued

### Personal performance assessment for the Group Chief Executive

Richard Oldfield has had a remarkably strong first full year as Group Chief Executive, an assessment confirmed by those who work closely with him, including members of the Group Executive Committee and other members of the Board. His performance this year has been notable for achieving clarity of strategy linked to objectives; an infusion of energy and renewed purpose; and reinforced accountability for delivery against our stretching objectives, both strategic and operational.

Richard has built on and strengthened our global leadership, taking time to reinforce teamwork and shared values. His awareness of, and respect for, external stakeholders has been consistent, and together with the other executive Directors who have joined the Board, he has ensured that focus on service and relevance for our clients has not wavered, even as we undertake significant organisational simplification and improvements in efficiency.

As a result of the non-financial performance achieved in the Group scorecard and Richard's personal performance, the Committee confirmed a non-financial bonus scorecard payout of 27% of the maximum 30%. The resulting scorecard outcome was therefore 96% of maximum for Mr Oldfield, equating to a bonus of £5,799,000.

### Personal performance assessment for the Chief Financial Officer

In her first year in role as Chief Financial Officer, Meagen Burnett has delivered exemplary leadership and made a significant and positive impact across the Group. She has played a pivotal role in advancing key priorities, successfully driving the transformation agenda and creating value across financial, operational, and cultural areas.

Under Meagen's leadership, the Group has achieved substantial cost savings while upholding a strong control environment during a period of significant change. She has shown ongoing commitment to her professional growth and promoted an inclusive and high-performing culture, with our employee sentiment scores remaining robust. Her commercial acumen, decisive leadership, and ability to empower others have been clear differentiators. The Board greatly appreciates Meagen's contribution, which has been instrumental in supporting the Group's success and continued progress in 2025.

As a result of the non-financial performance achieved in the Group scorecard, as well as Meagen's personal performance, the Committee confirmed a non-financial bonus scorecard payout of 30% of the maximum 30%. The resulting scorecard outcome of 99% of maximum for Ms Burnett equated to a bonus of £1,948,000.

### Personal performance assessment for the Group Chief Investment Officer

Since her appointment to the Board, Johanna Kyrklund has demonstrated outstanding leadership and delivered impressive results as Group Chief Investment Officer. Under Johanna's leadership, the Group has exceeded investment performance targets, with 73% of strategies outperforming relevant comparators over five years. Johanna has also streamlined operations and achieved significant transformation-related cost savings in Public Markets.

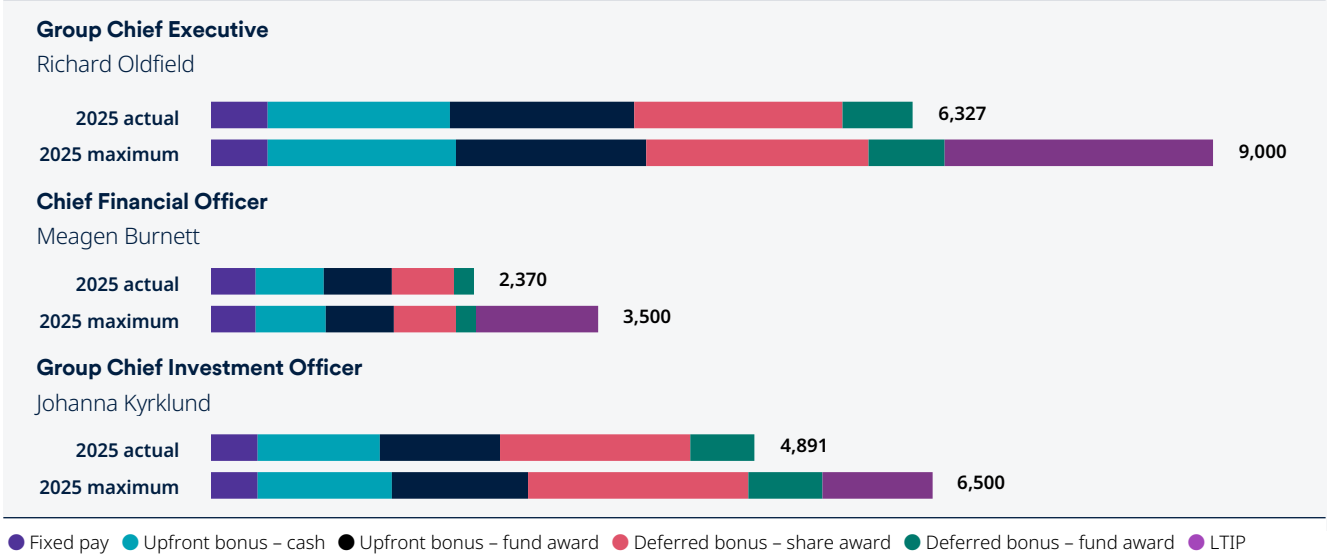
Johanna is equally notable for the culture she cultivates within her teams, championing collaboration and inclusivity. Over the year, she has driven operational improvement and provided steady and accessible leadership. Her deep expertise inspires confidence among clients, colleagues and stakeholders.

As a result of the non-financial performance achieved in the Group scorecard and Johanna Kyrklund's personal performance, the Committee confirmed a non-financial bonus scorecard payout of 20% of the maximum 30%. The resulting scorecard outcome was therefore 88% of maximum for Ms Kyrklund, equating to a bonus of £4,460,000.

## Total remuneration outcomes for 2025

The graphs illustrate the total remuneration outcomes for the executive Directors, and how these outcomes compare with the individuals' maximum total remuneration for 2025.[1]

**Executive Director** **Single total remuneration figure (£'000)**




1. 2025 actual remuneration reflects the amount shown in the single figure table on page 79. As noted on page 64, the current executive Directors did not receive 2022 LTIP awards and therefore no amounts vested to them in 2025. 2025 maximum remuneration includes the LTIP grants to be made in 2026 in respect of 2025.

Policy Review and 2026 implementation

# Policy review and 2026 implementation

**In line with the three-year Policy cycle, a review of the executive Directors' Remuneration Policy was undertaken in 2025. We consulted extensively with shareholders as part of this process and have valued the ongoing dialogue and constructive feedback, which informed development and finalisation of these proposals. As outlined earlier in the Chair's letter, we are proposing several changes to ensure continued alignment with our strategic priorities and market practice, and will be seeking shareholder approval for the new Policy at our 2026 AGM.**

## Key outcomes from the review

- Overall shape of the remuneration framework under the new Policy is unchanged – fixed pay plus annual bonus and LTIP, operating under a total remuneration cap.
- No change in the total remuneration caps under the Policy. For the Chief Financial Officer, we are making an increase within the existing Policy to move the cap back to the level of her predecessor to reflect her experience in, and the scope of, the role.
- Staying within these total remuneration caps, we are increasing base salaries to address fixed pay levels that have become uncompetitive over the last ten years, in line with a broader firm-wide initiative.
- We are increasing the alignment of our framework to the strategic and transformation timeline that the new executive team has communicated to the market, by shortening the LTIP performance period from four to three years while maintaining an overall five-year time horizon. At the same time, we are increasing the proportion of total remuneration that is delivered through the LTIP.
- We are refining the annual bonus and LTIP metrics to ensure that targets appropriately reward the team for delivering on Schroders' transformation goals and creating value for clients and shareholders.

## Context for the Policy review

Schroders set out a refreshed strategy in March 2025, focused on putting the business on a clear trajectory of continued long-term growth. The strategy places emphasis on a return to profitable growth and includes stretching targets of achieving £150 million of cost savings and reducing our cost to income ratio to below 70%, both by 2027.

With the appointment of Richard Oldfield, Meagen Burnett and Johanna Kyrklund, and the formation of a new Group Executive Committee over the last 18 months, there has been a fresh focus on simplification, commercial discipline and delivery. From a remuneration perspective, the Committee considers it paramount that the Policy and its implementation incentivise the team to deliver these ambitious transformation goals, create long-term shareholder value and reward them fairly if they do so.

Our current Policy was approved at the 2023 AGM with 96% shareholder support, with only minor amendments to the 2020 Policy, which also received a strong voting outcome. Since adoption, we have seen ongoing support for the implementation of the Policy at the 2024 and 2025 AGMs.

Our review highlighted that, whilst the Policy has a number of strengths that we wish to retain and remains fit for purpose in terms of its overall shape, there are several challenges to address. We developed and consulted extensively during the year on our proposals with our top 20 shareholders, representing c.82% of our share capital, along with relevant proxy agencies. The feedback received from shareholders was constructive and was used to inform the Committee's thinking as it developed during the review.

The following sections set out the proposed changes in detail.

### 1. Balance between fixed and variable remuneration

Executive Directors' salaries have fallen significantly behind the market, having last been increased in 2014. This reflects similar themes within the business and, as a result, this year we have performed a firm-wide salary review exercise to ensure that our people are paid fairly and competitively, including our executive Directors. Details of this exercise are set out on page 63.

In determining what constitutes appropriate positioning for the executive Directors, the Committee has sought to triangulate a number of relevant reference points, recognising that there is no "one answer". This includes UK-listed investment and wealth management firms, global asset management firms, and broader UK-listed businesses of a similar size and complexity. These groups typically differ significantly in terms of the balance of their fixed and variable elements, and as such the Committee has aimed for positioning which, overall, is competitive against these three groups when viewed in the round. The table below shows the current and proposed salaries for the CEO, CFO and CIO, and the charts on the following page illustrate the positioning relative to our comparator groups (noting that comparators for the CIO role are not widely available).

| Role | 2025 salary | 2026 salary |
|---|---|---|
| CEO | £500,000 | £800,000 |
| CFO | £375,000 | £550,000 |
| CIO | £375,000 | £425,000 |

As these increases are being made within the existing total remuneration caps, there will not be any ratcheting effect on variable remuneration. It will result in a rebalancing of pay – while maintaining a significant emphasis on performance-related pay – and is consistent with the salary review and benchmarking initiative for the wider Schroders workforce highlighted on page 63.

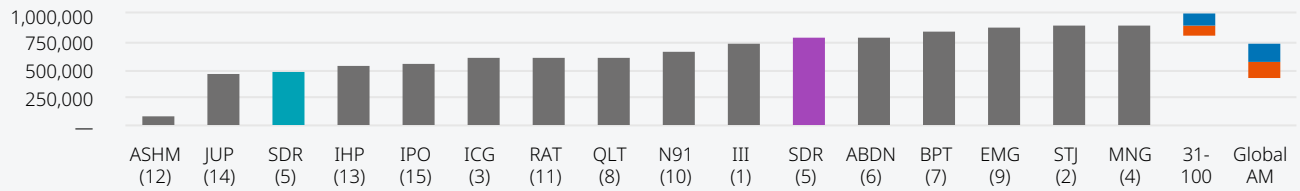
During the consultation, there was broad-based support for these increases and general recognition from shareholders that there was a significant market-competitive challenge to address. We also discussed with shareholders whether the increases should be phased over more than one year. The Committee believes that it is critical to address the competitive gap immediately to retain and motivate key leadership talent. Leaving individuals significantly below market for several years during the transformation period would likely increase potential retention risks. A single increase also aligns with the approach for other employees. Shareholders were supportive of this approach in the circumstances of this review.

1. The global asset management comparator group used by the Committee consists of: AllianceBernstein, Allianz Global Investors, Ameriprise, Amundi, AXA Investment Managers, BNP Paribas Asset Management, DWS, Fidelity International, Franklin Templeton Investments, HSBC, Invesco, Janus Henderson, M&G Investments, Neuberger Berman, T.Rowe Price Associates, UBS Asset Management, Wellington Management Company.

## Policy review and 2026 implementation continued

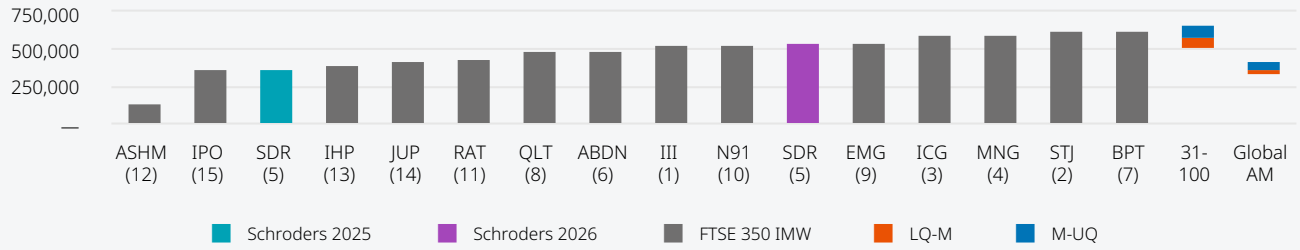
### Group Chief Executive

FTSE 350 Investment Management and Wealth (stock ticker and ranking by market capitalisation) — FTSE 31-100 | Global Asset Management




### Chief Financial Officer

FTSE 350 Investment Management and Wealth (stock ticker and ranking by market capitalisation) — FTSE 31-100 | Global Asset Management




### 2. Increase alignment with our strategic and transformation timeline

Our refreshed strategy has set out transformation targets to the end of 2027. Due to a combination of the tenure of the executive team and the four-year performance period of our current LTIP, there is currently limited alignment with this transformation timeline. During consultation, shareholders were supportive of our desire to align remuneration as closely as possible with the timescales for the transformation programme.

The Committee considered how best to address this for 2026 onwards and is proposing two key changes:

- Resetting the LTIP performance period for future awards from four years to three years. This creates closer alignment with the timeframe for delivering our transformation goals and brings the framework into line with standard market practice both in the UK and internationally. Retaining a two-year holding period ensures the overall incentive horizon remains at five years. These changes will also apply to the 2026 LTIP grant to be made under the final year of our current Policy.
- Increasing the proportion of total remuneration delivered through the LTIP by maintaining awards at the higher percentage of salary level introduced for the CEO last year (300%) and granting at 200% and 235% of new salaries respectively for the CFO and CIO, balanced by a concurrent reduction in the annual bonus potential for the relevant performance year.

### 3. Refine metrics to ensure appropriate reward for delivering transformation goals and creating value for clients and shareholders

We have reviewed the measures used in our annual bonus and LTIP to ensure that they reflect and incentivise performance against our financial, strategic and transformation priorities. Our executives should be held accountable for delivering on the goals that we have set out to the market and be rewarded if they create value for our clients and shareholders by doing so.

As a result of the review, the following changes are proposed:

*2026 annual bonus*

- 20% of the 70% financial element of the annual bonus will be focused on critical transformation metrics, including revenue and net new business growth and net cost savings, with targets aligned to externally disclosed 2027 ambitions.
- The remaining 50% of the financial element will continue to be based on adjusted operating profit and client investment performance, which remain important metrics.
- Key non-financial goals will continue to comprise the remaining 30% of the scorecard.

*2026 LTIP*

- 25% of the LTIP will be based on an adjusted operating cost to income ratio metric, in line with our stated goal to reduce this from 75% to less than 70%.
- 25% will be based on return on tangible equity, reflecting our focus on long-term value creation.
- The remaining 50% will continue to be based on earnings growth and client investment performance, which remain critical long-term success indicators for the business.

While we have removed the sustainability metrics from the 2026 LTIP in order to make space for a greater focus on transformation, our commercial focus in this key area has not changed. We will continue to assess our progress on critical sustainability goals as part of the non-financial element of the annual bonus.

These proposals were received positively during the consultation process, with shareholders particularly welcoming the introduction of a return on tangible equity focus into the LTIP.

### 4. Reinstate the CFO's total remuneration cap

Since appointment as CFO, Meagen Burnett has performed strongly and her responsibilities have expanded, notably including leadership of the transformation programme. Given her development in role, her total remuneration cap (currently £3.5 million) will be moved back up to the level of her predecessor for 2026 (£4.5 million). This is a change within the current Policy limits.

### Other changes

Other minor changes have been made to the Policy to reflect regulatory changes (e.g. on malus and clawback), update pension arrangements for newly hired executive Directors to maintain parity with the wider workforce, and uplift certain de minimis thresholds to account for inflation over the period.

## Conclusion

The Committee firmly believes that the proposed changes to our Policy (and to the implementation of the Policy) will help ensure that remuneration at Schroders remains competitive, focused on our strategic and transformation agenda, and aligned with the interests of our shareholders and other stakeholders.

The following pages illustrate how our approach to remuneration creates alignment with our key stakeholders and how the Policy will be implemented for 2025 and 2026.

## Policy review and 2026 implementation continued

## Our remuneration philosophy

Our vision is to partner with our clients to provide trusted advice and invest in the assets and markets that matter to them, building their future prosperity through delivering excellent investment outcomes. Paying our people based on the value we create for our stakeholders will secure our ability to deliver our purpose of creating prosperity together. This is why the remuneration principles underpinning how all our people are paid are centred on creating alignment with our key stakeholder groups.

## How our approach to remuneration creates alignment with our key stakeholders

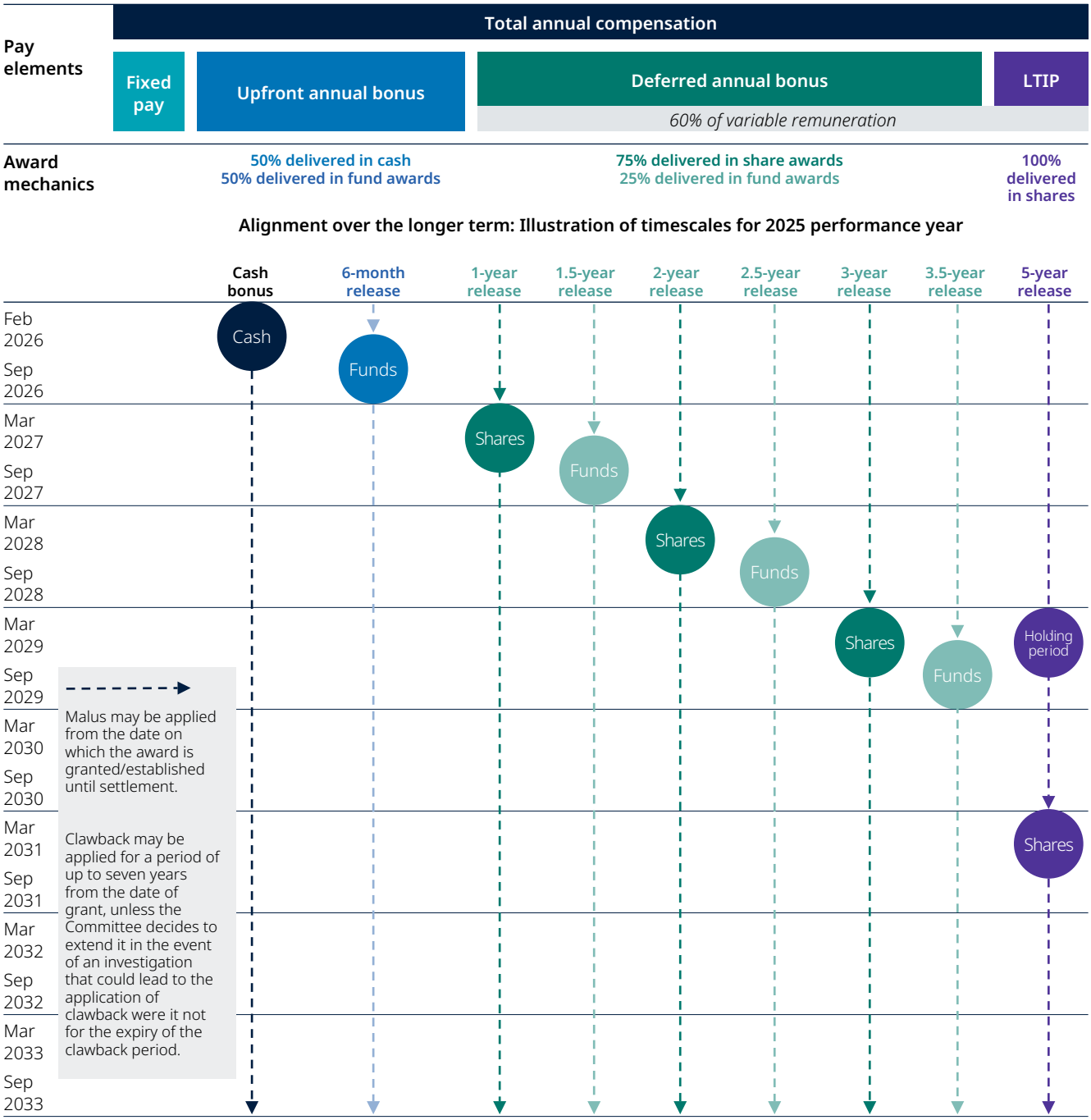
| Our key stakeholders | Our remuneration principles | Our executive Director remuneration approach |
|---|---|---|
| **Shareholders** | **Aligned with shareholders**<br>A proportion of variable remuneration for higher-earning employees and material risk takers is granted in the form of deferred awards over Schroders shares. This aligns the interests of employees and shareholders. Executive Directors and other members of the Group Executive Committee are required, over time, to acquire and retain a significant holding of Schroders shares or rights to shares. Vested share-based awards from bonuses are unable to be exercised until the requirement has been met. | – 75% of deferred bonus paid in shares.<br>– Material portion of variable remuneration is delivered through the LTIP.<br>– Stretching shareholding requirements.<br>– Requirement to maintain a level of shareholding for two years on stepping down. |
| | **Aligned with financial performance**<br>Schroders manages its overall cost base by reference to its cost to income ratio, defined as the ratio of operating expenses to net operating income. Within this framework, compensation expense – including the pool from which any variable pay is funded – is controlled as a component of the overall cost to income ratio. | – Financial metrics comprise 70% of the annual bonus scorecard.<br>– 80% of 2026 LTIP awards based on long-term financial performance, including return on tangible equity, with the balance based on investment performance. |
| **Clients** | **Aligned with clients**<br>A proportion of variable remuneration for higher-earning employees and material risk takers is granted as fund awards, which are notional investments in funds managed by the Group. This aligns the interests of employees and clients. | – 25% of deferred bonus paid in fund awards.<br>– Client investment performance included in the annual bonus scorecard and as a 2026 LTIP measure. |
| **Our people** | **Competitive**<br>Employees receive a competitive remuneration package, which is reviewed annually and benchmarked by reference to the external market. This allows us to attract, retain and motivate highly talented people, regardless of gender, age, race, sexual orientation, disability, religion, socio-economic background or other diversity facet. | – Competitiveness considered by reference to total compensation for comparable roles at other large international wealth and asset management firms, along with similarly-sized UK-listed businesses.<br>– Benchmarking forms a point of reference, not a primary factor, in remuneration decisions. |
| | **Designed to encourage retention**<br>Deferred variable remuneration does not give rise to any immediate entitlement. Awards normally require the participant to be employed continuously by the Group until at least the third anniversary of grant in order to vest in full. | – 60% of variable pay deferred over at least a three-year period, with an additional six-month holding period on part of the annual bonus.<br>– 2026 LTIP subject to three-year performance period and additional two-year holding period, ensuring no release until at least five years from award. |
| **Society and environment** | **Designed to promote the long-term sustainable success of the Group**<br>Sustainable leadership is key to our business and flows from our long-term outlook. Performance against sustainability goals is considered in the annual compensation review for individuals who have the ability to influence our investment and business operations, ensuring alignment with our commitment to responsible practices. | – Annual bonus scorecard includes sustainability-aligned metrics in the non-financial scorecard elements.<br>– In-flight 2025 LTIP includes metric measuring progress towards our 2030 own emissions goal. |

## Policy review and 2026 implementation continued

### Our remuneration philosophy continued

As set out on the previous page, the remuneration principles underpinning how we pay all our employees also apply to our executive Directors. The graphic below summarises the key pay elements that apply to our executive Directors, along with the timescales over which the remuneration in respect of the 2025 performance year is released. The following page then sets out how the Policy will be implemented for 2026.

## Illustration of 2025 implementation of our executive Directors' Remuneration Policy




Upfront annual bonus: half paid in cash in February after the end of the performance year and half granted as an upfront fund award, subject to a six-month holding period.

Deferred annual bonus: granted 75% as a deferred share award, available to exercise in equal instalments after 1, 2 and 3 years from grant, and 25% as a deferred fund award, available to exercise in equal instalments after 1.5, 2.5 and 3.5 years from grant.

**Shareholding requirement: CEO - 500% base salary Other executive Directors - 300% base salary**

## Policy review and 2026 implementation continued

### Policy implementation for all executive Directors in 2026

| Element | Approach | 2026 implementation |
|---|---|---|
| **Salaries** | – Reviewed annually. For the executive Directors, salaries are adjusted infrequently. | – Salaries for the executive Directors will be increased to £800,000 for Group Chief Executive, £550,000 for Chief Financial Officer and £425,000 for Group Chief Investment Officer. These are the first increases for the executive Director roles since 2014.<br>– See earlier in this report for commentary regarding the 2026 salary levels. |
| **2026 annual bonus** | – The Committee determines executive Director bonuses based on a scorecard of metrics.<br>– Financial performance factors make up 70% of the scorecard and the remaining 30% is based on non-financial factors.<br>– In setting the metrics and target ranges, the Committee takes into account the Board-approved budget, market expectations, prior-year achievements, strategic priorities and the wider economic landscape.<br>– The Committee may apply discretion to adjust annual bonus awards to the extent it deems it appropriate to align to the results achieved, overall stakeholder experience, and/or in light of unforeseen circumstances.<br>– Upfront fund awards and deferred share and fund awards are granted under the Deferred Award Plan (DAP), which shareholders approved at the 2020 AGM. | – Overall performance measures and weightings will be as follows: |
| **2026 LTIP award** | – Awards are granted annually, based on performance in the preceding year.<br>– Awards vest subject to a three-year performance period, plus an additional two-year holding period post vesting.<br>– The Committee may apply discretion to adjust vesting to the extent it judges appropriate to align the results to the overall stakeholder experience.<br>– Awards are granted under LTIP rules approved by shareholders in 2020. | – The Committee has approved LTIP awards of £2.4 million (300% of 2026 salary) for the Group Chief Executive, £1.1 million (200% of 2026 salary) for the CFO and £1.0 million (235% of 2026 salary) for the CIO. These awards reflect performance in 2025, are in line with the current Policy and will be granted in March 2026, with the following performance conditions: |

| Measure | Link to strategy |
|---|---|
| **Financial (70%)** | |
| **Adjusted Operating Profit (30%)** | A key measure of financial performance as reported to stakeholders. |
| **Client Investment Performance over three years (20%)** | Key client measure aligned to our vision of helping to build future prosperity for clients through excellent investment outcomes. |
| **Transformation progress (10%)** | Key strategic measure that will recognise progress against 2027 targets on revenues for Public Markets, cumulative net new business for Schroders Capital and net new business growth for Wealth Management. |
| **Cost savings (10%)** | Progress towards our externally disclosed target of £150 million of annualised net cost savings by the end of 2027. |
| **Non-financial (30%)** | |
| **Strategic progress; client engagement and feedback; sustainability; people and talent; risk and governance; personal goals** | All fundamental to the Group's long-term success. The Committee robustly assesses progress against each of these measures through a combination of quantitative and qualitative metrics. |

| | Link to strategy | Threshold (25% vesting) | Maximum (100% vesting) |
|---|---|---|---|
| **Adjusted Operating Earnings per Share (EPS) (30%)** | Measuring our objective to deliver earnings growth through focused investment and cost efficiency. | 7% CAGR | 14% CAGR |
| **Client Investment Performance over five years (20%)** | Key client measure aligned to our vision of helping to build future prosperity for clients through excellent investment outcomes. | 55% | 75% |
| **Adjusted Operating Cost to Income ratio (25%)** | Aligned to externally disclosed target of 70% by 2027. | 70% | 68% |
| **Return on Tangible Equity (25%)** | Metric focused on maximising shareholder returns. | 17.5% | 21.5% |

## Navigation of this report and shareholder voting

This report from the Chair of the Remuneration Committee, together with the notes on pages 79 to 89, constitutes the annual report on remuneration (ARR), which will be presented for an advisory vote by shareholders at the 2026 AGM. Where required and indicated, this information has been audited by Ernst & Young.

The Directors' Remuneration Policy, presented in full on pages 72 to 78, will be put to a binding shareholder vote at the upcoming AGM. We value the feedback from our shareholders and look forward to receiving your support on both resolutions.

I will be stepping down as Chair of the Remuneration Committee at the 2026 AGM, while continuing as a member. I am pleased that Frederic Wakeman, a valued member of the Committee since August 2024, will succeed me as Chair. I am grateful to management and all members of the Committee for their support in 2025, and wish Fred the best in his new role.

**Matthew Westerman**

Chair of the Remuneration Committee

11 February 2026

# Directors' Remuneration Policy

**The Committee aims to ensure remuneration policies and practices promote Schroders' long-term strategy while supporting effective risk management and alignment with key stakeholders.**

This section sets out the new Directors' Remuneration Policy proposed by the Committee and the Board. Shareholders will be asked to approve the new policy at the 2026 AGM. This policy will take effect for Directors from the date it is approved and is expected to apply for three years.

## Remuneration Policy for the executive Directors

The table below sets out the policy for each component of remuneration for the executive Directors. The Remuneration Policy for non-executive Directors is set out on page 76.

| Component, purpose and link to strategy | | Operation and maximum opportunity |
|---|---|---|
| **Fixed pay** | **Base salary**<br>To help recruit, reward and retain talent of the calibre and experience required to develop and deliver the Group's strategy. Takes account of the individual's role and responsibilities, skills and experience, and ongoing contribution. | We aim to pay executive Directors base salaries that are competitive with other comparable asset management firms, both public and private. There is no policy maximum for salary within the set maximum total remuneration for each executive Director; however, if salaries for the executive Directors are increased, the percentage increase will not normally exceed the average annualised increase across the wider workforce. Larger increases may be awarded if Directors' salaries have fallen significantly below competitors. Base salary is normally paid monthly in cash via payroll. |
| | **Benefits and allowances**<br>Support individual health and wellbeing and reflect local market practice. | Executive Directors receive flexible access to a range of benefits in kind on the same basis as other London-based employees. Directors are covered by the Group's Directors' and Officers' Liability Insurance. Executive Directors may also benefit from private use of a car and driver and/or security support, if deemed necessary. The cost of providing benefits varies according to a range of factors, such as insurance premium rates, so no formal maximum exists.<br>Benefits include the ability to participate in the Share Incentive Plan (SIP) on the same basis as other eligible employees. The value of any SIP matching shares awarded to the executive Directors during the year is included within the value reported for benefits and allowances. SIP participation for the executive Directors is subject to the same statutory maximum limits as for other eligible employees, currently £1,800 per tax year in partnership shares (or 10% of income if lower) and a maximum ratio of 2:1 for matching shares.<br>Additional benefits may be provided if required, for example to support international relocation. |
| | **Retirement benefits**<br>Enable and encourage provision for retirement, and reflect local market practice. | Executive Directors may participate in pension arrangements, or receive cash in lieu, on the same basis as other London-based employees. That basis is 16% of pensionable salary plus a contribution to match employee contributions up to a further 2% for employees offered contracts of employment before 1 February 2024; or 8% of pensionable salary plus a contribution to match employee contributions up to a further 5% for employees offered contracts of employment on or after 1 February 2024. There is flexibility and choice over the balance between employer pension contributions and cash in lieu. |
| **Maximum total remuneration** | To provide shareholders with certainty on the maximum total remuneration that each executive Director can be awarded each year. | The Committee has defined a maximum limit for the total remuneration of each executive Director each year, based on the aggregate value of: fixed remuneration paid in the year; annual bonus awarded in respect of the year; and the grant-date market value of shares under the LTIP award granted following the financial year end. This will not exceed £9,000,000 for the Group Chief Executive, £4,500,000 for the Chief Financial Officer and £6,500,000 for the Group Chief Investment Officer. |
| **Shareholding requirements** | To align the interests of executive Directors with those of shareholders. | The personal shareholding policy for the Group Chief Executive requires the retention of shares or rights to shares equivalent to at least 500% of base salary. For the other executive Directors, the requirement is at least 300% of base salary.<br>On stepping down, executive Directors are required to maintain for a period of two years a holding of shares or interests in shares equal in number to that calculated under the personal shareholding policy at the point they ceased to be an executive Director, or the number actually held if lower. Executives would normally be required to sign a commitment to adhere to this requirement as part of stepping down. |

## Directors' Remuneration Policy continued

| Component, purpose and link to strategy | | Operation and maximum opportunity |
|---|---|---|
| **Annual bonus award** | To incentivise and reward the achievement of financial, non-financial and personal objectives for the year, which are consistent with the Group's multi-year strategy.<br><br>Bonus deferral enhances alignment of interests with those of shareholders and clients, and provides an incentive to stay at Schroders. | In setting executive Directors' bonuses, the Committee operates an annual bonus scorecard. Financial performance factors will make up at least 70% of the scorecard each year. The remainder, no more than 30% of the scorecard, will be based on a combination of non-financial factors. For threshold performance, 25% of the maximum opportunity is payable.<br><br>Annual bonus awards for the executive Directors operate such that:<br>– the proportion of bonus that is deferred is initially fixed at 60%<br>– the amount of the bonus that is deferred is reduced to reflect any LTIP award made in respect of the year, such that, at a minimum, 60% of overall variable pay is deferred<br>– the deferred portion of the annual bonus is granted as a combination of share awards and fund awards, with the mix compliant with minimum regulatory requirements<br>– the remainder of the bonus is paid in cash and/or upfront fund awards with a holding period applied where required by regulations.<br><br>For deferred bonus awards, the deferral period is normally at least three years, with vesting in three equal instalments on or around the first, second and third anniversaries of grant. On vesting, awards may be subject to an additional holding period, during which the underlying share awards or notional fund units cannot be sold. Malus and clawback terms apply to the entire annual bonus award (see page 74).<br><br>Deferred bonus awards are normally made under the Deferred Award Plan (DAP), which was approved by shareholders at the 2020 AGM. The DAP rules allow awards to be used as part of recruitment, in which case the Committee can set a different vesting period to better align with the awards that the recruit is forfeiting.<br><br>Share awards accrue additional shares equivalent to dividends paid on a compound basis until the share award is exercised. If dividend equivalents cannot be awarded due to regulations, the number of shares to be awarded may be based on a share price discounted by reference to an expected dividend yield over the vesting period. Fund awards are conditional rights to receive a cash sum based on the value of a notional investment in a range of Schroders funds. |
| **Long Term Incentive Plan (LTIP)** | To incentivise and reward the achievement of the Group's long-term strategic priorities. | LTIP awards are share-based awards typically granted to executive Directors in March each year. Annual LTIP awards can be up to four times base salary at the time of grant for any individual. If dividend equivalents cannot be awarded due to regulations, the number of shares to be awarded may be based on a share price discounted by reference to an expected dividend yield over the vesting period.<br><br>LTIP awards normally have a three-year performance period. The Committee determines the performance conditions for each award and uses its judgement to set challenging criteria that are consistent with the Group's strategy, at least half of which will be financially based. If threshold performance is achieved, 25% of the award will vest, rising to 100% vesting at maximum performance.<br><br>On vesting, awards may be subject to a holding period, during which the underlying shares cannot be sold. The total of the performance period and the holding period will not be less than five years. Malus and clawback terms apply (see page 74).<br><br>The plan rules allow LTIP awards to be used as part of recruitment, in which case the Committee can set a different vesting period and performance conditions to better align with the awards that the recruit is forfeiting. |

### Notes to the policy table

In approving the application of this policy to the executive Directors, authority is granted for the Group to honour any commitments entered into with current or former Directors prior to the approval and implementation of the policy (such as payment of pension or the grandfathering of past awards), provided that such commitments complied with any applicable remuneration policy in effect at the time they were entered into. Any remuneration commitment made prior to an individual becoming a Director and not in anticipation of their appointment to the Board may be honoured, whether or not it is not consistent with the Directors' Remuneration Policy in place at the time it is fulfilled. For these purposes, commitments include the satisfaction of past awards of variable remuneration, the terms of which were set at the time the award is granted.

The rules of the DAP and the LTIP were submitted to shareholders for approval at the 2020 AGM. There are various discretions afforded to the Committee in these incentive plans, such as the treatment of leavers, the discretion to override formulaic LTIP outcomes, discretion to adjust the structure of awards in the event a participant is internationally mobile to avoid unfavourable legal, regulatory or tax outcomes for participants or the Group, or in the event of a variation of the Company's share capital or other corporate event. At the Committee's discretion, share-based awards may be settled in cash, but this would only be used in exceptional circumstances, for instance in a jurisdiction where settlement in shares would create an adverse outcome for the Group or award holder. The terms of awards may be amended in accordance with the relevant plan rules, for example to take account of legal, tax and regulatory changes. The general application of each plan is subject to variation in some jurisdictions to reflect local restrictions, regulation and practice.

## Directors' Remuneration Policy continued

### Performance conditions and approach to target setting

At the beginning of each performance year, the Committee sets scorecard metrics and targets for the annual bonus and LTIP scorecards, taking into account the Board-approved budget, market expectations, prior-year achievements, strategic priorities and the wider economic landscape. Metrics are chosen to reflect Schroders' strategy and broader stakeholder experience and will generally include the key measures of progress and success as set out in the Strategic and Annual Reports. Non-financial factors may include (but are not limited to) measures relating to strategic progress, client engagement, sustainability, people and talent, risk and governance, and each executive Director's personal objectives for the year.

The Committee may amend performance conditions if an event occurs that causes it to consider that it is appropriate to do so, provided that the amended performance condition is, in the opinion of the Committee, not materially more or less difficult to satisfy than it was originally intended to be. To avoid overly formulaic outcomes for both the annual bonus and LTIP, the Committee has the discretion to alter the scorecard outcome (including to nil) to the extent it judges the outcomes do not align with results achieved. This discretion may be exercised in circumstances that include a member of the Group suffering a material failure of risk management or if the Committee judges that the unadjusted outcome from the performance conditions does not reflect the underlying performance of the Group, any member of the Group, any business unit or the participant. Any such adjustment would be disclosed in the relevant annual report on remuneration.

### Malus and Clawback Policy

The policy sets out a range of circumstances in which malus and/or clawback may be applied. For executive Directors this includes:

- fraud, misconduct or misbehaviour by the participant
- material error by the participant
- material failure of risk management
- failure to uphold appropriate standards of fitness or propriety
- material downturn in financial performance, including corporate failure
- material financial misstatement, error or misrepresentation for which the participant has significant responsibility or which has led to a larger award than would otherwise have been the case
- an award has vested/been settled, or is capable of vesting/being settled, to a greater extent than would otherwise have been the case, as a result of erroneous or misleading data
- an award received in breach of regulatory requirements or where the financial sustainability of the Group or any member of the Group would be adversely affected
- the Group has suffered regulatory sanctions to which the participant's conduct contributed
- participation in or responsibility for conduct resulting in material losses (malus trigger only)
- breach of any of the policies or codes to which the individual is subject (malus trigger only)
- participation in or responsibility for an event resulting in material adverse consequences for the Group's reputation (malus trigger only)
- any other circumstances that may justify it, including local regulatory obligations.

Malus may be applied from the date on which the award is granted/established until settlement. Clawback may be applied for a period of up to seven years from the date of grant, unless the Committee decides to extend it in the event of an investigation that could lead to the application of clawback were it not for the expiry of the clawback period. The clawback period is deemed appropriate, as it exceeds the typical timeframe within which risks, misstatements or misconduct may emerge. To ensure enforceability, all DAP participants must accept the terms of their awards, confirming adherence to the DAP rules and Group Malus and Clawback Policy. The executive Directors' contracts also explicitly provide for clawback. The Group Malus and Clawback Policy also applies to LTIP awards. For completeness, the Committee confirms that no executive Director had malus or clawback applied to their pay during 2025.

### Considerations when setting policy and the Committee's decision-making process

In recommending the Directors' Remuneration Policy to the Board and to shareholders, the Committee intends that policies and practices promote Schroders' long-term strategy and sustainable growth, while supporting effective risk management so as not to encourage excessive or inappropriate risk-taking. The Group's remuneration policies and practices take account of legislation, regulation, corporate governance standards, best practice and guidance issued by regulators, shareholders and shareholder representative bodies.

Reward policies comply with the relevant provisions of the FCA's Remuneration Codes, the Remuneration Part of the PRA Rulebook and the latest UK Corporate Governance Code.

The responsibilities of the Committee are set out in its terms of reference and summarised on page 62. To avoid conflicts of interest, no Director or employee participates in decisions determining their own remuneration. In determining the remuneration of the Group General Counsel, Chief People Officer, Chief Risk Officer and Head of Group Internal Audit, the Committee intends that remuneration is appropriate based on the achievement of objectives linked to their functions and that any conflicts of interest are identified and managed.

The Committee assesses the performance of its external advisers annually, to ensure that the advice provided is independent of any support provided to management (see page 88).

## Directors' Remuneration Policy continued

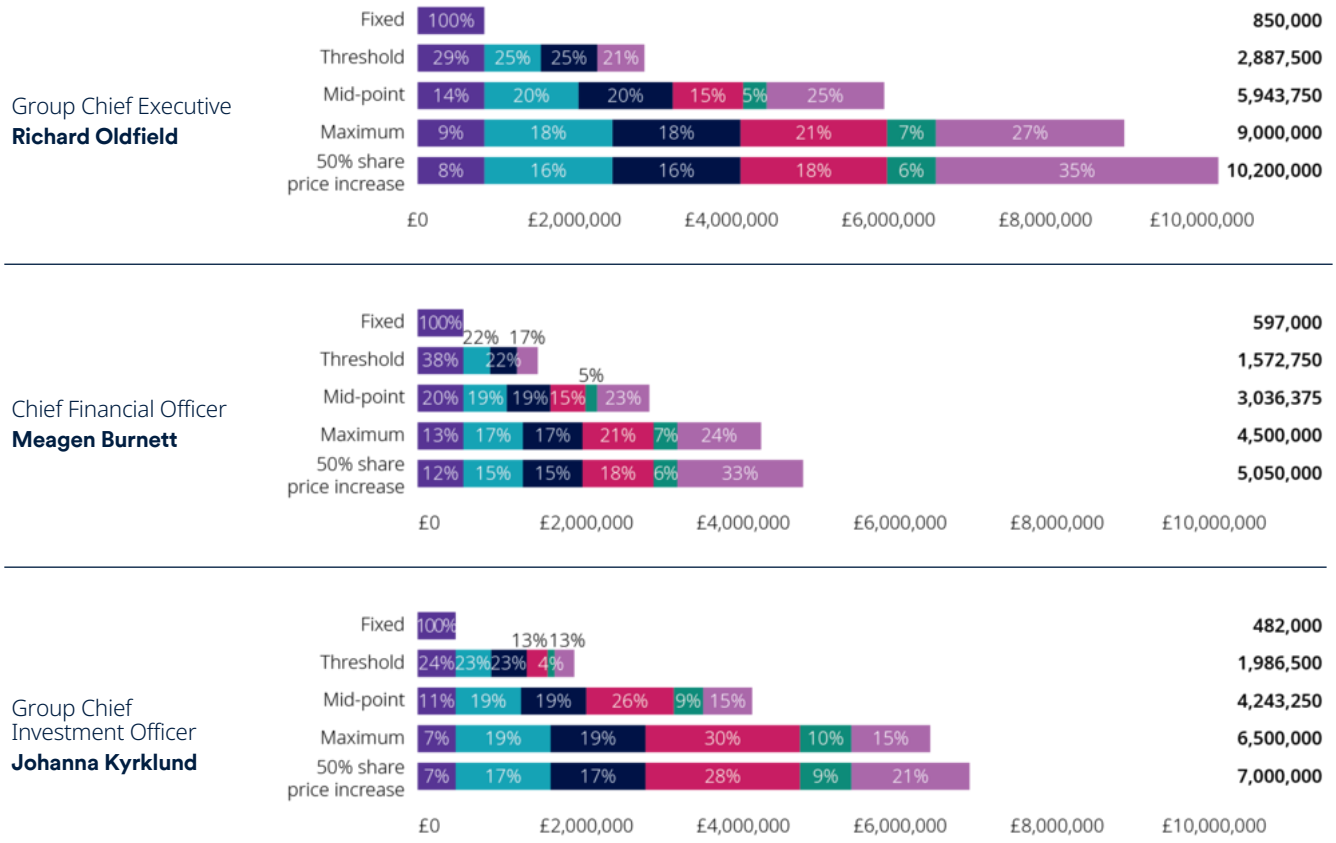
### Executive Directors' Remuneration Policy illustration

The diagram on page 70 illustrates the structure of the executive Directors' remuneration, including the timing of when they receive each component of their total remuneration.

The potential value of each component of remuneration for the executive Directors is illustrated below. These scenario charts show, for each of the executive Directors, the relative split of fixed components of remuneration, annual bonus awards and LTIP awards, in accordance with the proposed Directors' Remuneration Policy.

### Executive Directors' Remuneration Policy illustration

(£)




### Assumptions

| | |
|---|---|
| **Fixed pay** | Fixed pay consists of base salary, benefits and allowances and retirement benefits.<br>Base salary is the annual salary effective from 1 March 2026. Benefits and allowances and retirement benefits are the actual amounts received in respect of 2025, as shown in the single total remuneration figure table on page 79. |

| | Threshold | Mid-point | Maximum |
|---|---|---|---|
| **Annual bonus award** | The amount payable if all the threshold targets in the annual bonus scorecard are met, which is 25% of the maximum scenario. | The mid-point of the threshold and maximum scenarios. | The maximum payable if the targets for each metric in the annual bonus scorecard are met in full. |
| | In all three scenarios the annual bonus award is partly paid in cash, partly granted as an upfront fund award and partly subject to deferral into share and fund awards, as outlined in the policy. | | |
| **LTIP** | The face value of the March 2026 award, assuming 25% vesting. | The mid-point of the threshold and maximum scenarios. | The face value of the March 2026 award, assuming 100% vesting. |

The maximum scenario above includes the face value of the March 2026 LTIP award, assuming 100% vesting. If the Schroders share price increased between the date of grant and date of vesting of the LTIP award, the remuneration value disclosed in the single total remuneration figure table would be higher. For example, share price growth of 50% on the LTIP award between grant and vest would increase maximum total remuneration values to £10.2 million, £5.1 million and £7.0 million respectively for the CEO, CFO and CIO, calculated by uplifting the face value at grant of the LTIP shares to be granted in March 2026 by 50%.

## Directors' Remuneration Policy continued

### Approach to remuneration for the wider workforce

Schroders applies its remuneration principles consistently across the Group and, unless local market conditions require otherwise, also seeks to apply the same remuneration structure to all permanent employees. Base salaries, benefits and pension are reviewed in the context of local market practice and requirements. All permanent employees are eligible for an annual bonus if they join before 1 October in the relevant year. Bonuses are fully discretionary and based on performance against a number of financial and non-financial factors, which may change year to year to reflect the priorities of the Group, business area and individual, while taking into consideration alignment with Schroders' values and behaviours. Individuals in receipt of larger bonuses are subject to a graduated level of deferral up to 50%. Individuals identified as material risk takers under the remuneration regulations applicable to Schroders are subject to deferral at least in line with those requirements. Bonuses for these individuals are typically delivered in a mixture of cash, shares and funds. Additional deferred awards may be used selectively each year to reward key individuals, for example those with sustained high performance and potential. Some employees participate in carried interest plans and other long-term incentive structures designed for particular areas of the business. Currently only the executive Directors and Group Executive Committee members participate in the LTIP.

The Committee discusses key remuneration topics for the wider workforce throughout the year, including the annual bonus pool and resulting pay outcomes, the budget and allocation approach for salary increases, gender and ethnicity pay gaps, regulatory remuneration matters and ad hoc proposals requiring the Committee's review and approval under its terms of reference. The Committee does not set fixed ratios for Directors' pay relative to other employees as it believes this would restrict flexibility in aligning reward and performance appropriately. To help aid the decision-making of the Committee and Board, feedback from employees is gathered by management and the Board in a range of ways through the year, including via the Global Employee Forum, currently chaired by Annette Thomas – who is also a Remuneration Committee member – regular employee engagement surveys and town hall meetings.

### Directors' service contracts and letters of appointment

Each of the executive Directors has a rolling service contract with a mutual notice period of six months. Each of the non-executive Directors has a letter of appointment with a mutual notice period of six months. Letters of appointment and service contracts are available for shareholders to view at the Company's registered office on business days between the hours of 9am and 5pm and will be available at each AGM.

### Remuneration Policy for the non-executive Directors

The table below sets out the Remuneration Policy for non-executive Directors, who only receive fixed pay and benefits.

From 2026, we have introduced a minimum shareholding requirement for our independent non-executive Directors (INEDs) to strengthen alignment with shareholder interests. This update to our policy is consistent with the changes to the guidance to the UK Corporate Governance Code issued by the Financial Reporting Council in November 2025.

| | Component | Policy and operation |
|---|---|---|
| Fixed pay | **Fees**<br>To reflect the skills, experience and time required to undertake the role. | Fees for the Chair are determined by the Committee, and fees for other non-executive Directors are determined by the Board, in each case based on market information for similarly-sized FTSE companies and FTSE 100 financial services firms. Non-executive Directors do not participate in decisions concerning their own fees. Fees are usually reviewed biennially. |
| | **Benefits**<br>To enable the non-executive Directors to undertake their roles. | Non-executive Directors' benefits are principally expenses incurred in connection with the Group's business and reflect business needs. Non-executive Directors may receive private use of a driver, car parking, meals, travel costs and tax on reimbursed expenses deemed taxable by HMRC. Non-executive Directors do not participate in post-employment or retirement benefits, or in any of the Group's incentive arrangements. |
| | **Minimum shareholding requirement**<br>To align the interests of the INEDs with those of our shareholders. | During their tenure on the Board, each INED is encouraged to establish and maintain a minimum shareholding equivalent to 100% of their annual base fee (excluding Committee fees and other allowances). INEDs have up to three years to meet this requirement from the earlier of the 2026 AGM or the date of their appointment as an INED. |

New non-executive Directors receive fees and benefits in line with the policy for other non-executive Directors. When recruiting new non-executive Directors, the Board's policy is that letters of appointment will have a mutual notice period of six months.

## Directors' Remuneration Policy continued

### Recruitment of new Directors

The table below summarises the Remuneration Policy when hiring new executive Directors.

| Component | Policy and operation |
|---|---|
| **Overall approach** | On appointment, the Committee aims to pay executive Directors remuneration that is appropriate in level and structure to attract, motivate, retain and reward Directors of the quality required to run the Group successfully, while avoiding paying more than is necessary. |
| **Maximum total remuneration** | On appointment of any new executive Directors to the Board, the Committee will consider the appropriate maximum total remuneration value for the role, within the parameters of the current policy. |
| **Notice periods** | The Group's general policy is that each executive Director will have a rolling contract of employment with mutual notice periods of six months. The Committee will consider the appropriate notice period when appointing any new executive Director. If necessary to secure a new hire, a notice period of up to 12 months may be offered. When recruiting new executive Directors, the Committee's policy is that contracts will not contain any provision for compensation upon early termination. |
| **Base salary** | Base salary is likely to be set at a similar level as for other executive Directors, provided this is justifiable by reference to the candidate's skills and experience, the anticipated role scope, and taking into account external market rates for roles with similar responsibilities, remuneration in the individual's previous roles and wider internal relativities. |
| **Other fixed pay** | Benefits and allowances, retirement benefits and SIP participation will be provided to new executive Directors on a similar basis as those available to other employees. If the Group hires a new executive Director internationally then relocation support may be offered in the relevant location, on a similar basis to that which might be offered for other employees. This may include support such as temporary accommodation, assistance finding new accommodation, transportation of household goods, school search for children moving internationally with the Director, tax advice and assistance preparing tax returns, and other allowances/support provided to other employees. |
| **Annual bonus award** | New executive Directors would be eligible to be considered for annual bonus awards in the same way as existing Directors. Consideration may be given to making an award to compensate for any variable pay opportunity forgone from a previous employer as a result of joining Schroders if considered essential to secure the candidate, as detailed in the "Buyout awards" section below. In line with the requirements of the PRA and FCA remuneration rules, any bonus buyout will be limited to the individual's first year of service, subject to the Group's deferral arrangement, and any performance requirements will be determined by the Committee. |
| **LTIP** | New executive Directors would be eligible to be considered for LTIP awards in the same way as existing Directors. |
| **Legal fees** | The Group may pay reasonable fees for a new executive Director to obtain independent legal advice in relation to their appointment, including any tax due thereon. |
| **Buyout awards** | Where a candidate will forfeit remuneration as a result of leaving their current employer on joining Schroders, the Group may mitigate that loss by making one-off awards as a term of their appointment. The Committee will take reasonable steps (within the terms of the Group's incentive plans) so that any buyout awards are aligned in amount and terms with the remuneration being forfeited. Malus and clawback terms will apply to any such awards. Any buyout awards are not included in the "Maximum total remuneration" section above. |
| **Appointments outside the UK** | If a new executive Director is based outside the UK, the Committee will adapt the terms of the Directors' Remuneration Policy to comply with local requirements and so the executive Director can participate to the extent possible in similar arrangements to those available to other employees in that jurisdiction. |
| **Grandfathering** | Any remuneration commitment made prior to an individual becoming a Director and not in anticipation of their appointment to the Board will be honoured, whether or not it is consistent with the Directors' Remuneration Policy in place at the time it is fulfilled. |

## Directors' Remuneration Policy continued

### Policy on termination arrangements

The table below sets out the Remuneration Policy on termination of a Director.

| Component | Policy and operation |
|---|---|
| **Overall approach** | When an executive Director leaves the Group, the Committee will review the circumstances and apply the treatment that it believes is appropriate. Any payments will be determined in accordance with the Directors' Remuneration Policy, as well as the terms of the Director's service contract and the rules of any applicable incentive plans. There are no contractual provisions for non-executive Directors to receive compensation upon termination. |
| **Fixed pay** | Base salary, benefits and allowances, and retirement benefits for executive Directors, and fees for non-executive Directors, will continue to be paid through the notice period. The Committee also has the discretion to make a payment in lieu of notice, normally based on salary only for executive Directors or fees only for non-executive Directors. Certain benefits (for example medical or life insurance) may continue until the end of the normal cover period and others may be extended to post termination where appropriate, for example repatriation for globally mobile individuals or assistance with tax return services. The treatment of shares acquired or awarded under the SIP will be in accordance with the plan rules. |
| **Annual bonus award** | Departing executive Directors do not have a contractual entitlement to an annual bonus award. If a departing Director works during the notice period in support of the Group's strategic priorities as set out in the annual bonus scorecard and supports an effective transition of responsibilities, or leaves due to death, ill health, injury or disability, the Committee may recommend to the Board that a discretionary payment be made to reflect the Director's contribution during the proportion of the financial year worked. Any such payment will normally be subject to the same deferral arrangements as an annual bonus award, provided this is permitted and effective under applicable law and regulations, and except in the case of death, ill health, injury or disability when at the Committee's discretion payment may be fully in cash. |
| **DAP awards** | The treatment of awards under the DAP will be in accordance with the relevant plan rules. The normal treatment is that unvested awards are forfeited. In certain circumstances, such as death, ill health or injury, or otherwise at the Committee's discretion (which might be used in circumstances such as retirement with the agreement of the Company or leaving by mutual agreement), those rules permit participants to retain some or all of their unvested awards following the termination of their employment. Any unvested awards that are retained vest on their normal vesting date, or vest immediately in the case of death, ill health, injury or disability at the Committee's discretion. |
| **LTIP awards** | The treatment of awards under the LTIP will be in accordance with the relevant plan rules. The normal treatment is that unvested awards are forfeited. In certain circumstances, such as death, ill health or injury, or otherwise at the Committee's discretion (which might be used in circumstances such as retirement with the agreement of the Company or leaving by mutual agreement), the award may still vest after the performance period, subject to the performance conditions and holding period, with the proportion that vests reduced pro rata for the portion of the performance period that has elapsed at the date of departure. Vesting may be accelerated in the case of death, ill health, injury or disability at the Committee's discretion, with the proportion that vests determined by estimating the extent to which the performance conditions will be met. |
| **Malus and clawback** | The malus and clawback terms (see page 74 for details) continue to apply to variable remuneration awards after an executive Director steps down. |
| **Restrictive covenants** | Executive Directors' service contracts include restrictions prohibiting the solicitation of Schroders' clients or employees for a period of 12 months after leaving employment, against which any period spent on notice or garden leave is offset. If the Committee uses its discretion to permit a departing Director to retain unvested DAP or LTIP awards, the unvested portions that the leaver is allowed to retain normally remain at risk of forfeiture for a specified period if they join a competitor or solicit Schroders' clients or employees before the award vests. The same applies if a retiring executive Director is allowed to retain portions of their unvested awards and then takes up an executive role at another publicly listed company within 12 months. |
| **Shareholding requirements** | On stepping down, executive Directors are required to maintain for a period of two years a holding of shares or interests in shares equal in number to that calculated under the personal shareholding policy at the point they ceased to be an executive Director, or the number actually held if lower. Executives would normally be required to sign a commitment to adhere to this requirement as part of stepping down. |
| **Legal fees** | The Group may pay reasonable fees for a departing Director to obtain independent legal advice in relation to their termination arrangements and nominal consideration for agreement to any contractual terms protecting the Company's rights following termination. If the value of either of these exceeds £15,000 it will be disclosed in the annual report on remuneration. |
| **Retirement gifts** | The Board may choose to make a retirement gift to a departing Director. If the value of any such gift exceeds £10,000 it will be disclosed in the annual report on remuneration. |
| **Settlement agreements** | The Committee may agree additional exit payments where such payments are made in good faith to discharge an existing legal obligation, as damages for breach of such obligation, in settlement or compromise of any claim or potential claim arising on termination of a Director's office or employment, or to strengthen the Group's rights post termination. This may include the provision of outplacement support. If the value of any such payment exceeds £15,000 it will be disclosed in the annual report on remuneration. |
| **Other payments** | Other payments to former Directors that do not exceed £15,000 will not be disclosed in the annual report on remuneration. Payments can also be made where an amendment to the policy authorising the Company to make the payment has been approved by shareholders. |
| **Change of control** | Outstanding awards will be treated in line with the provisions under which they were granted. If there is a takeover or delisting of the Company, DAP awards will normally vest in full. The extent to which LTIP awards vest in these circumstances will be determined by the Committee in its discretion taking into account (i) its estimate of the extent to which the relevant performance conditions would have been satisfied over the original performance period and (ii) the proportion of the performance period that has elapsed. For all awards, the Committee also has discretion to: (i) allow awards to continue; (ii) grant rollover, transition or other alternative awards in the form of cash or equity; and/or (iii) take steps to ensure continued compliance with the regulatory remuneration requirements. |

# Notes to the report on remuneration

These notes set out on pages 79 to 89 supplement the information on pages 61 to 78, combining both statutory and voluntary disclosures. You can also find more information about our current global workforce, along with details of our voluntary global and UK ethnicity pay gaps, by visiting our website: www.schroders.com/inclusion-and-diversity

## Additional detail on 2025 executive Director pay outcomes

### Single total remuneration figure for each executive Director (audited)

The total remuneration of each executive Director for the years ended 31 December 2025 to 31 December 2023 is set out in the table below.

| | (£'000) | Base salary[1] | Benefits and allowances[2] | Retirement benefits[3] | Total fixed pay | Initial bonus outcome | Discretionary bonus reduction/ waiver | Annual bonus award[4] | LTIP vested[5] | Total variable pay | Total remuneration |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2025 | Richard Oldfield | 479 | 9 | 40 | 528 | 5,799 | – | 5,799 | – | 5,799 | 6,327 |
| | Meagen Burnett | 375 | 7 | 40 | 422 | 1,948 | – | 1,948 | – | 1,948 | 2,370 |
| | Johanna Kyrklund | 375 | 16 | 40 | 431 | 4,460 | – | 4,460 | – | 4,460 | 4,891 |
| 2024 | Richard Oldfield | 375 | 7 | 40 | 422 | 1,732 | (342) | 1,390 | – | 1,390 | 1,812 |
| | Peter Harrison | 429 | 13 | 39 | 481 | 4,553 | (550) | 4,003 | – | 4,003 | 4,484 |
| 2023 | Peter Harrison | 500 | 16 | 45 | 561 | 5,879 | (250) | 5,629 | – | 5,629 | 6,190 |
| | Richard Oldfield | 94 | 1 | 10 | 105 | 731 | – | 731 | – | 731 | 836 |
| | Richard Keers | 281 | 5 | 34 | 320 | 2,066 | – | 2,066 | – | 2,066 | 2,386 |

1. Represents the value of salary earned and paid during the financial year. Upon appointment as Group Chief Executive, Richard Oldfield deferred his salary increase from £375,000 to £500,000 until 1 March 2025.
2. Includes one or more of: private healthcare, life assurance, permanent total disability insurance, Share Incentive Plan matching shares, private use of a company car and driver and certain legacy allowances relating to discontinued benefits.
3. Represents the aggregate of employer contributions to defined contribution (DC) pension arrangements and cash in lieu of pension. The table below shows how the retirement benefits figures are comprised for each executive Director.
4. Pages 64 to 66 set out the basis on which annual bonus awards for 2025 were determined. The table on page 80 breaks down the annual bonus awards for 2025 into cash paid in February 2026 and the upfront fund awards, deferred fund awards and deferred share awards that will be granted in March 2026. Details of the 2024 and 2023 annual bonus determination are set out in the 2024 and 2023 Directors' Remuneration Reports respectively.
5. As noted on page 64, none of the current executive Directors were eligible for awards under the 2022 LTIP, whose performance period concluded on 31 December 2025. Peter Harrison received a 2022 LTIP grant, pro-rated for time in employment, with further details of expected vesting set out on page 80. Page 71 sets out information on LTIP awards to be granted to the executive Directors in March 2026 in respect of 2025. Page 84 sets out information on LTIP awards granted to the executive Directors during 2025 in respect of 2024. The former executive Directors waived entitlement to the 2020 and 2021 LTIP awards, therefore no amounts vested in respect of these awards for 2023 or 2024.

### Retirement benefits – additional detail (audited)

The following table shows details of retirement benefits provided to executive Directors for the years ended 31 December 2025 and 31 December 2024. For the executive Directors, the sum of employer contributions and cash in lieu each year is reflected in the single total remuneration figures above. Employer contributions represent contributions paid into DC pension arrangements during the year and exclude any contributions made by the Directors. There has been no defined benefit (DB) pension accrual since 30 April 2011.

| £'000 | **2025 employer contributions** | **2025 cash in lieu of pension** | **2025 retirement benefits total** | 2024 employer contributions | 2024 cash in lieu of pension | 2024 retirement benefits total | **Normal retirement age[3]** |
|---|---|---|---|---|---|---|---|
| Richard Oldfield[1] | – | 40 | 40 | – | 40 | 40 | 60 |
| Meagen Burnett[1] | 5 | 35 | 40 | – | – | – | 60 |
| Johanna Kyrklund[1] | 4 | 36 | 40 | – | – | – | 60 |
| Peter Harrison[2] | – | – | – | 9 | 30 | 39 | 60 |

1. Meagen Burnett and Johanna Kyrklund were not executive Directors in 2024. Both received a combination of employer contributions to the Group's DC pension arrangement and cash in lieu of pension contributions. Richard Oldfield received cash in lieu of pension contributions.
2. Peter Harrison received a combination of employer contributions to the Group's DC pension arrangement and cash in lieu of pension contributions.
3. Normal retirement age is the earliest age at which a Director can elect to draw their pension under the rules of the Schroders Retirement Benefits Scheme without the need to seek the consent of the Company or the pension scheme trustee.

## Notes to the report on remuneration continued

### Variable pay awards – additional detail (audited)

The table below sets out details of how the 2025 annual bonus award for each executive Director was structured, including the portion granted under the Deferred Award Plan (DAP), along with the face value of the LTIP award to be granted in March 2026 (see page 71).

| | | DAP award | | | | | | LTIP award | |
|---|---|---|---|---|---|---|---|---|---|
| £'000 | Upfront cash bonus award | Upfront fund award | Deferred share award | Deferred fund award | Total DAP award | Total annual bonus award | Percentage deferred | LTIP to be granted in 2025 | Percentage of total variable pay deferred |
| Richard Oldfield | 1,640 | 1,640 | 1,889 | 630 | 4,159 | 5,799 | 43 % | 2,400 | 60 % |
| Meagen Burnett | 610 | 610 | 546 | 182 | 1,338 | 1,948 | 37 % | 1,100 | 60 % |
| Johanna Kyrklund | 1,092 | 1,092 | 1,707 | 569 | 3,368 | 4,460 | 51 % | 1,000 | 60 % |

Upfront fund awards normally cannot be exercised for six months from grant, but are not at risk of forfeiture if the holder resigns and leaves the Group. Deferred share awards are conditional rights to receive Schroders shares, granted as nil-cost options. They normally require the holder to remain in employment for three years following grant to vest in full and are available to exercise in three equal instalments on or around the first, second and third anniversaries of grant. Deferred fund awards are conditional rights to receive a cash sum with an initial value equal to the value of bonus being deferred, granted as nil-cost options. That value is notionally invested in a range of Schroders funds and so the actual amount paid when the award is exercised is the initial amount plus or minus returns on those notional investments. They normally require the holder to remain in employment for three years following grant to vest in full, subject to an additional six-month holding period. They are therefore available to exercise in three equal instalments on or around six months from the first, second and third anniversaries of grant. No shares can be sold by executive Directors until they have met the shareholding requirements, as set out on page 85.

### Assessment of 2022 LTIP award vesting

LTIP awards were granted in March 2022 to Peter Harrison and Richard Keers with face values of £600,000 and £400,000 respectively. Both individuals are no longer in role, and their awards were pro-rated for time in employment on departure.

These awards were subject to performance conditions over the period from 1 January 2022 to 31 December 2025. The earnings per share (EPS) and net new business (NNB) financial targets are expected to lapse in full, whilst the climate metric target is expected to be met in full, with 100% of global electricity from renewable sources and a Leadership CDP rating in all four years. As a result, the expected vesting outcome is 20% out of a maximum 100%.

The current executive Directors were not eligible to receive 2022 LTIP awards.

| | | Targets | | | | |
|---|---|---|---|---|---|---|
| **2022 LTIP metric** | Weighting | Threshold (25%) | Maximum (100%) | Outcome | Metric payout % of max for metric | Bonus payout % of max bonus |
| Earnings per share[1] | 40% | 20% higher than the growth in a composite index | 40% higher than the growth in a composite index | -33.1% | 0% | 0% |
| Cumulative net new business[2] | 40% | £15bn | £25bn | £8.5bn | 0% | 0% |
| Climate impact[3] | 20% | 92% of global electricity from renewable sources | 100% of global electricity from renewable sources | 100% | 100% | 20% |
| **Overall vesting** | | | | | | **20%** |

1. EPS excluding revenue and costs relating to acquisitions classified as exceptionals but including any other exceptionals.
2. NNB excluding joint ventures and associates.
3. Climate impact target measuring Schroders' global electricity from renewable sources, subject to an underpin of maintaining a Leadership CDP rating in all four years.

## Key takeaways from section

Annual bonus awards of £5,799,000, £1,948,000 and £4,460,000 were made to the Group Chief Executive, Chief Financial Officer and Group Chief Investment Officer respectively, based on the 2025 balanced scorecard outcomes.

In combination with the LTIP awards to be granted in March 2026, 60% of executive Director variable pay for 2025 was deferred, providing long-term alignment and retention. A significant portion of the bonus was delivered in share and fund awards, creating alignment with shareholders and clients.

The 2022 LTIP awards made to Peter Harrison and Richard Keers are expected to vest at 20% of maximum, with awards pro-rated for time served in role.

## Notes to the report on remuneration continued

### Non-executive Directors' remuneration (audited)

Non-executive Directors receive fixed fees to reflect their Board and Committee responsibilities. They are not eligible to participate in any variable pay arrangements. This section provides an overview of the fees and resulting total remuneration received by each non-executive Director.

The fees for the non-executive Directors were not changed in 2025. The structure of non-executive Directors' fees is shown below.

| | £ |
|---|---|
| Chair | **625,000** |
| Board member | **80,000** |
| Senior Independent Director | **25,000** |
| Audit and Risk Committee Chair[1] | **25,000** |
| Audit and Risk Committee member | **20,000** |
| Nomination and Governance Committee Chair | **–** |
| Nomination and Governance Committee member | **–** |
| Remuneration Committee Chair[1] | **25,000** |
| Remuneration Committee member | **20,000** |

1. In addition to the Committee membership fee.

The total remuneration of each of the non-executive Directors for the years ended 31 December 2025 and 31 December 2024 is set out in the table below:

| | 2025 | | | | | | 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **£'000** | **Basic fee** | **Committee Chair** | **Committee member** | **SID** | **Taxable benefits** | **Total** | Basic fee | Committee Chair | Committee member | SID | Taxable benefits | Total |
| Dame Elizabeth Corley | 625 | – | – | – | – | **625** | 625 | – | – | – | 2 | 627 |
| Rhian Davies | – | – | – | – | – | **–** | 26 | 8 | 13 | – | – | 47 |
| Claire Fitzalan Howard | 80 | – | – | – | – | **80** | 80 | – | – | – | 1 | 81 |
| Rakhi Goss-Custard | 80 | – | 20 | – | – | **100** | 80 | – | 20 | – | – | 100 |
| Ian King | 80 | – | 20 | 8 | 1 | **109** | 80 | | 20 | 25 | – | 125 |
| Iain Mackay | 80 | 25 | 26 | 17 | 18 | **166** | 80 | 17 | 20 | – | – | 117 |
| Leonie Schroder | 80 | – | – | – | – | **80** | 80 | – | – | – | – | 80 |
| Annette Thomas | 80 | – | 20 | – | 1 | **101** | 80 | – | 20 | – | – | 100 |
| Frederic Wakeman | 80 | – | 40 | – | 10 | **130** | 80 | – | 28 | – | – | 108 |
| Deborah Waterhouse | 27 | – | 7 | – | – | **34** | 80 | – | 28 | – | 1 | 110 |
| Matthew Westerman | 80 | 25 | 40 | – | – | **145** | 80 | 25 | 40 | – | – | 145 |

The fees shown in each Director's case reflect the portion of 2025 and 2024 that they each served in their respective roles.

- Rhian Davies stepped down from the Board on 25 April 2024.
- Ian King stepped down from the role of Senior Independent Director at the conclusion of the Company's AGM on 1 May 2025, remaining on the Board as an independent non-executive Director.
- Iain Mackay was appointed as Senior Independent Director at the conclusion of the Company's AGM on 1 May 2025, succeeding Ian King. Iain Mackay was appointed as a member of the Remuneration Committee on 18 September 2025.
- Deborah Waterhouse stepped down from the Board at the conclusion of the Company's AGM on 1 May 2025.

Taxable benefits showing in the table above represent travel expenses reimbursed by the Company, including for US-based Directors.

### Key takeaways from section

- Non-executive Director remuneration comprised fixed pay only.
- There have been no changes to the structure or levels of non-executive Director fees in 2025.
- Year-on-year changes in total remuneration paid to non-executive Directors reflect changes in Committee responsibilities and/or the timing of their appointments.

## Notes to the report on remuneration continued

### Workforce and Director pay outcomes

The statutory disclosures presented in this section offer insights into the relationship between employee and executive Director pay outcomes. The higher proportion of total remuneration that is variable for executives can sometimes make year-on-year comparisons challenging. Looking at multiple years of data can help identify overarching trends.

#### UK pay ratios

The table below compares the Group Chief Executive's single total remuneration figure for 2025 with the remuneration of the Group's UK workforce as at 31 December 2025, along with the comparative figures for the previous year.

As noted on page 66, the bonus outcome for the Group Chief Executive in 2025 represents an overall scorecard outcome of 96%, reflecting strong performance and favourable markets in the year. This is in contrast to 2024 when the bonus outcome for Mr Harrison was reduced by a discretionary downwards adjustment applied by the Committee to reflect the stakeholder experience in the year. The median (and quartile) outcomes for UK employee total pay and benefits have moderately increased in the year but the median salary was unchanged as a result of salary increases made earlier in 2025 being lower than previous years. As a result of these factors, the CEO pay ratio has increased this year.

The Group is committed to ensuring pay fairness throughout its workforce, and the principle of providing greater certainty in remuneration through proportionally higher fixed pay for junior and lower-paid employees aligns with the Group's pay and reward policies for the global workforce.

| | Method | Pay ratio to lower quartile UK employee | Pay ratio to median UK employee | Pay ratio to upper quartile UK employee | Lower quartile UK employee | | Median UK employee | | Upper quartile UK employee | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Total pay and benefits | Total salary | Total pay and benefits | Total salary | Total pay and benefits | Total salary |
| 2025 | Option A | 94:1 | 58:1 | 34:1 | 67,358 | 55,000 | 108,725 | 80,000 | 185,748 | 124,100 |
| 2024 | Option A | 69:1 | 44:1 | 27:1 | 69,105 | 54,100 | 107,218 | 80,000 | 173,378 | 120,000 |
| 2023 | Option A | 93:1 | 59:1 | 37:1 | 66,536 | 52,938 | 105,779 | 78,000 | 169,250 | 115,000 |
| 2022 | Option A | 74:1 | 46:1 | 28:1 | 63,067 | 49,702 | 101,409 | 75,000 | 167,622 | 110,000 |
| 2021 | Option A | 134:1 | 84:1 | 49:1 | 63,093 | 47,000 | 100,761 | 69,433 | 173,941 | 100,000 |
| 2020 | Option A | 110:1 | 70:1 | 42:1 | 57,205 | 45,000 | 89,541 | 58,000 | 150,310 | 122,500 |
| 2019 | Option A | 117:1 | 72:1 | 42:1 | 55,400 | 50,000 | 89,743 | 68,000 | 154,667 | 85,000 |

The rules that require this disclosure set out three methodologies that companies can adopt, termed Options A, B and C. The Group has adopted Option A as this is the most robust methodology, requiring the Group to calculate the pay and benefits of all its UK employees in order to identify the total remuneration at the upper quartile, median and lower quartile. We have based the calculation of these total remuneration quartiles on salaries as at 31 December 2025 plus any annual bonus award in respect of 2025, any LTIP with a performance period ending in 2025, and any other incentive awards granted during 2025. In calculating these ratios, salaries for employees who work part-time have been pro-rated up to a full-time equivalent. Total pay and benefits for UK employees does not include taxable travel benefits such as the reimbursement of occasional travel home from work that was covered by the Group's Travel and Expenses Policy; and certain non-taxable benefits are excluded, including Share Incentive Plan matching shares and "'Give as You Earn" matching payments. No other assumptions or statistical modelling were required.

## Notes to the report on remuneration continued

### Comparing Director and wider workforce pay

The Committee considers executive Director pay structures and outcomes in the context of wider workforce pay. The table below compares percentage change in base salary/fees, benefits and annual bonus awards for the Directors with the average change across employees of the Group as a whole for the past five performance years. The outcome for employees of Schroders plc is also included to satisfy the statutory requirement, but is shown as "not applicable" given that the legal entity does not itself have any employees. The values shown for the executive Directors are based on those shown in the single total remuneration figure table on page 79 and those for non-executive Directors are based on the table on page 81. The employee mean and median figures in this table represent the change experienced for individual employees who were employed by Schroders in comparator years.

| | **2025** | | | 2024 | | | 2023 | | | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Base salary/ fee** | **Benefits** | **Bonus** | Base salary/ fee | Benefits | Bonus | Base salary/ fee | Benefits | Bonus | Base salary/ fee | Benefits | Bonus | Base salary/ fee | Benefits | Bonus |
| **Executive Directors** | | | | | | | | | | | | | | | |
| Richard Oldfield | **28%** | **4%** | **317%** | 299% | 327% | 90% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Meagen Burnett | **n/a** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Johanna Kyrklund | **n/a** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| **Non-executive Directors**[1] | | | | | | | | | | | | | | | |
| Dame Elizabeth Corley | **0%** | **-100%** | **n/a** | 0% | -43% | n/a | 40% | 180% | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Rhian Davies | **n/a** | **n/a** | **n/a** | -68% | n/a | n/a | 0% | 180% | n/a | 0% | 0% | n/a | 0% | 0% | n/a |
| Claire Fitzalan Howard | **0%** | **(57%)** | **n/a** | 0% | -70% | n/a | 0% | 260% | n/a | 0% | 0% | n/a | 51% | 0% | n/a |
| Rakhi Goss-Custard | **0%** | **0%** | **n/a** | 0% | n/a | n/a | 0% | 108% | n/a | 0% | -50% | n/a | 0% | 0% | n/a |
| Ian King | **(13%)** | **109%** | **n/a** | 0% | n/a | n/a | 2% | 54% | n/a | 2% | 0% | n/a | 0% | 0% | n/a |
| Iain Mackay | **26%** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Leonie Schroder | **0%** | **0%** | **n/a** | 0% | n/a | n/a | 0% | n/a | n/a | 0% | n/a | n/a | 0% | -100% | n/a |
| Annette Thomas | **0%** | **n/a** | **n/a** | 200% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Frederic Wakeman | **11%** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Deborah Waterhouse | **(69%)** | **(87%)** | **n/a** | -10% | -62% | n/a | 11% | 157% | n/a | 8% | 0% | n/a | 0% | 0% | n/a |
| Matthew Westerman | **0%** | **0%** | **n/a** | 0% | n/a | n/a | 6% | n/a | n/a | 14% | n/a | n/a | 43% | n/a | n/a |
| **Employees** | | | | | | | | | | | | | | | |
| Employees of Schroders plc | **n/a** | **n/a** | **n/a** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Employees of the Group[2,3,4] | | | | | | | | | | | | | | | |
| Mean | **4%** | **8%** | **28%** | 7% | 7% | 2% | 8% | 10% | -4% | 10% | 8% | -10%[5]<br>-22%[6] | 9% | 5% | +49%[5]<br>+78%[6] |
| Median | **0%** | **7%** | **14%** | 4% | 5% | -3% | 6% | 7% | -15% | 5% | 6% | -17%[5]<br>-28%[6] | 2% | 3% | +34%[5]<br>+62%[6] |

1. The fee increases shown reflect the timing of appointment to the Board and/or roles on Board Committees as set out on page 81. Increases in benefits reflect travel expenses, which vary each year based on actual usage, with amounts listed on page 81.
2. For base salary, employees of the Group are those who were in employment between 31 December 2024 and 31 December 2025 and the figures shown represent the salary increase over this period. Salary adjustments agreed as part of the 2025 compensation review will be effective in 2026.
3. For benefits, the mean percentage change for employees of the Group is a per capita figure for those who were in employment for all of the two years under review and represents the average change in benefits value during the year; while the median is the median percentage change for individual employees within the same population.
4. For bonus, the mean and median percentage changes for employees of the Group are the mean and the median respectively of the individual year-on-year percentage changes in bonus for employees who were in employment and eligible for a bonus for all of 2024 and 2025. More commentary on the annual bonus award for each executive Director can be found on pages 64 to 66.
5. Excluding Share in Success Award, an award granted in December 2021 to circa 4,600 employees valued at the equivalent of 5% of annual salary.
6. Including Share in Success Award.

## Notes to the report on remuneration continued

### Alignment with shareholders and clients

By delivering a substantial portion of variable pay in shares and funds, we foster meaningful alignment between our executive Directors, shareholders and clients. The tables below provide details of awards granted, movements in share and fund awards held by the executive Directors in the year and the total share interests for all our Directors.

#### DAP and LTIP awards granted during 2025 (audited)

The following awards were granted under the DAP on 11 March 2025 in respect of deferred bonuses for performance during 2024. No further performance conditions need to be met for awards to vest. The terms of the awards are the same as those that apply to the deferred bonus awards described on page 80. These awards were included in the 2024 single total remuneration figures disclosed last year for Richard Oldfield, and form part of the prior-year value shown in this year's single total remuneration figures on page 79. They are also shown in the tables of rights under fund and share awards later in this section.

| | | Face value at grant (£'000) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Individual | Basis of DAP award granted | Upfront fund awards | Deferred share awards | Deferred fund awards | Total DAP award | Share price at grant | Number of shares | Performance conditions |
| Richard Oldfield | Deferral of bonus awarded for performance in 2024 | 578 | 176 | 59 | 813 | 4.07 | 43,102 | Awarded for performance in 2024. No further performance conditions apply |
| Meagen Burnett | | 250 | 375 | 375 | 1,000 | 4.07 | 92,047 | |
| Johanna Kyrklund | | 460 | 276 | 1,404 | 2,140 | 4.07 | 67,746 | |

The following awards under the LTIP were granted on 10 March 2025 as nil-cost options. They are also reflected in the table of rights under share awards on page 85. Vesting of LTIP awards granted during 2025 is subject to the performance conditions detailed in the 2024 Annual Report and Accounts.

| Individual | Basis of LTIP award granted | Face value at grant (£'000) | Vesting maximum as % of face value | % of face value that would vest at threshold[1] | Share price at grant | Number of shares | End of performance period |
|---|---|---|---|---|---|---|---|
| Richard Oldfield | A specified face value of shares on the date of grant | 1,500 | 100 % | 25 % | 4.07 | 368,188 | 31/12/2028 |
| Meagen Burnett | | 938 | 100 % | 25 % | 4.07 | 230,117 | 31/12/2028 |
| Johanna Kyrklund | | 750 | 100 % | 25 % | 4.07 | 184,094 | 31/12/2028 |

1. Percentage of face value that would vest if performance measures were at the threshold level to achieve non-zero vesting.

All DAP share awards and LTIP awards were granted over ordinary shares. The number of shares under each DAP share award and LTIP award is determined by dividing the grant date face value by the mid-market closing share price on the last trading day prior to the date of grant. Annual bonus and LTIP awards (including bonus awards delivered via the DAP) are subject to the Group Malus and Clawback Policy.

#### Directors' rights under fund awards (audited)

Directors had the following fund award rights under the Group's incentive plans, based on the award values at grant:

| | | Unvested fund awards £'000 | Vested fund awards £'000 | Total £'000 |
|---|---|---|---|---|
| Richard Oldfield | At 31 December 2024 | 70 | – | 70 |
| | Granted | 59 | 578 | 637 |
| | Vested | (23) | 23 | – |
| | Exercised | – | (578) | (578) |
| | **At 31 December 2025** | **106** | **23** | **129** |
| Meagen Burnett | At 31 December 2024 | 452 | 43 | 495 |
| | Granted | 375 | 250 | 625 |
| | Vested | (123) | 123 | – |
| | Exercised | – | (417) | (417) |
| | **At 31 December 2025** | **704** | **–** | **704** |
| Johanna Kyrklund | At 31 December 2024 | 2,477 | 4,855 | 7,333 |
| | Granted | 1,404 | 460 | 1,864 |
| | Vested | (1,093) | 1,093 | – |
| | Exercised | – | (2,663) | (2,663) |
| | **At 31 December 2025** | **2,788** | **3,746** | **6,534** |

## Notes to the report on remuneration continued

### Directors' rights under share awards (audited)

Directors had the following share rights under the Group's incentive plans. These are in the form of nil-cost options, shown based on the number of shares in each case.

| | | Unvested LTIP awards[1] | Other unvested share awards[2] | Vested but unexercised share awards | Total |
|---|---|---|---|---|---|
| Richard Oldfield (ordinary shares) | At 31 December 2024 | 101,600 | 56,381 | – | 157,981 |
| | Granted | 368,188 | 43,102 | – | 411,290 |
| | Dividend-equivalent accrual | – | 5,052 | 1,177 | 6,229 |
| | Vested | – | (18,793) | 18,793 | – |
| | Lapsed where LTIP conditions were not met | – | – | – | – |
| | Exercised | – | – | – | – |
| | **At 31 December 2025** | **469,788** | **85,742** | **19,970** | **575,500** |
| Meagen Burnett (ordinary shares) | At 31 December 2024 | – | 127,592 | 53,142 | 180,734 |
| | Granted | 230,117 | 92,047 | – | 322,164 |
| | Dividend-equivalent accrual | – | 9,085 | 7,999 | 17,084 |
| | Vested | – | (74,567) | 74,567 | – |
| | Lapsed where LTIP conditions were not met | – | – | – | – |
| | Exercised | – | – | – | – |
| | **At 31 December 2025** | **230,117** | **154,157** | **135,708** | **519,982** |
| Johanna Kyrklund (ordinary shares) | At 31 December 2024 | – | 310,936 | 601,672 | 912,608 |
| | Granted | 184,094 | 67,746 | – | 251,840 |
| | Dividend-equivalent accrual | – | 11,822 | 46,627 | 58,449 |
| | Vested | – | (189,908) | 189,908 | – |
| | Lapsed where LTIP conditions were not met | – | – | – | – |
| | Exercised | – | – | (170,996) | (170,996) |
| | **At 31 December 2025** | **184,094** | **200,596** | **667,211** | **1,051,901** |

1. These awards will only vest to the extent that the relevant performance conditions are met.
2. No performance conditions apply for these awards.

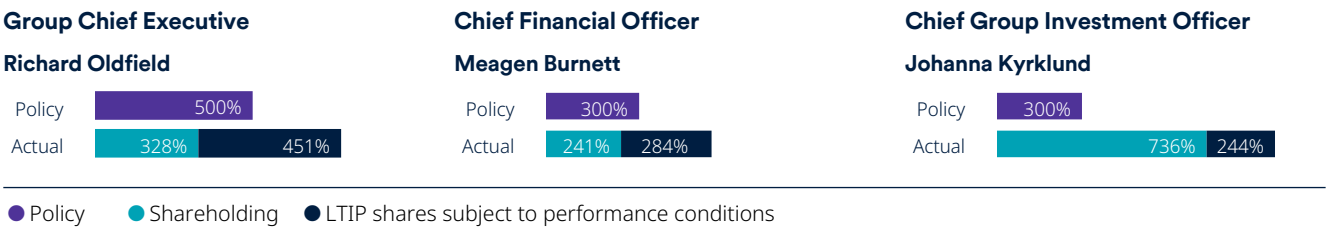
During 2025, Johanna Kyrklund received an aggregate gain of £629,265, settled in shares, from exercising nil-cost options over 170,996 ordinary shares, granted as part of her prior-year deferred awards.

### Executive Director alignment to shareholders

To align the interests of senior management with those of shareholders, the executive Directors and the other members of the Group ExCo are required, over time, to acquire and retain a holding of Schroders shares or rights to shares. The required shareholdings are 500% of base salary for the Group Chief Executive and 300% of base salary for the other executive Directors. Shares that count towards this shareholding policy include the estimated after-tax value of unvested deferred bonus share awards under the DAP (shown as "Other unvested share awards" above) and vested DAP or LTIP awards (shown as "Vested but unexercised share awards" above). Unvested LTIP awards do not count towards the shareholding policy as these rights to shares are subject to performance conditions.

Richard Oldfield, who was appointed as Group Chief Executive on 8 November 2024, and Meagen Burnett, who was appointed as an executive Director on 1 January 2025, will not be able to sell any share awards until they meet the required level. Johanna Kyrklund's shareholdings are currently in excess of the required level. The number of shares required to be held will significantly increase on 1 March 2026, when the increased salaries set out earlier in this report take effect.

### Value of shareholding vs. shareholding policy (% of salary) (audited)




The actual shareholdings in the illustration above are based on salaries and shares held at 31 December 2025, other than the inclusion of deferred share awards to be granted under the DAP in respect of performance in 2025 (see page 80). For illustration purposes, the estimated after-tax value of LTIP awards that remain subject to performance conditions are shown separately in the charts above, including those to be granted in respect of performance in 2025.

## Notes to the report on remuneration continued

### Directors' share interests (audited)

The Directors and their connected persons had the following interests in shares in the Company.

| | Number of shares at 31 December 2025 |
|---|---|
| | Ordinary shares of 20 pence each |
| **Executive Directors** | |
| Richard Oldfield | 105,313 |
| Meagen Burnett | 1,917 |
| Johanna Kyrklund | 10,696 |
| **Non-executive Directors** | |
| Dame Elizabeth Corley | 105,294 |
| Claire Fitzalan Howard[1] | 637,545,055 |
| Rakhi Goss-Custard | 8,301 |
| Ian King | 13,205 |
| Iain Mackay | — |
| Leonie Schroder[1] | 684,673,399 |
| Annette Thomas | — |
| Frederic Wakeman | — |
| Deborah Waterhouse[2] | 4,190 |
| Matthew Westerman | 11,764 |

Between 31 December 2025 and 11 February 2026, the only movements in the Directors' share interests were the acquisition under the Share Incentive Plan of 113, 92 and 46 ordinary shares by Richard Oldfield, Meagen Burnett and Johanna Kyrklund respectively.

1. The interests of Claire Fitzalan Howard and Leonie Schroder include their personal holdings and the beneficial interests held by them and their connected persons in their capacity as members of a class of potential beneficiaries under certain settlements made by members of the Schroder family.
2. The interests of Deborah Waterhouse refer to the position as at 1 May 2025, the date she stepped down as a Director of the Company.

## Key takeaways from section

- Alignment to shareholders is a key pillar of our remuneration approach, with senior leadership required to hold a meaningful number of shares.
- The number of shares required to be held will significantly increase on 1 March 2026, when the increased salaries set out earlier in this report take effect.
- Richard Oldfield, who was appointed as Group Chief Executive on 8 November 2024, and Meagen Burnett, who was appointed as Chief Financial Officer on 1 January 2025, will not be able to sell any share awards until they meet the required level.
- Johanna Kyrklund has met her shareholding requirement, and must maintain shareholdings equivalent to at least 300% of salary.

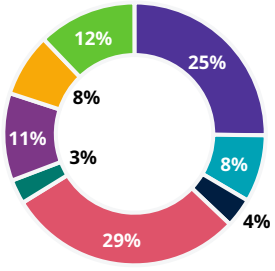
### Contextualising pay outcomes with overall performance

The disclosures that follow provide further details of the relationship between pay outcomes and performance delivered for shareholders.

#### Relative spend on pay

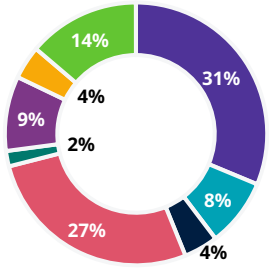
The charts below illustrate the relative spend on pay for 2025 compared with 2024. The values are taken from the financial statements and show how remuneration costs compare with shareholder distributions, taxes arising and earnings retained, to illustrate how net operating income is used.

**2025**




- Fixed remuneration £696.6m -8%
- Variable remuneration – upfront £228.3m +12%
- Variable remuneration – deferred £99m -4%
- Other operating expenses £805.4m +22%
- Other income/expenses £82.8m +84%
- Corporate tax and social security £296.7m +33%
- Retained earnings £241.6m +145%
- Interim and prior year final dividend paid £335.8m +0.5%

**2024**

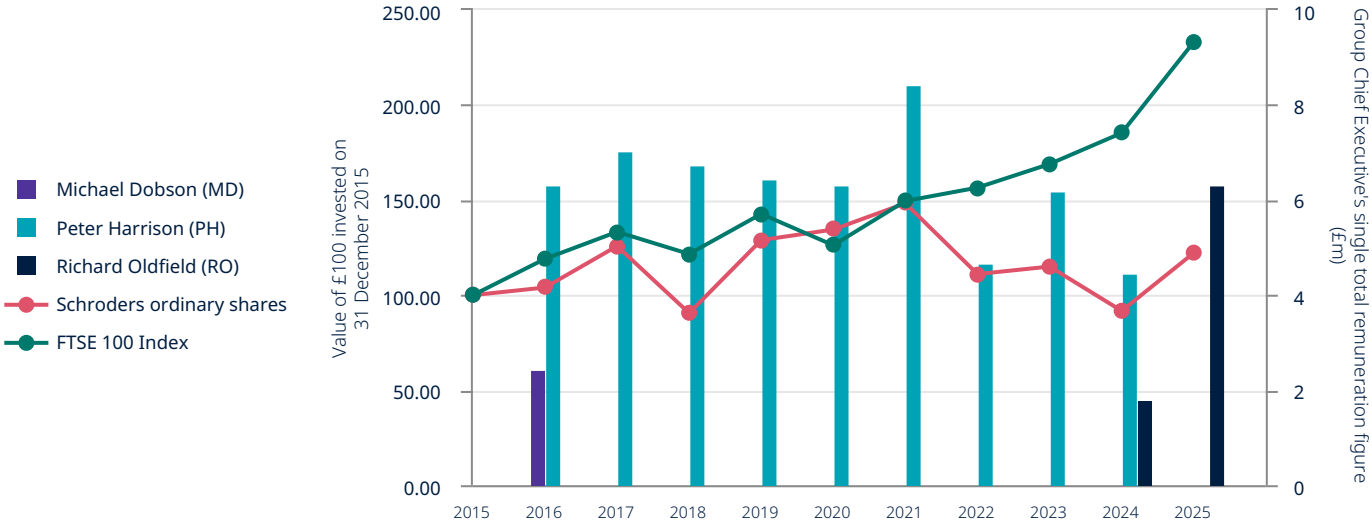



- Fixed remuneration £759.8m
- Variable remuneration – upfront £203.6m
- Variable remuneration – deferred £103.3m
- Other operating expenses £662m
- Other income/expenses £45m
- Corporate tax and social security £223.3m
- Retained earnings £98.8m
- Interim and prior year final dividend paid £334.2m

## Notes to the report on remuneration continued

### The Group Chief Executive's total remuneration over the past ten years

The chart below illustrates the Group Chief Executive's single total remuneration figure over the past ten years and compares it with the total shareholder return of Schroders shares and the FTSE 100, of which Schroders was a constituent over this period. Further detail on the single total remuneration figure outcomes and how variable pay plans have paid out each year is shown in the table below.




| | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | **2025** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Single total remuneration figure (£'000)[1,2] | MD | 2,451 | | | | | | | | | |
| | PH | 6,311 | 7,059 | 6,735 | 6,453 | 6,321 | 8,434 | 4,696 | 6,190 | 4,484 | |
| | RO | | | | | | | | | 1,812 | 6,327 |
| Annual bonus award (outcome as a % of maximum, or actual award as a % of ten-year highest bonus)[3] | MD | 25% | | | | | | | | | |
| | PH | 70% | 82% | 78% | 72% | 69% | 97% | 49% | 75% | 47% | |
| | RO | | | | | | | | | 54% | 96% |
| LTIP (vesting as a % of maximum)[4,5] | | 50% | n/a | 0% | 50% | 50% | 50% | 50% | n/a | n/a | n/a |

1. 2016 remuneration for Michael Dobson reflects the actual remuneration that he received for the portion of 2016 that he served as Group Chief Executive.
2. Peter Harrison was Group Chief Executive from 3 April 2016 until 8 November 2024. The 2016 and 2024 remuneration values above reflect his full-year single total remuneration figure. Richard Oldfield was appointed Group Chief Executive on 8 November 2024. His 2024 remuneration values are for the full year, notwithstanding that remuneration outcomes primarily relate to his former role as Chief Financial Officer.
3. From 2020, this represents the Group Chief Executive's actual annual bonus award as a percentage of the maximum annual bonus award for the year. For years prior to 2020, each annual bonus award is shown as a percentage of the highest bonus award over the past ten years, as no maximum annual bonus opportunity was in place.
4. 2017 shows the LTIP vesting outcome as "n/a" as Mr Harrison did not receive an LTIP award in 2014 and so had no LTIP due to vest based on performance to the end of 2017. Mr Harrison waived his 2020 and 2021 LTIP grants, so 2023 and 2024 also show as "n/a".
5. Mr Oldfield was not eligible to receive a 2022 LTIP vesting, so the 2025 vesting outcome shows "n/a". Further details of the 2022 LTIP expected vesting outcomes for the former executive Directors are set out on page 80.

## Key takeaways from section

- The relative spend on pay has remained largely consistent from prior years, demonstrating the close linkage between pay and financial performance.
- Schroders plc total shareholder return is 22% over the past ten years. The single total figure of remuneration paid to the Schroders Group Chief Executive has remained broadly flat over this same period.

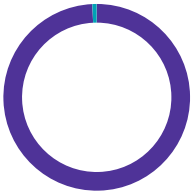
## Notes to the report on remuneration continued

### Shareholder voting on remuneration

Each year, shareholders are invited to vote on our annual remuneration report (ARR). In 2023, we also put our Directors' Remuneration Policy to vote as it had been three years since it was last voted on. The graphs below summarise the voting outcomes on these resolutions. A new Directors' Remuneration Policy will be put to shareholder vote at the 2026 AGM.

The following votes were cast in respect of the ARR at our 2025 AGM and the Directors' Remuneration Policy at our 2023 AGM.

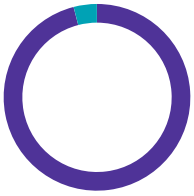
**To approve the annual remuneration report at the 2025 AGM**



| | |
|---|---|
| Votes for | 1,410,319,377 |
| Votes against | 10,670,754 |
| Votes withheld | 5,431,250 |

| | Votes for | Votes against |
|---|---|---|
| **2025 AGM** | 99% | 1% |

**To approve the triennial Directors' Remuneration Policy at the 2023 AGM**



| | |
|---|---|
| Votes for | 1,347,696,221 |
| Votes against | 56,519,151 |
| Votes withheld | 203,965 |

| | Votes for | Votes against |
|---|---|---|
| **2023 AGM** | 96% | 4% |

### Key takeaways from section

- At the 2025 AGM, we continued to receive strong support from our shareholders in respect of our annual report on remuneration.
- The revised Directors' Remuneration Policy, presented in full on pages 72 to 78, will be put to a binding shareholder vote at the upcoming 2026 AGM.
- We value the feedback from our shareholders and look forward to receiving your support on both resolutions.

### Other statutory disclosures

#### Committee advisers

After a competitive bidding process, the Committee appointed Deloitte as advisers from September 2023. The Committee assesses the performance of its advisers, the associated fees and the quality of advice provided annually, and ensures that the advice is independent of any support provided to management. In its latest annual review of advisers, the Committee elected to retain Deloitte to provide advice on executive Director pay during the year.

Deloitte attended seven meetings as independent Remuneration Committee advisers in 2025. A fixed fee structure has operated since appointment to cover standard services, with any additional items charged on a time/cost basis. The total fees paid to Deloitte for advice to the Committee during 2025 on executive Director pay totalled £228,125.

Deloitte also provide professional services in the ordinary course of business, including HR consulting services and advice to management on remuneration design and its regulatory implications, tax, social security, governance, operational and technical issues; as well as other professional services to the Group, including tax, consulting and regulatory, and support for corporate acquisitions. The Committee monitors its advisers' independence, noting that advice received is predominantly based on objective data trends and facts. Where relevant, advisers were asked to leave meetings when sensitive strategic context was being discussed, in recognition of the advisory roles they may have for competitors.

The Committee also received a market update and data from Meridian Compensation Partners (Meridian) and used data from McLagan (Aon) Limited (McLagan) on market conditions and competitive rates of pay. McLagan provides remuneration benchmarking data covering a wide cross-section of the Group's competitors, including firms that are not publicly listed and so are not required to publish the remuneration of their directors. Meridian provides remuneration benchmarking data for US firms. The total fees paid for advice to the Committee during 2025 on executive Director pay totalled £20,576 and £8,250 for Meridian and McLagan respectively.

The Committee is satisfied that the advice received from both advisers was independent and objective. McLagan is part of Aon plc, which also provides advice and services to the Group in relation to pension benefit valuations and pension actuarial advice. Meridian's and McLagan's fees were charged on the basis of a fixed fee for the preparation of reports setting out the information requested. Neither Deloitte, Meridian nor McLagan has a connection to the Company or any individual Director, save as outlined above.

At the invitation of the Committee Chair, the Group Chair, Group Chief Executive and Chief Financial Officer attended all eight meetings, and the Group Chief Investment Officer attended two meetings. The executive Directors left the meetings when relevant to avoid any conflicts of interest. The Chief People Officer (and Group General Counsel in their role as interim Chief People Officer) attended meetings to provide advice and support to the Committee, and the Global Head of Reward and People Risk acted as secretary to the Committee. The Global Head of Sustainable Investment also attended relevant meetings to provide expert input on the topic of sustainability measurement.

The Committee received regular updates from the Conduct Assessment Group, which comprised the control function heads and Chief People Officer, to ensure that the Group is taking account of compliance and conduct risk considerations as part of the firm's compensation processes. The Chief Risk Officer, Group General Counsel and Head of Group Internal Audit also advised the Committee on matters that could influence remuneration decisions, and were available to attend meetings if required.

To avoid conflicts of interest, no Director or employee participates in decisions determining their own remuneration.

## Notes to the report on remuneration continued

### Fees from external appointments

The executive Directors are permitted to retain for their own benefit fees they receive from any external non-executive directorships, provided the directorships do not relate to any interest held by the Group. Richard Oldfield, Meagen Burnett and Johanna Kyrklund did not receive any fees in respect of external non-executive roles during the course of their appointment to the Company in 2025.

### Payments for loss of office and payments to past Directors

No payments for loss of office were paid to Directors or former Directors during 2025. No payments to past Directors were paid during 2025, except those previously disclosed.

### Directors' service contracts and letters of appointment

Each of the executive Directors has a rolling service contract with a mutual notice period of six months. Each of the non-executive Directors has a letter of appointment with a mutual notice period of six months. Shareholders may review letters of appointment and service contracts at the Company's registered office from the date of dispatch of the Notice of AGM on business days between 9am and 5pm. Additionally, these documents are available for viewing at each AGM.

### Further remuneration disclosures

The remuneration disclosures required under the UK Capital Requirements Regulation are incorporated into the Group's Pillar 3 disclosures and are available at www.schroders.com/pillar3. Other regulatory remuneration disclosures can be found at www.schroders.com/rem-disclosures.

### Committee performance in 2025

The annual review of the Committee's effectiveness was undertaken as part of the overall external Board performance review process, which is described on page 49. The effectiveness of the Committee was described as very strong. Meetings were well prepared, inclusive and well chaired, with good discussion around key issues.

By order of the Board

**Matthew Westerman**

Chair of the Remuneration Committee

11 February 2026

# Directors' report

The information in the following sections of this Annual Report and Accounts forms part of this Directors' report:

- Strategic report
- Board of Directors and Company Secretary
- Corporate governance report, including the Nomination and Governance Committee report and the Audit and Risk Committee report
- Statement of Directors' responsibilities

## Share capital

Schroders has developed under stable ownership for more than 220 years and has been a public company whose ordinary shares have been listed on the London Stock Exchange since 1959.

As at 31 December 2025 and the date of this report, the Company's share capital comprises 1,612,071,525 ordinary shares of 20 pence each, of which 1,360,247 are held in treasury by the Company. The total voting rights in the Company are 1,610,711,278.

Under the terms of the Schroders Employee Benefit Trust and the Schroder US Holdings Inc. Grantor Trust, ordinary shares are held in trust on behalf of employee share plan participants. The trustees may exercise their voting rights in any way they think appropriate. In doing so, they may consider the financial and non-financial interests of the beneficiaries and their dependants. As at 9 February 2026, being the last practicable date before the publication of the Annual Report and Accounts, the Schroders Employee Benefit Trust and the Schroder US Holdings Inc. Grantor Trust together held 43,987,771 ordinary shares.

Under the terms of the Share Incentive Plan, as at 9 February 2026, 7,402,541 ordinary shares were held in trust on behalf of plan participants. At the participants' direction, the trustees can exercise their voting rights over ordinary shares in respect of participant share entitlements.

There are no restrictions on the transfer of the Company's shares, except for:

- restrictions imposed by laws and regulations
- restrictions on the transfer of shares imposed under the Company's Articles of Association or under Part 22 of the UK Companies Act 2006, in either case after a failure to supply information required to be disclosed following service of a request under section 793 of the UK Companies Act 2006
- restrictions on the transfer of shares held under certain employee share plans while they remain subject to the plan.

The Company is not aware of any agreement between shareholders that may restrict the transfer of securities or voting rights.

## Principal Shareholder Group

The history of Schroders began in 1804 when JH Schröder became a partner in J.F. Schröder & Co, a London-based firm founded by his brother JF Schröder. It has evolved since then into the company today known as Schroders plc. Throughout that time, the Schroder family have maintained a significant interest in the business, which the Company believes has been a significant benefit to it. Today, the interests of some members of the Schroder family (being certain descendants of the late Helmut Schroder and, in some cases, their spouse or former spouse) are spread across a number of parties, who are collectively known as the Principal Shareholder Group.

The Principal Shareholder Group comprises a number of private trustee companies (and investment companies controlled by those trustee companies), a number of private investment companies, a number of Schroder family individuals, and a Schroder family charity, which, directly or indirectly, are shareholders of the Company.

The Principal Shareholder Group currently holds 713,021,408 ordinary shares (44.27% of the issued ordinary shares excluding treasury shares) in the Company. This is comprised as follows:

A. 659,767,010 of the ordinary shares (40.96%) are owned directly or indirectly by four private trustee companies which act as the trustees of various trusts settled by certain members of the Schroder family and investment companies wholly owned by the private trust companies. The trustee companies are Vincitas Limited, Veritas Limited, Alster Limited and Treva Limited. Flavida Limited and Fervida Limited are protector companies which act as protectors of certain of those trusts, and therefore also form part of the Principal Shareholder Group.

B. 29,457,871 of the ordinary shares (1.83%) are owned by certain trustee and investment companies following the execution of the estate of Bruno Lionel Schroder (deceased). The trustee companies are Lionel Trustees (UK) I Limited and Lionel Trustees (UK) II Limited. The investment companies are MEB Investments Limited, CRH Investments Limited and JMF Investments Limited.

C. 21,437,731 of the ordinary shares (1.33%) are personally held, directly or indirectly, by certain Schroder family individuals (who are direct descendants of the late Helmut Schroder or, in some cases, a former spouse of such direct descendants).

D. 2,358,796 of the ordinary shares (0.15%) are owned by the Schroder Charity Trust, a family charity.

Companies with a shareholder or shareholders who could, when acting in concert, exercise 30% or more of the voting rights of a company at a general meeting were required under the Listing Rules to enter into a binding agreement with that shareholder or shareholders. This was intended to ensure that the parties to the agreement comply with certain independence provisions in the Listing Rules. Accordingly, on 14 November 2014, the Company entered into such an agreement with members of the Principal Shareholder Group holding ordinary shares at that time. On 29 July 2024, the Listing Rules were amended and a relationship agreement was no longer required, and as such the Relationship Agreement automatically terminated on that date with immediate effect, in accordance with its terms.

The UK Listing Rules maintain the requirement for companies with a controlling shareholder (such as the Principal Shareholder Group) to demonstrate that they can carry on business independently from their controlling shareholder. They are also required to include certain disclosures regarding compliance with these independence requirements. These can be found below.

The Company's Group provides private banking and wealth management services to certain members of the Principal Shareholder Group. These arrangements are conducted at arm's length and on normal commercial terms. In accordance with UK Listing Rule 6.2.3, the Board confirms that, for the year ended 31 December 2025:

- the Company has complied with the independence provisions included in the UK Listing Rules
- so far as the Company is aware, the independence provisions included in the UK Listing Rules have been complied with by the members of the Principal Shareholder Group.

# Directors' report continued

## Substantial shareholdings

The table below shows the notifiable holdings of major shareholders in the voting rights of the Company, as at 31 December 2025, as disclosed to the Company in accordance with the Disclosure Guidance and Transparency Rules.

| Shareholder | % of voting rights held |
|---|---|
| Vincitas Limited[1] | 24.18 |
| Veritas Limited[1] | 15.22 |
| Flavida Limited[1] | 24.27 |
| Fervida Limited[1] | 16.27 |
| Tikehau Capital SCA | 5.20 |
| Silchester International Investors LLP | 5.01 |
| HSBC Holdings plc[2] | 3.45 |
| Sir Michael Kadoorie[3] | 3.44 |

1. Flavida Limited and Fervida Limited are protector companies and have made notifications as protectors of certain settlements, which include the holdings of Vincitas Limited and Veritas Limited.
2. HSBC Holdings plc is acting as a corporate director for the underlying client.
3. Shares are held through Orchid Equity Limited.

There have been no other changes to the notifications disclosed in the table or additional notifications as at the date of this report.

It is our policy to provide shareholders with a progressive and sustainable dividend, targeting a payout ratio of around 50%. The payout ratio is determined as the total dividend per share in respect of the year, divided by the Group's basic operating earnings per share. In line with this policy, the Board recommends a final dividend of 15.0 pence per share (2024: 15.0 pence per share), which, if approved by shareholders at the 2026 AGM, will be paid on 23 April 2026 to shareholders on the register of members at close of business on 13 March 2026. It means a total dividend for the year of 21.5 pence per share (2024: 21.5 pence per share), representing a payout ratio of 59% (2024: 76%[4]).

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **pence** | **£m** | pence | £m |
| Interim | 6.5 | 101.6 | 6.5 | 101.2 |
| Final[5] | 15.0 | 234.9 | 15.0 | 234.2 |
| **Total** | **21.5** | **336.5** | **21.5** | **335.4** |

4. The 2024 comparatives have been re-presented (see Presentational changes on page 151)
5. Subject to approval by shareholders at the 2026 AGM. Final proposed dividend for 2025, actual paid for 2024.

In setting the dividend, the Board has regard to overall Group strategy, capital requirements, liquidity and profitability. This approach enables the Group to maintain sufficient surplus capital to take advantage of future investment opportunities, while providing financial security to withstand possible risk scenarios and periods of economic downturn.

The distributable profits of Schroders plc are £2.7 billion (2024: £2.8 billion). The Group's ability to pay dividends is, however, restricted by the need to hold regulatory capital and to maintain sufficient operating capital to support its ongoing business activities. Operating capital requirements include co-investments with clients and seed investments in our funds to support new investment strategies.

Certain circumstances could adversely impact the Group's ability to pay dividends in line with the policy. This includes a significant increase in the ratio of total costs to net income. After deducting the regulatory capital requirement and the regulatory capital buffer, there continues to be sufficient capital to maintain our current dividend level for at least two years before taking account of any future profits. The Schroders Employee Benefit Trust and the Schroder US Holdings Inc. Grantor Trust have waived their rights to dividends paid on the ordinary shares in respect of 2025 and future periods. See notes 6 and 21 to the financial statements.

## 2026 Annual General Meeting

The 2026 AGM will be held on Thursday 16 April 2026 at 11.30am. All resolutions are voted on separately and the final voting results will be published as soon as practicable after the meeting. Together with the rest of the Board, the Chairs of the Nomination and Governance, Audit and Risk, and Remuneration Committees will be present to answer questions.

## Rule 9 waiver and authority to purchase own shares

The Company simplified its dual share class structure on 20 September 2022. As a result, the aggregate holding of the Principal Shareholder Group decreased from 47.93% of ordinary shares.

At the 2025 AGM, the Company was authorised by shareholders to purchase up to 122,131,453 ordinary shares. At the 2026 AGM, the Board will seek authority to purchase up to 122,513,543 ordinary shares so that, if such repurchases were exclusively from persons other than the Principal Shareholder Group, this would not result in the Principal Shareholder Group holding more than 47.93% of the Company's voting ordinary shares, which is the level it held prior to the simplification of the Company's dual share class structure in September 2022. Exercise of this authority would be subject to prior consent of the Prudential Regulation Authority.

If the Company were to buy back shares, it is likely that the Principal Shareholder Group's overall ownership in the Company would passively increase from the current level of 44.27% (excluding treasury shares). If this were to happen, under the Takeover Code the Principal Shareholder Group would be required to make a mandatory cash offer for the whole Company. However, the Company has obtained a waiver from the Takeover Panel that exempts the Principal Shareholder Group from this obligation as a result of any buyback of shares. This waiver is conditional on the independent shareholders approving the Waiver Resolution at the 2026 AGM.

Importantly, the waiver will not permit the Principal Shareholder Group's holding of ordinary shares to increase above the 47.93% holding of voting ordinary shares held prior to the simplification of the Company's dual share class structure without triggering a mandatory cash offer for the whole Company.

The Board expects to seek renewal of the Buyback Authority (and the associated Waiver Resolution) annually until such time as the Principal Shareholder Group's holding of ordinary shares (excluding treasury shares) has returned to the level of 47.93%.

# Directors' report continued

## Stakeholder engagement

Details of the Company's approach to stakeholder engagement and how stakeholders' interests have shaped our decisions throughout the year can be found on pages 32 to 33 and 46 to 47.

## Employment practices

Details of the Company's employment practices, including diversity and employee engagement, can be found in the Strategic report on pages 23 to 24.

## Workforce diversity

Understanding and valuing our diversity starts with accurate data. By continuously collecting and analysing data on representation, we gain meaningful insights that help shape a more inclusive culture at Schroders. These insights guide where we focus our actions and help us hold ourselves to account.

We ask colleagues to update their diversity information regularly and make sure new joiners know why this matters. By ensuring our data is up to date and accurate, we build a clearer and more reliable picture of our workforce.

We are committed to being transparent about our progress. That is why we voluntarily publish our UK ethnicity pay gap and global gender pay gap, enabling a clear view of how we're progressing inclusion and diversity at Schroders. More on workforce diversity and representation – including our latest gender pay gap reporting – can be found in our Reporting Centre (www.schroders.com/reportingcentre).

We meet the FTSE Women Leaders targets for women's board representation and comply with the Parker Review recommendations. As a signatory to the Women in Finance Charter, we support its principles and regularly publish updates on our progress to maintain transparency. Our Board-approved 2030 inclusion and diversity aspirations include increasing ethnic minority representation among our UK employee population to 25% and to 20% in our UK senior management population. We are committed to ensuring equal opportunities for all, making appointments based on each person's skills and experience.

As at 31 December 2025, the Company has met the following FCA Diversity Targets (as required by UK Listing Rule 6.6.6(9):

- at least 40% of the Board being women (2025: 58%)
- at least one of the senior Board positions being held by a woman (2025: Chair, CFO)
- at least one member of the Board being from an ethnic minority background (2025: two).

The data required by UK Listing Rule 6.6.6(9) for the Board of Directors and executive management is set out in the table below. As required by UK Listing Rule 6.6.6(11), the data is based on information collected via self-reporting by employees and Board members and existing information held by the Company's People and Culture, and Legal and Governance teams.

## Gender diversity – as at 31 December 2025

### Schroders plc Board – Gender diversity representation

| 2025 | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair) | Number in executive management[1] | Percentage of executive management |
|---|---|---|---|---|---|
| Men | 5 | 42% | 2 | 6 | 60% |
| Women | 7 | 58% | 2 | 4 | 40% |
| Not specified/prefer not to say | – | –% | – | – | –% |

### Schroders plc senior management – Gender diversity representation

| 2025 | Senior managers[2] | Subsidiary board members[3] | Total senior management[4] | All employees |
|---|---|---|---|---|
| Men | 65% | 76% | 68% | 55% |
| Women | 35% | 24% | 32% | 45% |
| Not specified/prefer not to say | –% | –% | –% | –% |

1. Executive management refers to the Group Executive Committee (Group ExCo) and the Group Company Secretary.
2. Senior managers includes members of the Group ExCo, the direct reports of the Group ExCo (ExCo-1) and the direct reports one level below that (ExCo-2), in each case excluding administrative and other ancillary roles. The data excludes Board members of Schroders plc and includes some employees who are also subsidiary board members.
3. Subsidiary board members comprises board members of subsidiaries who are not classified as senior managers.
4. Total senior management refers to the total of senior managers and subsidiary board members.

## Ethnic diversity representation – as at 31 December 2025

| 2025 | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair) | Number in executive management[1] | Percentage of executive management |
|---|---|---|---|---|---|
| White British or other white (including minority white groups) | 10 | 84% | 4 | 10 | 100% |
| Mixed/Multiple ethnic groups | 1 | 8% | – | – | –% |
| Asian/Asian British | 1 | 8% | – | – | –% |
| Black/African/Caribbean/Black British | – | –% | – | – | –% |
| Other ethnic group, including Arab | – | –% | – | – | –% |
| Not specified/prefer not to say | – | –% | – | – | –% |

## Directors' report continued

### Indemnities and insurance

Shareholders have authorised the Company to provide indemnities to, and to fund defence costs for, Directors in certain circumstances. On appointment, all Directors are granted an indemnity as defined in the Companies Act 2006 in respect of any third-party liabilities that they may incur as a result of their service on the Board. All Directors' indemnities were in place during the financial year and remain in force. Directors' and Officers' Liability Insurance is maintained by the Company for all Directors.

Under the Trust Deed and Rules of the Schroders Retirement Benefit Scheme (Scheme), the Company provides a qualifying pension scheme indemnity in line with the Companies Act 2006. The indemnity covers each Director of the trustee company that acts as a trustee of the Scheme. The provisions have been in force during the financial year.

As part of the integration of Cazenove Capital, the Cazenove Capital Management Limited Pension Scheme was merged with the Schroders Retirement Benefits Scheme, with effect from 31 December 2014. Pursuant to that merger, a qualifying pension scheme indemnity in line with the Companies Act 2006 is provided by Schroders plc for the benefit of the directors of Cazenove Capital Management Pension Trustee Limited, a subsidiary of the Company at that time. This indemnity remains in force and covers, to the extent permitted by law, certain losses or liabilities incurred by the directors of Cazenove Capital Management Pension Trustee Limited in connection with that company's activities as trustee of the Cazenove Capital Management Limited Pension Scheme.

### Directors' Conflicts of Interest and Recusal Policy

The Company has procedures to identify, authorise and manage conflicts of interest, including of Directors of the Company. They have operated effectively during the year. In circumstances where a potential conflict arises, the Board (excluding the Director concerned) will consider the situation and either authorise the arrangement in accordance with the Companies Act 2006 and the Company's Articles of Association, or take other appropriate action.

All potential conflicts authorised by the Board are recorded in a conflicts register, which is maintained by the Group Company Secretary and reviewed by the Board annually. Directors have a continuing duty to update the Board with any changes to their conflicts of interest.

### Change of control

The Company does not consider that it is a party to any significant agreements that take effect, alter or terminate upon a change of control of the Company following a takeover bid that are required to be disclosed pursuant to paragraph 13(2)(j) of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), other than as disclosed below.

Under the Group's Revolving Credit Facility Agreement, if a change of control of the Company occurs, the lenders are not obliged to provide further funding under the facility. The Company and lenders have up to 30 days to agree the continued use of the facility. If there is no agreement, repayment of the facility and accrued interest may be requested by the lenders with not less than ten days' notice.

The Company entered into an amended Shareholders' Agreement with Greencoat management shareholders on 10 April 2022, in relation to their respective shareholdings in Greencoat Capital Holdings Limited. On a change of control of the Company to a person who does not form part of the Principal Shareholder Group, the management shareholders have the right to sell their shares to Schroder International Holdings Limited, a subsidiary of the Company.

Directors' and employees' employment contracts do not normally provide for compensation for loss of office or employment as a result of a change of control. However, the provisions of the Company's employee share schemes may cause awards granted to employees under such schemes to vest on a change of control.

### Political donations

No political donations or contributions were made or expenditure incurred by the Company or its subsidiaries during the year (2024: nil) and there is no intention to make or incur any in the current year.

### Disclosure required by UKLR 6.2.23

On 15 January 2026, the Group published a trading update stating that adjusted operating profit for the year ended 31 December 2025 was expected to be at least £745 million. This constituted a profit estimate under UK Listing Rule 6.2.23. The Group's actual adjusted operating profit for the year was £756.6 million, which is ahead of this estimate however remains within 10% of the figure reported in the trading update. Further details on financial performance can be found in the Business and Financial Review on page 16.

### UK Listing Rules (UKLR) – compliance with UKLR 6.6.1

The majority of the disclosures required under UKLR 6.6.1 are not applicable to Schroders. The table below sets out the location of the disclosures for those requirements that are applicable.

| Applicable sub-paragraph within UKLR 6.6.1 | Disclosure provided |
|---|---|
| (2) Any information required by UKLR 6.2.23R (Publication of unaudited financial information) | See page 93 |
| (11) Details of any arrangements under which a shareholder has waived or agreed to waive any dividends. | See pages 91, 111 and 137 |
| (12) Where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review. | See pages 91, 111 and 137 |
| (13) A statement made by the board that the company continues to comply with the requirement in UKLR 6.2.3R. | See page 90 |

# Directors' report continued

## Treasury shares

At 31 December 2025, the Company's issued share capital comprised 1,612,071,525 ordinary shares with a nominal value of 20 pence each. As at the latest practicable date (11 February 2025), the Company held 1,360,247 shares in treasury, representing 0.08% of the issued share capital of the Company. Treasury shares do not receive dividends and are not included when calculating the total voting rights in the Company. The shares are held in treasury with the intention of using them to satisfy awards under the Company"s employee share schemes (or otherwise being cancelled, reducing the Company's issued share capital). During the year, the following transfers from treasury were made:

– On 13 March 2025, 5,023,417 treasury shares were transferred from treasury to the Employee Benefit Trust to satisfy awards under the Company's employee share schemes.

## Streamlined Energy and Carbon Reporting (SECR)

Details of the Company's approach to decarbonisation and disclosures on Scope 1 and Scope 2 emissions and associated energy consumption are included as part of our climate-related disclosures on pages 185 to 201.

Our 2025 operational metrics provide details on our total operational greenhouse gas (GHG) emissions and energy data and are reported in line with the SECR requirements. For more detail on our operational emissions, calculation methodology and associated targets please refer to pages 198 and 201.

## Our operational GHG emissions[1]

| GHG emissions ($tCO_2e$) | **2025** | 2024 | 2019 (base year) |
|---|---|---|---|
| Total Scope 1 emissions | 687 | 483 | 1,110 |
| Total Scope 2 emissions (location-based) | 3,310 | 3,679 | 5,718 |
| Total Scope 2 emissions (market-based) | 405 | 380 | 3,255 |
| Total Scope 1 and 2 emissions (location-based) | 3,997 | 4,162 | 6,828 |
| Of which UK Scope 1 and 2 (location-based) | 2,306 | 2,366 | 4,621 |
| Total Scope 1 and 2 emissions (market-based) | 1,092 | 863 | 4,365 |
| Of which UK Scope 1 and 2 (market-based) | 711 | 494 | 2,408 |
| Total Scope 3 operational emissions | 128,311 | 161,948 | 115,048 |
| Metrics | | | |
| Scope 1 and 2 $tCO_2e$ per employee[2] | 0.65 | 0.65 | 1.27 |
| Total global energy consumption (kWh) | 17,344,655 | 17,710,047 | 26,265,797 |
| Of which UK energy consumption | 12,158,568 | 12,036,727 | 18,495,195 |

1. Incendium Consulting Ltd assured all of our operational emissions and progress towards targets. This assurance was provided in accordance with AA1000AS v3 Type 2 moderate level assurance.
2. Average employees: the average number of employees for our reporting period is as follows: 2025: 6,110; 2024: 6,385; and 2019: 5,359.

## Energy efficiency measures

We are committed to minimising the environmental impact of our operations and to delivering continuous improvement in our environmental performance. We are doing this by decreasing energy demand and switching to low-carbon electricity sources. We have also installed onsite renewables and removed sources of fossil fuels. Our office energy efficiency measures include equipment and lighting upgrades, adjusting temperature set points and plant run times and transitioning IT servers to cloud-based infrastructure. For more information on our actions see page 193.

## Risk management objectives and policies

Details of the Group's Risk Management framework are set out on page 25. Specific information around risk management objectives, policies (e.g. hedging) and exposure is contained in note 19 to the financial statements.

## Subsequent events

Subsequent to the year end, the Board of Schroders plc reached a preliminary agreement with Pantheon LLC, a wholly-owned subsidiary of Nuveen, LLC, on the financial terms of a possible offer to acquire the entire issued and to be issued ordinary share capital of Schroders plc, to be implemented by way of a scheme of arrangement.

By order of the Board.

**Kate Graham**
Company Secretary
11 February 2026

Statement of Directors' responsibilities

# Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulations.

The Companies Act 2006, being the applicable law in the UK, requires the Directors to prepare financial statements for each financial year. The Directors have prepared the financial statements in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006. Under the Companies Act 2006, the Directors must not approve the financial statements unless they are satisfied that the statements give a true and fair view of the state of affairs of the Company and the Group, and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- make estimates and judgements that are reasonable and prudent
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- provide additional disclosure where compliance with the specific requirements of UK-adopted international accounting standards is insufficient to enable users to understand the impact of a particular transaction, other event or condition on the Company or Group's financial position or financial performance
- state whether the financial statements comply with UK-adopted international accounting standards, subject to any material departure disclosed, and explained, in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company or Group will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors are also required by the Disclosure and Transparency Rules of the Financial Conduct Authority (FCA) to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Company and the Group.

The Directors are responsible for keeping proper books of accounting records that are sufficient to show and explain the Company's transactions, and disclose with reasonable accuracy at any time the Company's and the Group's financial position, and to enable them to ensure that the financial statements and the Remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the Company's and the Group's assets, and for taking reasonable steps to prevent and detect fraud and other irregularities.

## Directors' statement

Each of the Directors, whose name and functions are listed in the "Board of Directors and Company Secretary" section of this Annual Report and Accounts, confirms that, to the best of each person's knowledge and belief:

- The consolidated financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the Group.
- The Directors' report contained in this Annual Report and Accounts, which comprises the sections described on page 90, includes a fair review of the business' development and performance and the Company's and Group's position, and a description of the principal risks and uncertainties that they face.
- So far as the Directors are aware, there is no relevant audit information which the Company's auditors are unaware of.
- The Directors have taken all the steps that ought to have been taken as a Director to make himself or herself aware of any relevant audit information, and to establish that the Company's auditors are aware of that information.

In addition, each of the Directors considers that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the audited financial information on the website at www.schroders.com.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Forward-looking statements

This Annual Report and Accounts and the Schroders website may contain forward-looking statements with respect to the financial condition, performance and position, strategy, results of operations and businesses of the Schroders Group. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but relate to events and depend upon circumstances in the future; you should not place reliance on them. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'sees', 'believes', 'expects', 'aims', 'confident', 'will have', 'will be', 'will ensure', 'likely', 'estimates', 'foresee' or 'anticipates' or the negative of these terms or other similar terms are intended to identify such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this statement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this announcement or in the Annual Report and Accounts or on the Schroders website should be construed as a forecast, estimate or projection of future financial performance.

# FINANCIAL STATEMENTS

## Financial statements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## Consolidated financial statements

# Consolidated income statement

for the year ended 31 December 2025

| | Notes | 2025 £m | 2024[1] £m |
|---|---|---|---|
| Revenue | | 3,250.7 | 3,067.0 |
| Cost of sales | | (746.4) | (697.0) |
| **Net operating revenue** | 2 | **2,504.3** | **2,370.0** |
| | | | |
| Share of profit of associates and joint ventures | 10(a) | 51.2 | 42.1 |
| Gain on disposal of joint venture | 10(a) | 113.3 | – |
| Net gain on financial instruments and other income | | 31.7 | 18.3 |
| **Net operating income** | | **2,700.5** | **2,430.4** |
| | | | |
| Operating expenses | 3 | (2,026.6) | (1,901.6) |
| **Operating profit** | | **673.9** | **528.8** |
| | | | |
| Other net (loss)/gain on financial instruments and other income | | (21.8) | 2.8 |
| Interest income | | 45.1 | 44.2 |
| Interest expense | | (23.4) | (17.7) |
| **Profit before tax** | | **673.8** | **558.1** |
| Tax | 4(a) | (123.4) | (125.1) |
| **Profit after tax** | | **550.4** | **433.0** |
| | | | |
| **Attributable to:** | | | |
| Equity holders of Schroders plc | | 539.8 | 417.0 |
| Non-controlling interest holders | | 10.6 | 16.0 |
| **Profit after tax** | | **550.4** | **433.0** |
| | | | |
| **Earnings per share** | | | |
| Basic | 5 | **34.1p** | **26.4p** |
| Diluted | 5 | **33.6p** | **26.0p** |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).

**Consolidated financial statements** continued

## Consolidated statement of comprehensive income

for the year ended 31 December 2025

| | Notes | 2025 £m | 2024 £m |
|---|---|---|---|
| **Profit after tax** | | **550.4** | **433.0** |
| **Items that may be reclassified to the income statement:** | | | |
| Net exchange differences on translation of foreign operations after hedging | | (3.2) | (56.1) |
| Net (loss)/gain on financial assets at fair value through other comprehensive income | | (0.4) | 0.4 |
| Net loss on financial assets at fair value through other comprehensive income held by associates | 10(a) | (0.5) | – |
| | | **(4.1)** | **(55.7)** |
| **Items that have been reclassified to the income statement** | | **0.4** | **0.6** |
| **Items that will not be reclassified to the income statement:** | | | |
| Net actuarial loss on defined benefit pension schemes | 23 | (0.7) | (7.4) |
| Tax on items taken directly to other comprehensive income | 4(b) | 0.2 | 1.9 |
| | | **(0.5)** | **(5.5)** |
| **Other comprehensive income for the year, net of tax** | | **(4.2)** | **(60.6)** |
| **Total comprehensive income for the year** | | **546.2** | **372.4** |
| **Attributable to:** | | | |
| Equity holders of Schroders plc | | 535.6 | 356.4 |
| Non-controlling interest holders | | 10.6 | 16.0 |
| **Total comprehensive income for the year** | | **546.2** | **372.4** |

**Consolidated financial statements** continued

## Consolidated statement of financial position

at 31 December 2025

| | Notes | 2025 £m | 2024 £m |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | | 4,576.6 | 4,066.4 |
| Trade and other receivables | 7 | 1,113.3 | 1,026.4 |
| Financial assets | 8 | 3,409.9 | 3,227.9 |
| Associates and joint ventures | 10 | 376.1 | 550.0 |
| Property, plant and equipment | 11, 12 | 443.5 | 488.6 |
| Goodwill and intangible assets | 13 | 1,715.8 | 1,840.5 |
| Deferred tax | 14 | 123.4 | 160.4 |
| Retirement benefit scheme surplus | 23 | 126.1 | 131.0 |
| | | **11,884.7** | **11,491.2** |
| **Assets backing unit-linked liabilities** | | | |
| Cash and cash equivalents | | 103.8 | 148.3 |
| Financial assets | | 12,624.2 | 9,310.4 |
| | 15 | **12,728.0** | **9,458.7** |
| **Total assets** | | **24,612.7** | **20,949.9** |
| **Liabilities** | | | |
| Trade and other payables | 16 | 1,109.1 | 1,063.0 |
| Financial liabilities | 8 | 5,515.7 | 5,113.6 |
| Current tax | | 35.2 | 29.0 |
| Issued debt | 9 | 256.1 | 256.0 |
| Lease liabilities | 12 | 317.5 | 345.7 |
| Provisions | 17 | 83.0 | 60.3 |
| Deferred tax | 14 | 104.3 | 120.3 |
| Retirement benefit scheme deficits | | 7.4 | 7.9 |
| | | **7,428.3** | **6,995.8** |
| **Unit-linked liabilities** | 15 | **12,728.0** | **9,458.7** |
| **Total liabilities** | | **20,156.3** | **16,454.5** |
| **Net assets** | | **4,456.4** | **4,495.4** |
| Equity attributable to equity holders of Schroders plc | | 4,456.0 | 4,410.3 |
| Non-controlling interest | | 0.4 | 85.1 |
| **Total equity** | | **4,456.4** | **4,495.4** |

The financial statements were approved by the Board of Directors on 11 February 2026 and signed on its behalf by:

**Meagen Burnett**
Director

## **Consolidated financial statements** continued

# Consolidated statement of changes in equity

for the year ended 31 December 2025

| | | Attributable to equity holders of Schroders plc | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Notes | Share capital £m | Share premium £m | Own shares £m | Net exchange differences reserve £m | Associates and joint ventures reserve £m | Profit and loss reserve £m | Total £m | Non-controlling interest £m | Total equity £m |
| **At 1 January 2025** | | **322.4** | **84.3** | **(159.9)** | **178.8** | **233.8** | **3,750.9** | **4,410.3** | **85.1** | **4,495.4** |
| Profit for the year | | – | – | – | – | 51.2 | 488.6 | 539.8 | 10.6 | 550.4 |
| Other comprehensive income[1] | | – | – | – | (2.6) | (0.5) | (1.1) | (4.2) | – | (4.2) |
| **Total comprehensive income for the year** | | **–** | **–** | **–** | **(2.6)** | **50.7** | **487.5** | **535.6** | **10.6** | **546.2** |
| Own shares purchased | 21 | – | – | (11.5) | – | – | – | (11.5) | – | (11.5) |
| Share-based payments | 24 | – | – | – | – | – | 31.3 | 31.3 | – | 31.3 |
| Tax in respect of share schemes | 4(c) | – | – | – | – | – | 2.3 | 2.3 | – | 2.3 |
| Other movements[2] | | – | – | – | – | – | (176.2) | (176.2) | (93.5) | (269.7) |
| Dividends | 6 | – | – | – | – | – | (335.8) | (335.8) | (1.8) | (337.6) |
| **Transactions with shareholders** | | **–** | **–** | **(11.5)** | **–** | **–** | **(478.4)** | **(489.9)** | **(95.3)** | **(585.2)** |
| **Transfers** | | **–** | **–** | **72.9** | **–** | **(7.6)** | **(65.3)** | **–** | **–** | **–** |
| **At 31 December 2025** | | **322.4** | **84.3** | **(98.5)** | **176.2** | **276.9** | **3,694.7** | **4,456.0** | **0.4** | **4,456.4** |

| | | Attributable to equity holders of Schroders plc | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Notes | Share capital £m | Share premium £m | Own shares £m | Net exchange differences reserve £m | Associates and joint ventures reserve £m | Profit and loss reserve £m | Total £m | Non-controlling interest £m | Total equity £m |
| **At 1 January 2024** | | **322.4** | **84.3** | **(172.1)** | **234.9** | **215.2** | **3,705.9** | **4,390.6** | **73.1** | **4,463.7** |
| Profit for the year | | – | – | – | – | 42.1 | 374.9 | 417.0 | 16.0 | 433.0 |
| Other comprehensive income[1] | | – | – | – | (56.1) | – | (4.5) | (60.6) | – | (60.6) |
| **Total comprehensive income for the year** | | **–** | **–** | **–** | **(56.1)** | **42.1** | **370.4** | **356.4** | **16.0** | **372.4** |
| Own shares purchased | 21 | – | – | (59.8) | – | – | – | (59.8) | – | (59.8) |
| Share-based payments | 24 | – | – | – | – | – | 30.4 | 30.4 | – | 30.4 |
| Tax in respect of share schemes | 4(c) | – | – | – | – | – | 0.7 | 0.7 | – | 0.7 |
| Other movements[2] | | – | – | – | – | – | 26.2 | 26.2 | 2.9 | 29.1 |
| Dividends | 6 | – | – | – | – | – | (334.2) | (334.2) | (6.9) | (341.1) |
| **Transactions with shareholders** | | **–** | **–** | **(59.8)** | **–** | **–** | **(276.9)** | **(336.7)** | **(4.0)** | **(340.7)** |
| **Transfers** | | **–** | **–** | **72.0** | **–** | **(23.5)** | **(48.5)** | **–** | **–** | **–** |
| **At 31 December 2024** | | **322.4** | **84.3** | **(159.9)** | **178.8** | **233.8** | **3,750.9** | **4,410.3** | **85.1** | **4,495.4** |

1. Other comprehensive income reported in the net exchange differences reserve comprises the net foreign exchange loss on the translation of foreign operations net of hedging and any recycling on realisations. Other comprehensive income reported in the associates and joint ventures reserve comprises post-tax fair value movements on financial assets at fair value through other comprehensive income, net of items that have been reclassified to the income statement. Other comprehensive income reported in the profit and loss reserve comprises the post-tax actuarial loss on the Group's retirement benefit schemes and post-tax fair value movements on financial assets at fair value through other comprehensive income, net of items that have been reclassified to the income statement.
2. Other movements in the profit and loss reserve principally relate to the purchase of non-controlling interests (see Basis of consolidation on page 150) and financial liabilities in respect of options to purchase the remaining non-controlling interest in certain subsidiaries (see note 8).

**Consolidated financial statements** continued

# Consolidated cash flow statement

for the year ended 31 December 2025

| | Notes | 2025 £m | 2024 £m |
|---|---|---|---|
| **Net cash from operating activities**[1] | 22 | **914.4** | **1,048.2** |
| | | | |
| **Cash flows from investing activities** | | | |
| Net acquisition of businesses, associates and joint ventures | | (26.2) | (49.6) |
| Net acquisition of property, plant and equipment and software | | (19.1) | (70.5) |
| Acquisition of financial assets | | (4,392.3) | (3,703.9) |
| Disposal of financial assets | | 4,369.1 | 3,077.2 |
| Non-banking interest received | | 48.5 | 39.8 |
| Distributions received from associates and joint ventures | | 8.3 | 12.2 |
| **Net cash used in investing activities** | | **(11.7)** | **(694.8)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Issuance of loan notes | | – | 248.8 |
| Purchase of subsidiary shares from non-controlling interest holders | | (35.0) | (9.9) |
| Lease payments | 12 | (46.8) | (46.0) |
| Acquisition of own shares | 21 | (11.5) | (59.8) |
| Dividends paid | 6 | (337.6) | (341.1) |
| Interest on issued debt | | (15.9) | (4.0) |
| Other | | (1.2) | (1.0) |
| **Net cash used in financing activities** | | **(448.0)** | **(213.0)** |
| | | | |
| **Net increase in cash and cash equivalents** | | **454.7** | **140.4** |
| | | | |
| Opening cash and cash equivalents | | 4,214.7 | 4,103.0 |
| Net increase in cash and cash equivalents | | 454.7 | 140.4 |
| Effect of exchange rate changes | | 11.0 | (28.7) |
| **Closing cash and cash equivalents** | | **4,680.4** | **4,214.7** |
| | | | |
| **Closing cash and cash equivalents consists of:** | | | |
| Cash and cash equivalents available for use by the Group | | 4,549.7 | 4,054.0 |
| Cash held in consolidated pooled investment vehicles | | 26.9 | 12.4 |
| **Cash and cash equivalents presented within assets** | | **4,576.6** | **4,066.4** |
| Cash and cash equivalents presented within assets backing unit-linked liabilities | 15 | 103.8 | 148.3 |
| **Closing cash and cash equivalents** | | **4,680.4** | **4,214.7** |

1. Includes Wealth Management interest income received of £221.1 million (2024: £227.6 million) and interest paid of £178.6 million (2024: £182.6 million).

**Consolidated financial statements** continued

## Notes to the accounts

# 1 Segmental reporting

### (a) Adjusted operating profit by segment

The Group has two operating segments: Asset Management and Wealth Management. The Asset Management segment principally comprises investment management including advisory services in respect of equity, fixed income, multi-asset solutions and private assets and alternatives products. The Wealth Management segment principally comprises investment management, wealth planning and financial advice, platform services and banking services. The Group segment represents the Group head office costs including relevant allocations for support services.

Operating expenses include an allocation of costs between the individual business segments on a basis that aligns the charge with the resources employed by the Group in respect of particular business functions. This allocation provides management with the relevant information as to the business performance to effectively manage and control expenditure.

Segmental information is presented on the same basis as that provided for internal reporting purposes to the Group's chief operating decision-maker, the Group Chief Executive. This reporting is based on adjusted measures which are used by management to assess the operational performance of the business. Adjusted measures exclude significant items of income and expenditure that have been separately presented by virtue of their nature to enable a better understanding of the Group's financial performance. These include acquisition costs and related items, transformation costs, and portfolio restructuring items.

Acquisition costs and related items include deal costs associated with corporate transactions, costs associated with the integration of acquired businesses and amortisation of acquired intangibles. Transformation costs have been incurred in reorganising parts of the Group to drive cost efficiencies and allow reinvestment in building the skills needed to support the future growth of the business. They principally comprise redundancy costs and project expenditure. Portfolio restructuring principally comprises non-recurring charges resulting from the discontinuation and sale of business operations, valuation adjustments on intangible assets and gains or losses on disposals.

A reconciliation of adjusted operating profit to operating profit is included in note 1(b).

| | Operating segments | | | |
|---|---|---|---|---|
| Year ended 31 December 2025 | Asset Management £m | Wealth Management £m | Group segment £m | Total £m |
| Revenue | 2,420.6 | 830.1 | – | 3,250.7 |
| Cost of sales | (454.0) | (292.4) | – | (746.4) |
| **Net operating revenue** | **1,966.6** | **537.7** | **–** | **2,504.3** |
| Adjusted share of profit of associates and joint ventures | 30.3 | 19.0 | – | 49.3 |
| Adjusted net gain on financial instruments and other income | 33.5 | 2.7 | – | 36.2 |
| **Adjusted net operating income** | **2,030.4** | **559.4** | **–** | **2,589.8** |
| Adjusted operating expenses | (1,434.7) | (361.1) | (37.4) | (1,833.2) |
| **Adjusted operating profit** | **595.7** | **198.3** | **(37.4)** | **756.6** |

| | Operating segments | | | |
|---|---|---|---|---|
| Year ended 31 December 2024[1] | Asset Management £m | Wealth Management £m | Group segment £m | Total £m |
| Revenue | 2,295.1 | 771.9 | – | 3,067.0 |
| Cost of sales | (416.1) | (280.9) | – | (697.0) |
| **Net operating revenue** | **1,879.0** | **491.0** | **–** | **2,370.0** |
| Adjusted share of profit of associates and joint ventures | 37.1 | 10.6 | – | 47.7 |
| Adjusted net gain on financial instruments and other income | 18.6 | 0.8 | – | 19.4 |
| **Adjusted net operating income** | **1,934.7** | **502.4** | **–** | **2,437.1** |
| Adjusted operating expenses | (1,469.7) | (325.6) | (38.7) | (1,834.0) |
| **Adjusted operating profit** | **465.0** | **176.8** | **(38.7)** | **603.1** |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).

Segment assets and liabilities are not presented as such information is not presented on a regular basis to the Group's chief operating decision-maker.

**Consolidated financial statements** continued
Notes to the accounts continued

# 1 Segmental reporting continued

## (b) Reconciliation from adjusted operating profit to operating profit

| Year ended 31 December 2025 | Adjusted £m | Acquisition costs and related items £m | Transformation costs £m | Portfolio restructuring £m | Total £m |
|---|---|---|---|---|---|
| Revenue | 3,250.7 | – | – | – | 3,250.7 |
| Cost of sales | (746.4) | – | – | – | (746.4) |
| **Net operating revenue** | **2,504.3** | **–** | **–** | **–** | **2,504.3** |
| Share of profit of associates and joint ventures | 49.3 | (3.8) | – | 5.7 | 51.2 |
| Gain on disposal of joint venture | – | – | – | 113.3 | 113.3 |
| Net gain on financial instruments and other income | 36.2 | 0.1 | – | (4.6) | 31.7 |
| **Net operating income** | **2,589.8** | **(3.7)** | **–** | **114.4** | **2,700.5** |
| Operating expenses | (1,833.2) | (60.4) | (79.4) | (53.6) | (2,026.6) |
| **Operating profit** | **756.6** | **(64.1)** | **(79.4)** | **60.8** | **673.9** |

| Year ended 31 December 2024[1] | Adjusted £m | Acquisition costs and related items £m | Total £m |
|---|---|---|---|
| Revenue | 3,067.0 | – | 3,067.0 |
| Cost of sales | (697.0) | – | (697.0) |
| **Net operating revenue** | **2,370.0** | **–** | **2,370.0** |
| Share of profit of associates and joint ventures | 47.7 | (5.6) | 42.1 |
| Net gain on financial instruments and other income | 19.4 | (1.1) | 18.3 |
| **Net operating income** | **2,437.1** | **(6.7)** | **2,430.4** |
| Operating expenses | (1,834.0) | (67.6) | (1,901.6) |
| **Operating profit** | **603.1** | **(74.3)** | **528.8** |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).

## (c) Geographical information

The Group's non-current assets[1] are located in the following countries:

| | 2025 £m | 2024 £m |
|---|---|---|
| United Kingdom | 1,602.5 | 2,005.7 |
| Switzerland | 327.6 | 242.7 |
| China | 291.8 | 286.9 |
| India | 75.2 | 69.3 |
| United States | 67.8 | 86.1 |
| France | 66.5 | 66.6 |
| Hong Kong | 26.5 | 32.1 |
| Other | 79.7 | 92.8 |
| **Total** | **2,537.6** | **2,882.2** |

1. Comprises the following non-current assets: property, plant and equipment, goodwill and intangible assets, associates and joint ventures and prepayments.

**Consolidated financial statements** continued
Notes to the accounts continued

# 2 Net operating revenue

### Revenue

The Group's primary source of revenue is fee income from investment management activities performed within both the Asset Management and Wealth Management segments. Fee income includes management fees, performance fees, carried interest and other fees. Revenue also includes interest income earned within the Wealth Management segment.

Management fees are generated through investment management agreements and are generally based on an agreed percentage of the valuation of AUM. Management fees are recognised as the service is provided.

Performance fees and carried interest are earned from certain arrangements when contractually agreed performance levels are exceeded within specified performance measurement periods. They are only recognised where it is highly probable that a significant reversal will not occur in future periods. Performance fees are typically earned over one year and are recognised at the end of the performance period. Carried interest is earned over a longer time frame and is recognised over the period for which the service is provided and when certain performance hurdles are expected to be met. This may result in the recognition of revenue before the contractual crystallisation date.

Other fees principally comprise revenues for other services, which typically vary according to the volume of transactions. Other fees are recognised as the relevant service is provided.

Within Wealth Management, earning a net interest margin is a core activity and interest income is therefore recognised within revenue. Interest income is earned as a result of placing loans and deposits with central banks and other financial institutions, advancing loans and overdrafts to clients, and holding debt securities. Interest income is recognised as it is earned using the effective interest method, which allocates interest at a constant rate of return over the expected life of the financial instrument based on the estimated future cash flows.

### Cost of sales

Fee expenses incurred by the Group that relate directly to revenue are presented as cost of sales. These expenses include commissions, external fund manager fees and distribution fees payable to financial institutions, investment platform providers and financial advisers that distribute the Group's products.

Fee expense is generally based on an agreed percentage of the valuation of AUM and is recognised as the service is received.

Cost of sales also includes the cost of financial obligations arising from carried interest. Amounts payable in respect of carried interest are determined based on the proportion of carried interest income that is payable to third parties.

Within Wealth Management, earning a net interest margin is a core activity and the associated interest expense is therefore recognised within cost of sales. Interest expense is payable as a result of taking deposits from clients. Interest expense is recognised using the effective interest method (see above).

## (a) Net operating revenue by segment

| Year ended 31 December 2025 | Asset Management £m | Wealth Management £m | Total £m |
|---|---|---|---|
| Management fees | 2,307.9 | 437.9 | 2,745.8 |
| Performance fees | 51.3 | 0.3 | 51.6 |
| Carried interest | 36.5 | – | 36.5 |
| Other fees | 24.9 | 153.8 | 178.7 |
| Wealth Management interest income | – | 238.1 | 238.1 |
| **Revenue** | **2,420.6** | **830.1** | **3,250.7** |
| | | | |
| Fee expense | (445.3) | (113.5) | (558.8) |
| Cost of financial obligations in respect of carried interest | (8.7) | – | (8.7) |
| Wealth Management interest expense | – | (178.9) | (178.9) |
| **Cost of sales** | **(454.0)** | **(292.4)** | **(746.4)** |
| | | | |
| **Net operating revenue** | **1,966.6** | **537.7** | **2,504.3** |

**Consolidated financial statements** continued
Notes to the accounts continued

## 2 Net operating revenue continued

### (a) Net operating revenue by segment continued

| Year ended 31 December 2024[1] | Asset Management £m | Wealth Management £m | Total £m |
|---|---|---|---|
| Management fees | 2,208.7 | 391.0 | 2,599.7 |
| Performance fees | 33.2 | 0.5 | 33.7 |
| Carried interest | 35.2 | – | 35.2 |
| Other fees | 18.0 | 135.8 | 153.8 |
| Wealth Management interest income | – | 244.6 | 244.6 |
| **Revenue** | **2,295.1** | **771.9** | **3,067.0** |
| Fee expense | (410.6) | (98.6) | (509.2) |
| Cost of financial obligations in respect of carried interest | (5.5) | – | (5.5) |
| Wealth Management interest expense | – | (182.3) | (182.3) |
| **Cost of sales** | **(416.1)** | **(280.9)** | **(697.0)** |
| **Net operating revenue** | **1,879.0** | **491.0** | **2,370.0** |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).

### (b) Net operating revenue by region based on the location of clients

| Year ended 31 December 2025 | UK £m | Continental Europe & Middle East £m | Asia Pacific £m | Americas £m | Total £m |
|---|---|---|---|---|---|
| Management fees | 974.9 | 870.2 | 557.4 | 343.3 | 2,745.8 |
| Performance fees | 8.0 | 9.3 | 30.2 | 4.1 | 51.6 |
| Carried interest | – | 36.5 | – | – | 36.5 |
| Other fees | 152.1 | 13.8 | 12.8 | – | 178.7 |
| Wealth Management interest income | 227.1 | 8.4 | 2.6 | – | 238.1 |
| **Revenue** | **1,362.1** | **938.2** | **603.0** | **347.4** | **3,250.7** |
| Fee expense | (155.9) | (216.8) | (149.2) | (36.9) | (558.8) |
| Cost of financial obligations in respect of carried interest | – | (8.7) | – | – | (8.7) |
| Wealth Management interest expense | (177.7) | (0.2) | (1.0) | – | (178.9) |
| **Cost of sales** | **(333.6)** | **(225.7)** | **(150.2)** | **(36.9)** | **(746.4)** |
| **Net operating revenue** | **1,028.5** | **712.5** | **452.8** | **310.5** | **2,504.3** |

**Consolidated financial statements** continued
Notes to the accounts continued

## 2 Net operating revenue continued

### (b) Net operating revenue by region based on the location of clients continued

| Year ended 31 December 2024[1] | UK £m | Continental Europe & Middle East £m | Asia Pacific £m | Americas £m | Total £m |
|---|---|---|---|---|---|
| Management fees | 918.8 | 795.0 | 541.7 | 344.2 | 2,599.7 |
| Performance fees | 8.4 | 8.9 | 9.9 | 6.5 | 33.7 |
| Carried interest | – | 35.2 | – | – | 35.2 |
| Other fees | 133.4 | 14.1 | 6.3 | – | 153.8 |
| Wealth Management interest income | 227.6 | 14.1 | 2.9 | – | 244.6 |
| **Revenue** | **1,288.2** | **867.3** | **560.8** | **350.7** | **3,067.0** |
| Fee expense | (136.9) | (196.9) | (139.6) | (35.8) | (509.2) |
| Cost of financial obligations in respect of carried interest | – | (5.5) | – | – | (5.5) |
| Wealth Management interest expense | (180.8) | (0.6) | (0.9) | – | (182.3) |
| **Cost of sales** | **(317.7)** | **(203.0)** | **(140.5)** | **(35.8)** | **(697.0)** |
| **Net operating revenue** | **970.5** | **664.3** | **420.3** | **314.9** | **2,370.0** |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).

#### Estimates and judgements – revenue

The principal estimates and judgements for revenue relate to carried interest. Carried interest represents the Group's contractual right to a share of the profits of 150 private asset investment vehicles (2024: 141 vehicles), if certain performance hurdles are met. It is recognised as the services are provided and it is highly probable that a significant reversal will not occur.

The amount of carried interest that will ultimately be received by the Group is dependent on the cash flows realised by the respective investment vehicles when the underlying investments are successfully disposed of. The resultant cash flows are assessed against the applicable performance hurdle, which is dependent on the capital invested and the timing and quantum of distributions. For accounting purposes, the outcome is discounted to determine the present value of the carried interest to be recognised. The actual amount receivable at maturity will depend on the realised value and may differ from the projected value.

The Group estimates the cash flows that will be received by the investment vehicles with reference to the current fair value of the underlying investments. Judgement is applied to determine certain assumptions used in the estimate. Those assumptions principally relate to the future growth and the timing of distributions. No future growth is assumed, reflecting the uncertainty of future investment returns. The timing of distributions to clients is based on individual investment managers' expectations as to the realisation of cash flows from the successful disposal of the underlying securities.

The Group assesses the nature and maturity of the respective investment vehicles. This helps the Group to understand whether a significant risk of reversal exists and to determine whether the revenue should be recognised or further constrained in accordance with the accounting standards.

#### Estimates and judgements – cost of sales

The principal estimates and judgements for cost of sales relate to carried interest. The crystallisation of associated financial obligations in respect of carried interest (carried interest payable, see note 8) is contingent on the Group receiving the related revenue. The areas of estimation and judgements are the same as those used to determine the present value of the carried interest receivable, adjusted to reflect the portion that is payable to third parties. The actual amount payable at maturity will depend on the realised value of the carried interest receivable and may differ from the projected value. An increase in the growth rate of 3% would increase cost of sales by £4.8 million (2024: £3.4 million), although this would be smaller than the corresponding increase in revenue. An average acceleration/delay in crystallisation dates of one year would increase/reduce cost of sales by £7.0 million/£6.3 million (2024: £5.0 million/£5.0 million) and this amount would be lower than the corresponding increase/reduction in revenue.

**Consolidated financial statements** continued
Notes to the accounts continued

# 3 Total expenses

Total expenses represent the Group's administrative expenses including compensation costs. They are generally recognised as the services are received. Certain costs, such as depreciation of property, plant and equipment and amortisation of intangible assets, are expensed evenly over the useful life of the asset or relevant contract.

The biggest component of the Group's total expenses is the cost of employee benefits, as shown below. Other costs primarily consist of accommodation, information technology, marketing and outsourcing costs.

Employee benefits expense includes salaries and wages, together with the cost of other benefits provided to employees such as pension and bonuses. The Group makes some performance awards to employees that are deferred over a specified vesting period. Such awards are expensed to the income statement over the performance and vesting periods. The Group holds investments that are linked to these performance awards in order to hedge the related exposure. Gains and losses on these investments are netted against the relevant costs in the income statement but are presented separately below.

Further detail on other employee benefits can be found elsewhere within these financial statements. See note 23 for pension costs and note 24 for compensation that is awarded in Schroders plc shares.

## (a) Reconciliation from adjusted operating expenses to operating expenses

Adjusted operating expenses represent the operating expenses incurred in running the business, excluding any acquisition costs and related items, transformation costs and portfolio restructuring items (see note 1(a)).

| Year ended 31 December 2025 | Adjusted £m | Acquisition costs and related items £m | Transformation costs £m | Portfolio restructuring £m | Total £m |
|---|---|---|---|---|---|
| Compensation costs | 1,138.5 | 2.4 | 51.5 | 4.4 | 1,196.8 |
| Depreciation, amortisation and impairment | 125.1 | 56.9 | 2.4 | 43.5 | 227.9 |
| Other | 569.6 | 1.1 | 25.5 | 5.7 | 601.9 |
| **Operating expenses** | **1,833.2** | **60.4** | **79.4** | **53.6** | **2,026.6** |

| Year ended 31 December 2024[1] | Adjusted £m | Acquisition costs and related items £m | Total £m |
|---|---|---|---|
| Compensation costs | 1,154.9 | 10.6 | 1,165.5 |
| Depreciation, amortisation and impairment | 135.6 | 55.5 | 191.1 |
| Other | 543.5 | 1.5 | 545.0 |
| **Operating expenses** | **1,834.0** | **67.6** | **1,901.6** |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).

## (b) Employee benefits expense and number of employees

| Year ended 31 December | 2025 £m | 2024[1] £m |
|---|---|---|
| Salaries, wages and other remuneration | 1,054.3 | 1,011.9 |
| Social security costs | 112.5 | 98.2 |
| Pension costs | 73.7 | 80.0 |
| **Employee benefits expense** | **1,240.5** | **1,190.1** |
| Net gain on financial instruments held to hedge deferred cash awards | (43.7) | (24.6) |
| **Employee benefits expense – net of hedging** | **1,196.8** | **1,165.5** |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).

Information about the compensation of key management personnel can be found in note 25. Details of the amounts payable to Directors along with the number of Directors who exercised share options in the year is provided in the Remuneration report on pages 61 to 89.

**Consolidated financial statements** continued
Notes to the accounts continued

# 3 Total expenses continued

## (b) Employee benefits expense and number of employees continued

The monthly average number of employees of the Company and its subsidiary undertakings during the year was:

| | 2025 Number | 2024[1] Number |
|---|---|---|
| Full-time employees | 5,884 | 6,208 |
| Contract and temporary employees | 226 | 177 |
| | **6,110** | **6,385** |
| **Employed as follows:** | | |
| Asset Management | 4,801 | 5,054 |
| Wealth Management | 1,288 | 1,310 |
| Group segment | 21 | 21 |
| | **6,110** | **6,385** |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).

## (c) Audit and other services

| Year ended 31 December | 2025 £m | 2024[1] £m |
|---|---|---|
| Fees payable to the auditor for the audit of the Company and Consolidated financial statements | 0.9 | 0.8 |
| **Fees payable to the auditor and its associates for other services:** | | |
| Audit of the Company's subsidiaries | 5.5 | 5.3 |
| Audit-related assurance services | 1.4 | 1.4 |
| Other assurance services | 0.8 | 0.8 |
| | **8.6** | **8.3** |

1. An additional £0.4 million was payable in relation to the 2024 audit, bringing the total fees to £8.7 million.

# 4 Tax expense

The Group is headquartered in the UK and pays taxes according to the rates applicable in the countries and states in which it operates. Most taxes are recorded in the income statement (see part (a)) and relate to taxes payable for the reporting period (current tax). The charge also includes benefits and charges relating to when income or expenses are recognised in a different period for tax and accounting purposes or when there are specific treatments applicable relating to items such as acquisitions (deferred tax – see note 14). Some current and deferred taxes are recorded through other comprehensive income (see part (b)) or directly to equity where the tax arises from changes in the value of remuneration settled as shares (see part (c)).

## (a) Analysis of tax charge reported in the income statement

| Year ended 31 December | 2025 £m | 2024 £m |
|---|---|---|
| UK current year charge | 28.0 | 27.0 |
| Rest of the world current year charge | 69.1 | 72.3 |
| Global minimum top-up tax | 2.1 | 2.7 |
| Prior year adjustments | 3.2 | (7.8) |
| **Total current tax** | **102.4** | **94.2** |
| Origination and reversal of temporary differences | 21.7 | 33.0 |
| Prior year adjustments | – | (2.7) |
| Effect of changes in corporation tax rates | (0.7) | 0.6 |
| **Total deferred tax** | **21.0** | **30.9** |
| **Tax charge reported in the income statement** | **123.4** | **125.1** |

On 1 January 2024, the Group became subject to the global minimum top-up tax under Pillar Two legislation and any additional tax was levied on the ultimate parent. The top-up tax relates to the Group's operations in Dubai, Singapore, Guernsey and Jersey. From 1 January 2025, any additional tax is levied on companies within those jurisdictions.

**Consolidated financial statements** continued
Notes to the accounts continued

# 4 Tax expense continued

## (b) Analysis of tax credit reported in other comprehensive income

| Year ended 31 December | 2025 £m | 2024 £m |
|---|---|---|
| Deferred tax credit on actuarial gains and losses on defined benefit pension schemes | (0.2) | (1.9) |
| **Tax credit reported in other comprehensive income** | **(0.2)** | **(1.9)** |

## (c) Analysis of tax credit reported in equity

| Year ended 31 December | 2025 £m | 2024 £m |
|---|---|---|
| Current tax credit on Deferred Award Plan and other share-based remuneration | (0.5) | (0.8) |
| Deferred tax (credit)/charge on Deferred Award Plan and other share-based remuneration | (1.8) | 0.1 |
| **Tax credit reported in equity** | **(2.3)** | **(0.7)** |

## (d) Factors affecting tax charge for the year

The UK rate of corporation tax applicable for 2025 is a standard rate of 25% (2024: 25%). The tax charge for the year is lower (2024: lower) than a charge based on the UK rate. The differences are explained below:

| Year ended 31 December | 2025 £m | 2024 £m |
|---|---|---|
| Profit before tax | 673.8 | 558.1 |
| Less share of profit of associates and joint ventures after amortisation | (51.2) | (42.1) |
| **Profit before tax of Group entities** | **622.6** | **516.0** |
| | | |
| Profit before tax of consolidated Group entities multiplied by corporation tax at the UK rate | **155.7** | **129.0** |
| **Effects of:** | | |
| Different statutory tax rates of overseas jurisdictions | (15.0) | (15.2) |
| Global minimum top-up tax | 2.1 | 2.7 |
| Permanent differences including non-taxable income and non-deductible expenses | (30.1) | 16.7 |
| Net movement in temporary differences for which no deferred tax is recognised | 8.2 | 1.8 |
| Deferred tax adjustments in respect of changes in corporation tax rates | (0.7) | 0.6 |
| Prior year adjustments | 3.2 | (10.5) |
| **Tax charge reported in the income statement** | **123.4** | **125.1** |

### Estimates and judgements

The calculation of the Group's tax charge involves a degree of estimation and judgement. Liabilities relating to open and judgemental matters, including those in relation to deferred taxes, are based on the Group's assessment of the most likely outcome based on the information available. As a result, certain tax amounts are based on estimates using factors that are relevant to the specific judgement. The Group engages constructively and transparently with tax authorities with a view to early resolution of any uncertain tax matters. Where the final tax outcome of these matters is different from the amounts provided, such differences will impact the tax charge in a future period. Such estimates are based on assumptions made on the probability of potential challenge within certain jurisdictions and the possible outcome based on relevant facts and circumstances, including local tax laws. There was no individual judgemental component of the tax expense that was material to the Group results when taking into account the likely range of potential outcomes (2024: none).

**Consolidated financial statements** continued
Notes to the accounts continued

## 5 Earnings per share

Earnings per share shows the portion of the Group's profit after tax that is attributable to each share issued by the Company, excluding own shares held by the Group. The calculation is based on the weighted average number of shares in issue during the year. The diluted figure recalculates that number as if all share options that would be expected to be exercised, as they have value to the option holder, had been exercised in the year. Shares that may be issued are not taken into account if the impact does not reduce earnings per share.

Adjusted earnings per share is calculated on adjusted operating profit after tax attributable to ordinary equity holders.

| Year ended 31 December | 2025 £m | 2024[1] £m |
|---|---|---|
| **Adjusted operating profit before tax** | **756.6** | **603.1** |
| Tax on adjusted operating profit | (158.9) | (133.6) |
| **Adjusted operating profit after tax** | **597.7** | **469.5** |
| Less adjusted operating profit after tax attributable to non-controlling interest holders | (17.8) | (20.5) |
| **Adjusted operating profit after tax attributable to equity holders of Schroders plc** | **579.9** | **449.0** |

Reconciliation of the number of shares used in calculating basic and diluted earnings per share:

| Year ended 31 December | 2025 Number Millions | 2024 Number Millions |
|---|---|---|
| Weighted average number of shares used in the calculation of basic earnings per share | 1,585.3 | 1,578.6 |
| Effect of dilutive potential shares – share options | 19.2 | 26.1 |
| Effect of dilutive potential shares – contingently issuable shares | 1.1 | 0.4 |
| **Weighted average number of shares used in the calculation of diluted earnings per share** | **1,605.6** | **1,605.1** |

Earnings per share figures:

| Year ended 31 December | 2025 Pence | 2024 Pence |
|---|---|---|
| Earnings per share – basic | 34.1 | 26.4 |
| Earnings per share – diluted | 33.6 | 26.0 |
| Adjusted operating earnings per share – basic[1] | 36.6 | 28.4 |
| Adjusted operating earnings per share – diluted[1] | 36.1 | 28.0 |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).

## 6 Dividends

Dividends are distributions of profit to holders of the Group's share capital, usually announced with the Group's half-year and annual results. Dividends are recognised only when they are paid to or approved by shareholders. The reduction in equity in the year therefore comprises the prior year final dividend and the current year interim dividend.

| | 2026 | | 2025 | | 2024 | |
|---|---|---|---|---|---|---|
| | £m | Pence per share | £m | Pence per share | £m | Pence per share |
| Prior year final dividend paid | | | 234.2 | 15.0 | 233.0 | 15.0 |
| Interim dividend paid | | | 101.6 | 6.5 | 101.2 | 6.5 |
| **Total dividends paid** | | | **335.8** | **21.5** | **334.2** | **21.5** |
| **Current year final dividend recommended** | **234.9** | **15.0** | | | | |

Dividends of £10.5 million (2024: £12.4 million) on shares held by employee benefit trusts have been waived. The Board has recommended a 2025 final dividend of 15.0 pence per share (2024: 15.0 pence), amounting to £234.9 million (2024: £234.2 million). The dividend will be paid on 23 April 2026 to shareholders on the register at 13 March 2026 and will be accounted for in 2026.

The Group paid £1.8 million of dividends to holders of non-controlling interests in subsidiaries of the Group during 2025 (2024: £6.9 million), resulting in total dividends paid of £337.6 million (2024: £341.1 million).

**Consolidated financial statements** continued
Notes to the accounts continued

# 7 Trade and other receivables

Trade and other receivables include prepayments and deposits with banks in the form of bullion as well as amounts the Group is due to receive from third parties in the normal course of business. Trade and other receivables, other than deposits with banks in the form of bullion, are recorded initially at fair value and subsequently at amortised cost (see note 8). Prepayments arise where the Group pays cash in advance for services. As the service is provided, the prepayment is reduced and the operating expense is recognised in the income statement. Accrued income, other than amounts relating to carried interest, represents unbilled revenue and is not dependent on future performance. Amounts due from third parties also include settlement accounts for transactions undertaken on behalf of funds and investors. Deposits with banks in the form of bullion are recorded at fair value.

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Non-current £m** | **Current £m** | **Total £m** | Non-current £m | Current £m | Total £m |
| **Trade and other receivables held at amortised cost:** | | | | | | |
| Fee debtors | – | 74.1 | 74.1 | – | 102.6 | 102.6 |
| Settlement accounts | – | 167.8 | 167.8 | – | 156.2 | 156.2 |
| Accrued income | 154.4 | 492.6 | 647.0 | 128.3 | 427.9 | 556.2 |
| Prepayments | 2.2 | 66.6 | 68.8 | 3.1 | 60.7 | 63.8 |
| Other receivables[1] | 50.4 | 71.9 | 122.3 | 37.6 | 60.0 | 97.6 |
| Current tax | – | 30.0 | 30.0 | – | 47.5 | 47.5 |
| | **207.0** | **903.0** | **1,110.0** | **169.0** | **854.9** | **1,023.9** |
| **Trade and other receivables held at fair value:** | | | | | | |
| Deposits with banks in the form of bullion | – | 3.3 | 3.3 | – | 2.5 | 2.5 |
| **Total trade and other receivables** | **207.0** | **906.3** | **1,113.3** | **169.0** | **857.4** | **1,026.4** |

1. Includes £35.1 million (2024: £35.0 million) relating to an insurance receivable for remedial building works (see note 17).

The fair value of trade and other receivables held at amortised cost approximates their carrying value. Deposits with banks in the form of bullion are categorised as level 1 in the fair value hierarchy. See note 8 for details on the fair value hierarchy.

### Estimates and judgements – carried interest receivable

Accrued income includes £155.8 million (2024: £131.2 million) of receivables in respect of carried interest. This income is due over a number of years and only when contractually agreed performance levels are exceeded. The income received may vary as a result of the actual experience, including future investment returns, differing from that assumed. Further information regarding the estimates and judgements applied is set out in note 2.

**Consolidated financial statements** continued
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# 8 Financial assets and liabilities

## Financial assets

The Group holds financial assets including loans and advances to clients and banks, equities, debt securities, pooled investment vehicles and derivatives (see note 18) to support the Group capital strategies, activities within the Wealth Management banking book and client facilitation.

The Group initially recognises all financial assets at fair value. The Group subsequently measures each financial asset at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortised cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants. Amortised cost is the amount determined based on moving the initial fair value to the maturity value on a systematic basis using the effective interest rate, taking account of repayment dates and initial expected premiums or discounts.

### Financial assets at amortised cost

Financial assets are measured at amortised cost when their contractual cash flows represent solely payments of principal and interest and they are held within a business model designed to collect cash flows. This classification typically applies to the Group's loans and advances, trade receivables and some debt securities held by the Group's Wealth Management entities. The carrying value of amortised cost financial assets is adjusted for impairment under the expected credit loss (ECL) model. Movements in the ECL provision are recognised in net gain on financial instruments and other income and in other net (loss)/gain on financial instruments and other income in the income statement (see note 19).

### Financial assets at FVOCI

Financial assets are measured at FVOCI when their contractual cash flows represent solely payments of principal and interest and they are held within a business model designed to collect cash flows and to sell assets. This classification applies to certain debt securities, principally within the Group's Wealth Management entities. Impairment is recognised for debt securities classified as FVOCI under the ECL model. Movements in the ECL provision are recognised in net gain on financial instruments and other income in the income statement (see note 19). Unrealised gains and losses on debt securities classified as financial assets at FVOCI are recorded in other comprehensive income. Cumulative gains and losses are reclassified to the income statement if the asset is sold or otherwise realised. Interest earned on FVOCI assets is recognised using the effective interest method.

### Financial assets at FVTPL

All other financial assets are measured at FVTPL. Net gains and losses on seed investments, co-investments and other investments where investing is part of the Group's main business activities, are presented within net gain on financial instruments and other income; net gains and losses on the Group's other investments are presented within other net gain on financial instruments and other income; and net gains and losses on investments that are held to hedge deferred employee cash awards are presented within operating expenses (see note 3). This separate presentation provides more relevant information about the applicable components of the Group's income statement.

## Financial liabilities

The Group's financial liabilities principally comprise deposits by Wealth Management clients and banking counterparties. They also include derivatives (see note 18) to support the Group capital strategies, activities within the Wealth Management banking book and client facilitation. Financial liabilities also arise from obligations in respect of carried interest, contingent consideration and other liabilities arising from acquisitions completed by the Group, and third party interests in consolidated funds.

The Group initially recognises all financial liabilities at fair value. These are subsequently measured at amortised cost or fair value.

### Financial liabilities at amortised cost

The majority of the Group's financial liabilities are measured at amortised cost and this typically applies to the Group's Wealth Management client accounts, banking deposits and trade payables.

### Financial liabilities at FVTPL

Financial liabilities are measured at FVTPL when this reduces an accounting mismatch or when otherwise required by the accounting standards. This classification typically applies to financial obligations in respect of carried interest, third party interests in consolidated funds (see Basis of preparation on page 150) and contingent consideration.

Net gains and losses are presented in the income statement based on the substance of the instrument. Net gains and losses on financial obligations in respect of carried interest are presented within cost of sales; and net gains and losses on contingent consideration are presented within net gain on financial instruments and other income. This separate presentation provides more relevant information about the applicable components of the Group's income statement.

### Liabilities to purchase subsidiary shares

Financial liabilities in relation to equity transactions arise on certain acquisitions where the Group has a liability to purchase the remaining interest in a subsidiary that is not wholly owned by the Group (see Basis of consolidation on page 150).

**Consolidated financial statements** continued
Notes to the accounts continued

## 8 Financial assets and liabilities continued

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | Not at fair value £m | Total £m |
| **Financial assets at amortised cost:** | | | | | |
| Loans and advances to banks | – | – | – | 202.8 | 202.8 |
| Loans and advances to clients | – | – | – | 393.5 | 393.5 |
| Debt securities | – | – | – | 352.0 | 352.0 |
| | **–** | **–** | **–** | **948.3** | **948.3** |
| **Financial assets at FVOCI:** | | | | | |
| Debt securities | 1,138.1 | 1.9 | 10.4 | – | 1,150.4 |
| | **1,138.1** | **1.9** | **10.4** | **–** | **1,150.4** |
| **Financial assets at FVTPL:** | | | | | |
| Debt securities | – | 146.0 | – | – | 146.0 |
| Pooled investment vehicles | 704.4 | 65.7 | 241.7 | – | 1,011.8 |
| Equities | 58.1 | 0.5 | 90.4 | – | 149.0 |
| Derivative contracts | 0.5 | 3.9 | – | – | 4.4 |
| | **763.0** | **216.1** | **332.1** | **–** | **1,311.2** |
| **Total financial assets** | **1,901.1** | **218.0** | **342.5** | **948.3** | **3,409.9** |
| **Financial liabilities at amortised cost:** | | | | | |
| Client accounts | – | – | – | 5,131.8 | 5,131.8 |
| Deposits by banks | – | – | – | 33.1 | 33.1 |
| | **–** | **–** | **–** | **5,164.9** | **5,164.9** |
| **Financial liabilities at FVTPL:** | | | | | |
| Derivative contracts | 0.1 | 5.6 | – | – | 5.7 |
| Other financial liabilities | 91.7 | – | 187.0 | – | 278.7 |
| | **91.8** | **5.6** | **187.0** | **–** | **284.4** |
| **Liabilities to purchase subsidiary shares** | **–** | **–** | **66.4** | **–** | **66.4** |
| **Total financial liabilities** | **91.8** | **5.6** | **253.4** | **5,164.9** | **5,515.7** |

**Consolidated financial statements** continued
Notes to the accounts continued

## 8 Financial assets and liabilities continued

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | Not at fair value £m | Total £m |
| **Financial assets at amortised cost:** | | | | | |
| Loans and advances to banks | – | – | – | 286.5 | 286.5 |
| Loans and advances to clients | – | – | – | 390.0 | 390.0 |
| Debt securities | – | – | – | 311.8 | 311.8 |
| | **–** | **–** | **–** | **988.3** | **988.3** |
| **Financial assets at FVOCI:** | | | | | |
| Debt securities | 1,103.7 | 2.0 | 9.5 | – | 1,115.2 |
| | **1,103.7** | **2.0** | **9.5** | **–** | **1,115.2** |
| **Financial assets at FVTPL:** | | | | | |
| Debt securities | 13.4 | 40.5 | – | – | 53.9 |
| Pooled investment vehicles | 663.6 | 19.1 | 206.5 | – | 889.2 |
| Equities | 117.5 | 0.3 | 55.5 | – | 173.3 |
| Derivative contracts | 0.7 | 7.3 | – | – | 8.0 |
| | **795.2** | **67.2** | **262.0** | **–** | **1,124.4** |
| **Total financial assets** | **1,898.9** | **69.2** | **271.5** | **988.3** | **3,227.9** |
| **Financial liabilities at amortised cost:** | | | | | |
| Client accounts | – | – | – | 4,725.0 | 4,725.0 |
| Deposits by banks | – | – | – | 30.1 | 30.1 |
| | **–** | **–** | **–** | **4,755.1** | **4,755.1** |
| **Financial liabilities at FVTPL:** | | | | | |
| Derivative contracts | – | 11.4 | – | – | 11.4 |
| Other financial liabilities | 101.8 | – | 104.6 | – | 206.4 |
| | **101.8** | **11.4** | **104.6** | **–** | **217.8** |
| **Liabilities to purchase subsidiary shares** | **–** | **–** | **140.7** | **–** | **140.7** |
| **Total financial liabilities** | **101.8** | **11.4** | **245.3** | **4,755.1** | **5,113.6** |

The Group has recognised a net gain on financial instruments at fair value through profit or loss of £58.9 million (2024: net gain of £20.8 million). A net gain on financial instruments at fair value through other comprehensive income of £0.2 million (2024: net loss of £0.6 million) has been reclassified to the income statement.

The fair value of financial assets and liabilities at amortised cost approximates their carrying value. No financial assets or liabilities were transferred between levels during the year (2024: none).

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Financial assets £m** | **Financial liabilities £m** | Financial assets £m | Financial liabilities £m |
| Current | 2,614.2 | 5,373.5 | 2,565.3 | 4,907.9 |
| Non-current | 795.7 | 142.2 | 662.6 | 205.7 |
| | **3,409.9** | **5,515.7** | **3,227.9** | **5,113.6** |

See note 18 and 19 for the contractual maturities of derivative contracts, client accounts and deposits by banks. The Group's other financial liabilities and liabilities to purchase subsidiary shares (undiscounted) contractually mature in the following time periods:

| | **2025 £m** | 2024 £m |
|---|---|---|
| Less than 1 year | 208.3 | 135.2 |
| 1 – 5 years | 173.1 | 265.3 |
| More than 5 years | 16.1 | 10.8 |
| | **189.2** | **276.1** |
| | **397.5** | **411.3** |

The Group had investment call commitments in respect of financial assets at 31 December 2025 of £80.1 million (2024: £95.7 million).

**Consolidated financial statements** continued
Notes to the accounts continued

## 8 Financial assets and liabilities continued

Movements in financial assets and liabilities categorised as level 3 during the year were:

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Financial assets at FVTPL** | **Financial liabilities at FVTPL** | **Liabilities to purchase subsidiary shares** | Financial assets at FVTPL | Financial liabilities at FVTPL | Liabilities to purchase subsidiary shares |
| | **£m** | **£m** | **£m** | £m | £m | £m |
| At 1 January | 262.0 | 104.6 | 140.7 | 228.1 | 96.9 | 177.6 |
| Exchange translation adjustments | (0.2) | (0.2) | (0.6) | (3.8) | (1.7) | – |
| Net (loss)/gain recognised in the income statement | (0.7) | 10.6 | – | 2.7 | 8.7 | – |
| Remeasurements | – | – | (47.3) | – | – | (36.7) |
| Additions | 89.0 | 91.1 | – | 56.4 | 8.6 | 3.7 |
| Disposals and settlements | (18.0) | (19.1) | (26.4) | (21.4) | (7.9) | (3.9) |
| **At 31 December** | **332.1** | **187.0** | **66.4** | **262.0** | **104.6** | **140.7** |

### Estimates and judgements

The Group holds financial instruments that are measured at fair value. The fair value of financial instruments may be derived from readily available sources or may require some estimation. The degree of estimation involved depends on the individual financial instrument and is reflected in the fair value hierarchy below. Judgements may include determining which valuation approach to apply as well as determining appropriate assumptions. For level 2 and 3 financial instruments, the judgement applied by the Group gives rise to an estimate of fair value. The approach to determining the fair value estimate of level 2 and 3 financial instruments is set out below. The fair value levels are based on the degree to which the fair value is observable and are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities and principally comprise investments in pooled investment vehicles, quoted equities, sovereign government debt and exchange-traded derivatives.
- Level 2 fair value measurements are those derived from inputs that are directly or indirectly observable from market data, other than quoted prices included in level 1. The Group's level 2 financial instruments principally comprise holdings in pooled investment vehicles, foreign exchange contracts, corporate debt securities and asset- and mortgage-backed securities. Valuation techniques may include using a broker quote in an inactive market or an evaluated price based on a compilation of primarily observable market information utilising information readily available via external sources. For funds not priced on a daily basis, the net asset value that is issued monthly or quarterly is used.
- Level 3 fair value measurements are those derived from valuation techniques that include significant inputs that are not based on observable market data. The Group's level 3 financial assets principally comprise holdings in pooled investment vehicles, including private equity funds, holdings in property investment vehicles that operate hotel businesses, and direct investments held via consolidated funds. The pooled investment vehicles and direct investments are measured in accordance with the International Private Equity and Venture Capital Valuation Guidelines 2022 using the valuation technique that is most suitable to the applicable investment. The property investment vehicles are valued based on the expected future cash flows that could be generated from the underlying hotel businesses. Given the application of different valuation techniques, and as the investments are not homogenous in nature, there are no significant assumptions or reasonably possible alternatives that would lead to a material change in fair value.

  The Group's financial liabilities categorised as level 3 principally consist of third-party liabilities related to carried interest arrangements, obligations arising from contingent consideration and other liabilities to purchase the remaining interest in acquired subsidiaries. Information about the estimates and judgements made in determining the fair value of carried interest payable is set out in note 2. Liabilities in respect of options to purchase the remaining interest in certain subsidiaries require judgement in determining the appropriate assumptions to be applied in the estimation of the fair value. The amount that will ultimately be paid in relation to an option is dependent on the future earnings of the subsidiary and may be subject to a cap over the enterprise value. In estimating the liability, the assumptions principally relate to the future earnings of the business, the market multiple applied to the earnings and the rate applied to discount the liability back to present value. The future earnings of the applicable subsidiaries are estimated based on cash flow forecasts specific to the individual business and consequently there is no one assumption that is individually material to the valuation. Market multiples are applied to the forecast earnings to estimate the fair value of the business. Market multiples reflect the nature of the business and take into account observable market transactions where appropriate. Market multiples range from 12 to 15 times earnings. An increase/decrease in market multiples of one would increase/decrease the financial liability by £2 million/£2 million (2024: £7 million/£7 million). A discount rate of 14% has been used to discount these liabilities. An increase/decrease in the discount rate of 1% would decrease/increase the financial liability by £4 million/£4 million (2024: £2 million/£2 million). The remaining level 3 liabilities are measured using different valuation methodologies and assumptions, and there are no significant assumptions or reasonably possible alternatives that would lead to a material change in fair value.

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# 9 Issued debt

| | 2025 £m | 2024 £m |
|---|---|---|
| **Subordinated debt in issue** | **256.1** | **256.0** |

On 18 April 2024, the Group issued £250.0 million of subordinated notes, which are eligible as Tier 2 regulatory capital, with a maturity date of 18 July 2034. These notes are financial instruments measured at amortised cost and bear interest at a fixed rate of 6.346% per annum to 18 July 2029, and at a reset rate thereafter. The reset rate would be determined with reference to the then current 5-year gilt yield and the original reoffer spread of 225 basis points. The Group has the option to redeem all of the notes between 18 April 2029 and 18 July 2029. The fair value of the notes at 31 December 2025 was £267.3 million (2024: £259.4 million) and they would be categorised as level 2 within the fair value hierarchy (see note 8).

# 10 Associates and joint ventures

Associates are entities in which the Group has an investment and over which it has significant influence, but not control, through participation in the financial and operating policy decisions. Joint ventures are entities in which the Group has an investment where it, along with one or more other shareholders, has contractually agreed to share control of the business and where the major decisions require the unanimous consent of the joint partners. In both cases, the Group initially records the investment at the fair value of the purchase consideration, including purchase-related costs. The Group's income statement reflects its share of the entity's profit or loss after tax and amortisation of intangible assets. The Group's statement of other comprehensive income records the Group's share of gains and losses arising from the entity's financial assets at FVOCI (see note 8). The statement of financial position subsequently records the Group's share of the net assets of the entity plus any goodwill and intangible assets that arose on purchase, less subsequent amortisation. The statement of changes in equity records the Group's share of other equity movements of the entity. At each reporting date, the Group applies judgement to determine whether there is any indication that the carrying value of associates and joint ventures may be impaired.

The associates and joint ventures reserve in the statement of changes in equity represents the Group's share of profits in its investments yet to be received (for example, in the form of dividends or distributions), less any amortisation of intangible assets. Certain associates are held within financial assets at FVTPL where permitted by the accounting standards (see note 8). Information about the Group's principal associates measured at fair value is disclosed within this note.

## (a) Investments in associates and joint ventures accounted for using the equity method

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Associates £m** | **Joint ventures £m** | **Total £m** | Associates £m | Joint ventures £m | Total £m |
| At 1 January | 368.9 | 181.1 | 550.0 | 348.2 | 183.5 | 531.7 |
| Exchange translation adjustments | (18.0) | 0.1 | (17.9) | (2.4) | (0.7) | (3.1) |
| Additions | 10.0 | – | 10.0 | 17.6 | 1.0 | 18.6 |
| Disposals | (1.2) | (195.5) | (196.7) | (8.0) | – | (8.0) |
| Profit for the year after tax | 29.6 | 21.6 | 51.2 | 36.5 | 5.6 | 42.1 |
| Other comprehensive income for the year, net of tax | (0.5) | – | (0.5) | – | – | – |
| Impairment | (5.1) | (4.0) | (9.1) | (8.0) | – | (8.0) |
| Distributions of profit | (10.1) | (0.8) | (10.9) | (15.0) | (8.3) | (23.3) |
| **At 31 December** | **373.6** | **2.5** | **376.1** | **368.9** | **181.1** | **550.0** |

On 9 October 2025, the Group disposed of its investment in Scottish Widows Schroder Wealth Holdings Limited (SPW). The 49.9% interest was acquired by Lloyds Banking Group in exchange for its 19.1% interest in Schroder Wealth Holdings Limited (SWHL). No cash was paid or received as part of the transaction. A gain of £113.3 million has been recognised and presented separately within net operating income in the income statement but excluded from adjusted net operating income. The impact of acquiring the interest in SWHL is recognised within equity (see Basis of consolidation on page 150).

Information about the significant associates and joint ventures held by the Group at 31 December 2025 is shown below. The companies are unlisted.

| Name of associate or joint venture | Nature of its business | Principal place of business | Class of share | Percentage owned by the Group |
|---|---|---|---|---|
| Bank of Communications Schroder Fund Management Company Limited (BOCOM FMC) | Investment management | China | Ordinary shares | 30.0% |
| Axis Asset Management Company Limited (Axis) | Investment management | India | Ordinary shares | 25.0% |
| Schroder BOCOM Wealth Management Company Limited (BOCOM WMC) | Wealth management | China | Ordinary shares | 51.0% |

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## 10 Associates and joint ventures continued

### (a) Investments in associates and joint ventures accounted for using the equity method continued

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | SPW £m | BOCOM FMC £m | Axis £m | BOCOM WMC £m | Other £m | Total £m |
| Non-current assets | – | 36.7 | 110.4 | 4.4 | 868.4 | 1,019.9 |
| Current assets | – | 892.1 | 186.5 | 81.4 | 175.1 | 1,335.1 |
| Non-current liabilities | – | (1.0) | – | (0.2) | (892.9) | (894.1) |
| Current liabilities | – | (124.1) | (30.5) | (5.7) | (109.7) | (270.0) |
| **Total equity** | **–** | **803.7** | **266.4** | **79.9** | **40.9** | **1,190.9** |
| | | | | | | |
| Group's share of net assets | – | 241.1 | 66.6 | 40.7 | 16.8 | 365.2 |
| Goodwill and intangible assets | – | – | 8.6 | – | 2.3 | 10.9 |
| Deferred tax liability | – | – | – | – | – | – |
| **Carrying value held by the Group** | **–** | **241.1** | **75.2** | **40.7** | **19.1** | **376.1** |
| | | | | | | |
| Net income | 167.5 | 179.4 | 132.4 | 5.5 | 33.8 | 518.6 |
| | | | | | | |
| Profit/(loss) for the year | 45.1 | 80.6 | 57.4 | (9.2) | (9.4) | 164.5 |
| Other comprehensive income | – | (1.7) | – | – | – | (1.7) |
| **Total comprehensive income** | **45.1** | **78.9** | **57.4** | **(9.2)** | **(9.4)** | **162.8** |
| | | | | | | |
| **Group's share of profit/(loss) for the year[1]** | **20.7** | **24.2** | **14.3** | **(4.7)** | **(3.3)** | **51.2** |
| Group's share of other comprehensive income | – | (0.5) | – | – | – | (0.5) |
| **Group's share of total comprehensive income[1]** | **20.7** | **23.7** | **14.3** | **(4.7)** | **(3.3)** | **50.7** |

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | SPW £m | BOCOM FMC £m | Axis £m | BOCOM WMC £m | Other £m | Total £m |
| Non-current assets | 191.6 | 42.9 | 77.5 | 8.4 | 1,086.6 | 1,407.0 |
| Current assets | 160.2 | 874.2 | 191.6 | 89.5 | 165.8 | 1,481.3 |
| Non-current liabilities | (33.0) | – | – | (1.4) | (1,072.1) | (1,106.5) |
| Current liabilities | (67.1) | (136.6) | (30.8) | (4.2) | (113.3) | (352.0) |
| **Total equity** | **251.7** | **780.5** | **238.3** | **92.3** | **67.0** | **1,429.8** |
| | | | | | | |
| Group's share of net assets | 125.6 | 234.2 | 59.6 | 47.1 | 19.0 | 485.5 |
| Goodwill and intangible assets | 49.5 | – | 9.7 | – | 6.4 | 65.6 |
| Deferred tax liability | (1.1) | – | – | – | – | (1.1) |
| **Carrying value held by the Group** | **174.0** | **234.2** | **69.3** | **47.1** | **25.4** | **550.0** |
| | | | | | | |
| Net income | 156.6 | 208.8 | 132.3 | 5.7 | 54.4 | 557.8 |
| | | | | | | |
| Profit/(loss) for the year | 15.1 | 95.7 | 60.4 | (10.4) | (2.6) | 158.2 |
| **Total comprehensive income** | **15.1** | **95.7** | **60.4** | **(10.4)** | **(2.6)** | **158.2** |
| | | | | | | |
| **Group's share of total comprehensive income[1]** | **5.2** | **28.7** | **15.1** | **(5.3)** | **(1.6)** | **42.1** |

1. Includes a £2.0 million (2024: £3.1 million) amortisation charge on intangible assets recognised on acquisition.

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## 10 Associates and joint ventures continued

### (b) Investments in associates measured at fair value

Where the Group holds units in pooled investment vehicles that give the Group significant influence, but not control, through participation in the financial and operating policy decisions, the Group records such investments at fair value. Information about the Group's associates measured at fair value is shown below. The investments are recorded as financial assets within the statement of financial position.

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | **Schroder ISF China A All Cap** | **Schroder Matching Plus Buy and Maintain Credit Sterling Cashflow (2032-2040)** | **Schroder QEP Global Active Value Fund** | **SMP Synthetic Nominal Gilt Fund (2018-2037)** | **SMP Synthetic Index Linked Gilt Fund (2028-2037)** | **SMP Synthetic Index Linked Gilt Fund (2048-2057)** |
| | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| Current assets | 52.1 | 150.7 | 392.9 | 752.3 | 2,063.0 | 564.9 |
| Current liabilities | (0.5) | (1.7) | (1.0) | (614.2) | (1,654.2) | (311.0) |
| **Total equity** | **51.6** | **149.0** | **391.9** | **138.1** | **408.8** | **253.9** |
| Net income | 13.5 | 3.1 | 14.7 | (24.6) | (89.9) | (113.9) |
| Profit/(loss) for the year | 13.5 | 3.1 | 14.7 | (24.6) | (89.9) | (113.9) |
| **Total comprehensive income** | **13.5** | **3.1** | **14.7** | **(24.6)** | **(89.9)** | **(113.9)** |
| Country of incorporation[1] | LU | LU | UK | LU | LU | LU |
| Percentage owned by the Group | 20% | 28% | 26% | 35% | 31% | 21% |

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Schroders Capital Semi-Liquid Global Real Estate Total Return | BlueOrchard Impact Credit Fund | Schroder QEP Global Active Value Fund | Schroder Long Dated Corporate Bond Fund | SMP Synthetic Nominal Gilt Fund (2038-2057) | Schroder Matching Plus Buy and Maintain Credit Sterling Cashflow (2032-2040) |
| | £m | £m | £m | £m | £m | £m |
| Current assets | 42.4 | 26.4 | 322.3 | 148.2 | 1,595.8 | 219.5 |
| Current liabilities | (10.1) | – | (0.6) | (0.7) | (1,091.0) | (48.7) |
| **Total equity** | **32.3** | **26.4** | **321.7** | **147.5** | **504.8** | **170.8** |
| Net income | 0.6 | 1.5 | 10.4 | 8.6 | 51.9 | 4.7 |
| Profit for the year | 0.6 | 1.5 | 10.4 | 8.6 | 51.9 | 4.7 |
| **Total comprehensive income** | **0.6** | **1.5** | **10.4** | **8.6** | **51.9** | **4.7** |
| Country of incorporation[1] | LU | LU | UK | UK | LU | LU |
| Percentage owned by the Group | 33% | 33% | 27% | 20% | 23% | 27% |

1. Country abbreviations: Luxembourg (LU) and United Kingdom (UK).

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## 11 Property, plant and equipment

The Group's property, plant and equipment provides the infrastructure to enable the Group to operate and principally comprises leasehold improvements, freehold land and buildings, fixtures and fittings and computer equipment. Right-of-use assets in the form of leases are also included within property, plant and equipment (see note 12). Assets are initially stated at cost, which includes expenditure associated with the acquisition. The cost of the asset is recognised in the income statement as a depreciation charge on a straight-line basis over the estimated useful life, with the exception of land which is assumed to have an indefinite useful life.

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Leasehold improvements** | **Land and buildings** | **Other assets** | **Total** | Leasehold improvements | Land and buildings | Other assets | Total |
| | **£m** | **£m** | **£m** | **£m** | £m | £m | £m | £m |
| **Cost** | | | | | | | | |
| At 1 January | 215.9 | 19.7 | 157.9 | 393.5 | 210.7 | 19.7 | 166.4 | 396.8 |
| Exchange translation adjustments | 0.5 | – | (0.6) | (0.1) | (1.3) | – | (1.0) | (2.3) |
| Additions | 0.6 | – | 1.9 | 2.5 | 15.8 | – | 8.0 | 23.8 |
| Disposals | (0.5) | – | (3.6) | (4.1) | (9.3) | – | (15.5) | (24.8) |
| **At 31 December** | **216.5** | **19.7** | **155.6** | **391.8** | **215.9** | **19.7** | **157.9** | **393.5** |
| **Accumulated depreciation** | | | | | | | | |
| At 1 January | (92.9) | (3.0) | (112.3) | (208.2) | (89.3) | (2.6) | (118.7) | (210.6) |
| Exchange translation adjustments | 0.6 | – | 0.4 | 1.0 | 0.7 | – | 0.8 | 1.5 |
| Depreciation charge | (13.0) | (0.4) | (7.7) | (21.1) | (13.6) | (0.4) | (9.3) | (23.3) |
| Disposals | 0.5 | – | 3.2 | 3.7 | 9.3 | – | 14.9 | 24.2 |
| **At 31 December** | **(104.8)** | **(3.4)** | **(116.4)** | **(224.6)** | **(92.9)** | **(3.0)** | **(112.3)** | **(208.2)** |
| **Net book value at 31 December** | **111.7** | **16.3** | **39.2** | **167.2** | **123.0** | **16.7** | **45.6** | **185.3** |
| Right-of-use assets (see note 12) | | | | 276.3 | | | | 303.3 |
| **Property, plant and equipment net book value at 31 December** | | | | **443.5** | | | | **488.6** |

The Group has no contractual commitments for the acquisition of property, plant and equipment at 31 December 2025 (2024: nil).

## 12 Leases

The Group's lease arrangements primarily consist of operating leases relating to office space.

The Group initially records a lease liability in the statement of financial position reflecting the present value of the future contractual cash flows to be made over the lease term, discounted using the Group's incremental borrowing rate. This is the rate that the Group would have to pay for a loan of a similar term and with similar security to obtain an asset of similar value. A right-of-use (ROU) asset is recorded at the value of the lease liability plus any directly related costs and estimated future dilapidation expense and is presented within property, plant and equipment (see note 11) on the balance sheet. Interest is accrued on the lease liability using the effective interest method to give a constant rate of return over the life of the lease while the balance is reduced as lease payments are made. The ROU asset is depreciated from commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term as the benefit of the asset is consumed. Increases or decreases that occur at contractually agreed market rent review dates are included in the lease liability once revised market rents have been agreed.

The Group considers whether the lease term should reflect options to extend or reduce the life of the lease. Relevant factors that could create an economic incentive to exercise the option are considered and the extension/termination is included if it is reasonably certain to be exercised. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects the likelihood that it will exercise (or not exercise) the option. Should this occur, the Group modifies the lease liability and associated ROU asset to reflect the revised remaining expected cash flows.

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## 12 **Leases** continued

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **Right-of-use assets** | **Lease liabilities** | Right-of-use assets | Lease liabilities |
| | **£m** | **£m** | £m | £m |
| At 1 January | 303.3 | 345.7 | 278.1 | 318.7 |
| Exchange translation adjustments | 0.4 | (0.2) | (0.9) | (0.6) |
| Additions and remeasurements of lease obligations | 9.2 | 7.6 | 64.6 | 63.9 |
| Lease payments | – | (46.8) | – | (46.0) |
| Depreciation charge | (36.6) | – | (38.5) | – |
| Interest expense | – | 11.2 | – | 9.7 |
| **At 31 December** | **276.3** | **317.5** | **303.3** | **345.7** |

| | **2025** | 2024 |
|---|---|---|
| | **£m** | £m |
| Lease liabilities – current | 28.5 | 36.4 |
| Lease liabilities – non-current | 289.0 | 309.3 |
| | **317.5** | **345.7** |

The Group's lease liabilities (undiscounted) contractually mature in the following time periods:

| | **2025** | 2024 |
|---|---|---|
| | **£m** | £m |
| Less than 1 year | 38.6 | 47.0 |
| | | |
| 1 – 5 years | 144.1 | 148.9 |
| More than 5 years | 208.0 | 230.3 |
| | **352.1** | **379.2** |
| | | |
| | **390.7** | **426.2** |

The Group has contractual commitments for future leases not yet commenced at 31 December 2025 of £15.5 million (2024: £11.4 million).

## 13 Goodwill and intangible assets

Intangible assets (other than software) arise when the Group acquires a business and the fair value paid exceeds the fair value of the net tangible assets acquired. This premium reflects additional value that the Group determines to be attached to the business. Identifiable acquired intangible assets relating to business combinations include technology and contractual agreements to manage client assets and gain additional access to new or existing clients and geographies. Where such assets can be identified, they are classified as acquired intangible assets and amortised to the income statement within operating expenses on a straight-line basis, primarily over seven years.

Consideration paid to acquire a business in excess of the acquisition date fair value of net tangible and identifiable intangible assets is known as goodwill. Goodwill is not charged to the income statement unless its value has diminished. The assessment of whether goodwill has become impaired is based on the expected future returns of the relevant cash-generating unit (CGU) as a whole.

Software purchased and developed for use in the business is also classified as an intangible asset. The cost of purchasing and developing software is taken to the income statement over time as an amortisation charge within operating expenses. The treatment is similar to that for property, plant and equipment, and the asset is normally amortised on a straight-line basis over three to five years, but can have an estimated useful life of up to ten years.

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## 13 Goodwill and intangible assets continued

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Goodwill | Acquired intangible assets | Software | Total | Goodwill | Acquired intangible assets | Software | Total |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| **Cost** | | | | | | | | |
| At 1 January | 1,269.6 | 750.6 | 656.0 | 2,676.2 | 1,255.0 | 730.6 | 632.7 | 2,618.3 |
| Exchange translation adjustments | 15.9 | 5.5 | 2.1 | 23.5 | (17.3) | (6.5) | (2.8) | (26.6) |
| Additions | 6.2 | 5.8 | 16.6 | 28.6 | 31.9 | 26.5 | 46.7 | 105.1 |
| Disposals | – | – | (7.4) | (7.4) | – | – | (20.6) | (20.6) |
| Impairment[1] | (17.1) | (16.4) | (12.4) | (45.9) | – | – | – | – |
| **At 31 December** | **1,274.6** | **745.5** | **654.9** | **2,675.0** | **1,269.6** | **750.6** | **656.0** | **2,676.2** |
| **Accumulated amortisation** | | | | | | | | |
| At 1 January | – | (419.0) | (416.7) | (835.7) | – | (367.7) | (365.4) | (733.1) |
| Exchange translation adjustments | – | (4.2) | (1.6) | (5.8) | – | 4.4 | 1.7 | 6.1 |
| Amortisation charge | – | (56.9) | (67.6) | (124.5) | – | (55.7) | (73.6) | (129.3) |
| Disposals | – | – | 6.8 | 6.8 | – | – | 20.6 | 20.6 |
| **At 31 December** | **–** | **(480.1)** | **(479.1)** | **(959.2)** | **–** | **(419.0)** | **(416.7)** | **(835.7)** |
| **Carrying amount at 31 December** | **1,274.6** | **265.4** | **175.8** | **1,715.8** | **1,269.6** | **331.6** | **239.3** | **1,840.5** |

1. Principally resulting from the discontinuation and sale of business operations. Impairments principally arose within the Asset Management segment.

The Group completed two business combinations during the year ended 31 December 2025, resulting in £4.1 million of identifiable intangible assets and £6.2 million of Benchmark goodwill. The Group acquired £1.7 million of customer contracts through Benchmark that were not considered to be business combinations.

The Group has no contractual commitments for the acquisition of software at 31 December 2025 (2024: nil).

### Estimates and judgements

The Group estimates the fair value of identifiable intangible assets acquired at the acquisition date based on forecast profits, taking account of synergies, derived from existing contractual arrangements. This assessment involves judgement in determining assumptions relating to potential future revenues, profit margins, appropriate discount rates and the expected duration of client relationships. The difference between the fair value of the consideration and the value of the identifiable assets and liabilities acquired, including intangible assets, is accounted for as goodwill.

At each reporting date, the Group applies judgement to determine whether there is any indication that an acquired intangible asset may be impaired. If any indication exists, a full assessment is undertaken. Goodwill is assessed for impairment on an annual basis. If the assessment of goodwill or an acquired intangible asset determines that the carrying value exceeds the estimated recoverable amount at that time, the assets are written down to their recoverable amount. The recoverable amount of goodwill is determined using a discounted cash flow model. Any impairment is recognised in the income statement and cannot be reversed. Following the closure of the Munich Real Estate operations in 2025, the goodwill associated with the business was written off.

Goodwill acquired in a business combination is allocated to the CGU, or group of CGUs, that are expected to benefit from that business combination. Following changes to the operating structure of the Group, the BlueOrchard business was deemed to represent a separate group of CGUs to which goodwill is allocated. The Benchmark business within Wealth Management is assessed separately from the rest of Wealth Management. Accordingly, there are four groups of CGUs to which goodwill is allocated: £915.0 million to Asset Management (excluding BlueOrchard); £79.1 million to BlueOrchard; £180.5 million to Wealth Management (excluding Benchmark); and £100.0 million to Benchmark. In 2024, there were three groups of CGUs to which goodwill was allocated: £995.2 million to Asset Management; £180.6 million to Wealth Management (excluding Benchmark); and £93.8 million to Benchmark.

The recoverable amounts of the CGUs are determined from value-in-use calculations applying a discounted cash flow model using the Group's five-year strategic business plan. The key assumptions on which the Group's cash flow projections are based include long-term market growth rates of 2% per annum (2024: 2%), post-tax discount rates ranging from 11% to 14% (2024: 10% to 13%), expected flows and expected changes to revenue margins. The results of the calculations indicate that goodwill is not impaired. Using a pre-tax discount rate on pre-tax cash flows would not produce a materially different result.

Reasonable movements (1%) in the growth rate and/or the discount rate would not lead to a material impairment. This is due to the amount of goodwill allocated to the relevant CGU relative to the size of the relevant future profitability estimate. A comparison of actual results to the projected results used to assess goodwill impairment in prior years shows that the Group would have recognised no changes (2024: nil) to its goodwill asset in the year as a result of inaccurate projections.

The recoverable amount of acquired intangible assets is the greater of fair value less costs to sell and the updated discounted valuation of the remaining net residual income stream. Any impairment is recognised in the income statement but may be reversed if relevant conditions improve.

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## 14 Deferred tax

Deferred tax assets and liabilities represent amounts of tax that will become recoverable and payable in future accounting periods. They arise as a result of temporary differences, where the time at which profits and losses are recognised for tax purposes differs from the time at which the relevant transaction is recorded. A deferred tax asset represents a tax reduction that is expected to arise in a future period based on past transactions. A deferred tax liability represents taxes that will become payable in a future period as a result of current or prior year transactions.

Deferred tax liabilities also arise on certain acquisitions where the amortisation of the acquired intangible asset does not result in a tax deduction. The deferred tax liability is established on acquisition and is released to the income statement to match the intangible asset amortisation. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the year-end date.

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Accelerated capital allowances** | **Deferred employee awards** | **Pension schemes** | **Tax losses** | **Intangible assets on acquisition** | **Other net temporary differences** | **Total** |
| | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| At 1 January | 19.4 | 92.9 | (32.2) | 57.9 | (80.1) | (17.8) | 40.1 |
| Income statement (charge)/credit | (4.0) | 1.3 | 1.0 | (28.8) | 17.4 | (8.6) | (21.7) |
| Income statement (charge)/credit due to changes in tax rate | (0.1) | 0.4 | – | – | – | 0.4 | 0.7 |
| Credit to statement of other comprehensive income | – | – | 0.2 | – | – | – | 0.2 |
| Credit to equity | – | 1.8 | – | – | – | – | 1.8 |
| Business combinations | – | – | – | – | (1.0) | – | (1.0) |
| Exchange adjustments | (0.2) | (1.1) | – | 0.4 | 0.2 | (0.3) | (1.0) |
| **At 31 December** | **15.1** | **95.3** | **(31.0)** | **29.5** | **(63.5)** | **(26.3)** | **19.1** |

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Accelerated capital allowances | Deferred employee awards | Pension schemes | Tax losses | Intangible assets on acquisition | Other net temporary differences | Total |
| | £m | £m | £m | £m | £m | £m | £m |
| At 1 January | 23.3 | 105.9 | (34.0) | 88.3 | (88.1) | (19.8) | 75.6 |
| Income statement (charge)/credit | (3.6) | (12.0) | (0.1) | (29.9) | 12.8 | 2.5 | (30.3) |
| Income statement (charge)/credit due to changes in tax rate | (0.4) | (0.2) | – | (0.1) | – | 0.1 | (0.6) |
| Credit to statement of other comprehensive income | – | – | 1.9 | – | – | – | 1.9 |
| Charge to equity | – | (0.1) | – | – | – | – | (0.1) |
| Business combinations | – | – | – | – | (5.5) | – | (5.5) |
| Exchange adjustments | 0.1 | (0.7) | – | (0.4) | 0.7 | (0.6) | (0.9) |
| **At 31 December** | **19.4** | **92.9** | **(32.2)** | **57.9** | **(80.1)** | **(17.8)** | **40.1** |

Included in the deferred tax asset is an asset relating to UK tax deductions for share-based remuneration which is dependent on the prices of the Company's ordinary shares at the time the awards are exercised.

A deferred tax asset of £13.7 million (2024: £10.5 million) relating to £57.0 million of realised and unrealised capital losses has not been recognised as there is insufficient evidence that there will be sufficient taxable gains in the future against which the deferred tax asset could be utilised.

A deferred tax asset of £20.4 million (2024: £24.4 million) relating to £85.3 million of losses and other temporary differences has not been recognised as there is insufficient evidence that there will be sufficient taxable profits against which these losses and temporary differences can be utilised.

The Group has applied the mandatory IAS 12 Income Taxes temporary exemption from the recognition and disclosure of deferred taxes arising from implementation of the OECD's Pillar Two model rules.

After offsetting deferred tax assets and liabilities where appropriate within territories, the net deferred tax asset comprises:

| | **2025** | 2024 |
|---|---|---|
| | **£m** | £m |
| Deferred tax assets | 123.4 | 160.4 |
| Deferred tax liabilities | (104.3) | (120.3) |
| | **19.1** | **40.1** |

## 15 Unit-linked liabilities and assets backing unit-linked liabilities

The Group operates a unit-linked life assurance business through the wholly owned subsidiary Schroder Pension Management Limited (the Life Company). The Life Company provides unit-linked investment products through a life assurance wrapper. The investment products do not provide cover for insurance risk and are therefore recognised and accounted for as financial instruments and presented as financial liabilities due to Life Company investors (policyholders) within unit-linked liabilities. The financial risks of these products are largely borne by the third-party investors, consistent with other investment products managed by the Group. However, since the Life Company, which is a subsidiary, issues the investment instrument and holds the relevant financial assets, both the investments and the third-party obligations are recorded in the statement of financial position.

The investment product is almost identical to a unit trust. As it is a life assurance product, the contractual rights and obligations of the investments remain with the Group and the AUM are therefore included on the statement of financial position, together with the liability to investors. The Group earns fee income from managing the investment, which is included in revenue.

Financial assets held by the Life Company are measured at FVTPL. Other balances include cash and receivables, which are measured at amortised cost (see note 8). The unit-linked liabilities are measured at FVTPL to avoid an accounting mismatch. The Life Company's assets are regarded as current assets as they represent the amount available to Life Company investors (or third-party investors in consolidated funds) who are able to withdraw their funds on call, subject to certain restrictions in the case of illiquidity. Gains and losses from assets held to cover investor obligations are attributable to investors in the Life Company or to third-party investors in the funds. As a result, any gain or loss is offset by a change in the obligation to investors.

| | **2025 £m** | 2024 £m |
|---|---|---|
| Financial liabilities due to Life Company investors | 8,623.4 | 7,228.0 |
| Financial liabilities due to third parties[1] | 4,104.6 | 2,230.7 |
| | **12,728.0** | **9,458.7** |

1. In accordance with the accounting standards, the Group is deemed to hold a controlling interest in certain funds as a result of the investments held by the Life Company. This results in all of the assets and liabilities of those funds being consolidated within the statement of financial position and the third-party interest in the fund being recorded as a financial liability due to third-party investors.

The Group has no primary exposure to market risk, credit risk or liquidity risk in relation to the investments due to Life Company investors. The risks and rewards associated with its investments are borne by the investors in the Life Company's investment products or third-party investors in the funds and not by the Life Company itself. Consequently, no further financial instrument risk disclosures are included.

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## 15 Unit-linked liabilities and assets backing unit-linked liabilities continued

### Fair value measurements of Life Company financial assets and liabilities

Each of the Life Company's financial assets and liabilities has been categorised within the fair value hierarchy as shown below. These levels are based on the degree to which the fair value is observable and are defined in note 8.

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | Not at fair value £m | Total £m |
| **Assets backing unit-linked liabilities** | | | | | |
| **Financial assets at fair value through profit or loss:** | | | | | |
| Debt securities | 2,990.4 | 1,455.4 | – | – | 4,445.8 |
| Pooled investment vehicles | 3,995.5 | 84.6 | 60.0 | – | 4,140.1 |
| Equities | 3,798.6 | 0.1 | 85.7 | – | 3,884.4 |
| Derivative contracts | 5.7 | 79.4 | – | – | 85.1 |
| | **10,790.2** | **1,619.5** | **145.7** | **–** | **12,555.4** |
| **Financial assets at amortised cost:** | | | | | |
| Cash and cash equivalents | – | – | – | 103.8 | 103.8 |
| Trade and other receivables | – | – | – | 68.8 | 68.8 |
| | **–** | **–** | **–** | **172.6** | **172.6** |
| **Total assets backing unit-linked liabilities** | **10,790.2** | **1,619.5** | **145.7** | **172.6** | **12,728.0** |
| **Unit-linked liabilities** | **11,514.3** | **1,181.1** | **–** | **32.6** | **12,728.0** |

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | Not at fair value £m | Total £m |
| **Assets backing unit-linked liabilities** | | | | | |
| **Financial assets at fair value through profit or loss:** | | | | | |
| Debt securities | 903.0 | 1,737.1 | – | – | 2,640.1 |
| Pooled investment vehicles | 2,939.9 | 151.5 | 52.5 | – | 3,143.9 |
| Equities | 3,355.1 | – | 93.3 | – | 3,448.4 |
| Derivative contracts | 0.8 | 26.8 | – | – | 27.6 |
| | **7,198.8** | **1,915.4** | **145.8** | **–** | **9,260.0** |
| **Financial assets at amortised cost:** | | | | | |
| Cash and cash equivalents | – | – | – | 148.3 | 148.3 |
| Trade and other receivables | – | – | – | 50.4 | 50.4 |
| | **–** | **–** | **–** | **198.7** | **198.7** |
| **Total assets backing unit-linked liabilities** | **7,198.8** | **1,915.4** | **145.8** | **198.7** | **9,458.7** |
| **Unit-linked liabilities** | **9,399.8** | **43.9** | **–** | **15.0** | **9,458.7** |

The fair value of financial instruments not held at fair value approximates their carrying value. No financial assets were transferred between levels during the year (2024: none).

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## 15 Unit-linked liabilities and assets backing unit-linked liabilities continued

Movements in financial assets and liabilities categorised as level 3 during the year were:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **Assets backing unit-linked liabilities** | **Unit-linked liabilities** | Assets backing unit-linked liabilities | Unit-linked liabilities |
| | **£m** | **£m** | £m | £m |
| At 1 January | 145.8 | – | 18.3 | – |
| Exchange translation adjustments | – | – | (0.1) | – |
| Net loss in the income statement | (8.4) | – | (3.5) | – |
| Additions | 40.9 | 60.0 | 138.3 | – |
| Disposals | (32.6) | (60.0) | (7.2) | – |
| **At 31 December** | **145.7** | **–** | **145.8** | **–** |

### Estimates and judgements – fair value measurements

Each instrument has been categorised within one of three levels in the fair value hierarchy (see note 8). Level 1 investments principally comprise quoted equities, investments in pooled investment vehicles, sovereign government debt and exchange-traded derivatives. Level 2 investments principally comprise debt securities such as commercial paper and certificates of deposit. Level 3 investments principally comprise investments in private equity funds. There are no assumptions that are individually significant or reasonably possible alternatives that would lead to a material change in the fair value of these assets.

## 16 Trade and other payables

Trade and other payables include amounts the Group is due to pay in the normal course of business, accruals and deferred income (being fees received in advance of services provided as well as deferred cash awards), and bullion deposits by customers. Trade and other payables, other than deferred cash awards and bullion deposits, are recorded initially at fair value and subsequently at amortised cost (see note 8). Amounts due to be paid by the Group in the normal course of business are made up of creditors and accruals. Accruals represent costs, including remuneration, that are not yet billed or due for payment, but for which the goods or services have been received. Deferred cash awards (being deferred employee remuneration payable in cash) and bullion deposits by customers are recorded at fair value.

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Non-current** | **Current** | **Total** | Non-current | Current | Total |
| | **£m** | **£m** | **£m** | £m | £m | £m |
| **Trade and other payables at amortised cost:** | | | | | | |
| Settlement accounts | – | 132.3 | 132.3 | – | 155.8 | 155.8 |
| Trade creditors | – | 28.7 | 28.7 | – | 21.8 | 21.8 |
| Social security | 22.0 | 91.7 | 113.7 | 22.0 | 81.0 | 103.0 |
| Accruals and deferred income | 48.4 | 526.7 | 575.1 | 34.0 | 500.0 | 534.0 |
| Other payables | 1.3 | 17.6 | 18.9 | 2.0 | 25.2 | 27.2 |
| | **71.7** | **797.0** | **868.7** | **58.0** | **783.8** | **841.8** |
| **Trade and other payables at fair value:** | | | | | | |
| Deferred cash awards | 90.5 | 146.6 | 237.1 | 48.5 | 170.2 | 218.7 |
| Bullion deposits by customers | – | 3.3 | 3.3 | – | 2.5 | 2.5 |
| | **90.5** | **149.9** | **240.4** | **48.5** | **172.7** | **221.2** |
| **Total trade and other payables** | **162.2** | **946.9** | **1,109.1** | **106.5** | **956.5** | **1,063.0** |

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## 16 Trade and other payables continued

The fair value of trade and other payables held at amortised cost approximates their carrying value. The fair value of bullion deposits by customers is derived from level 1 inputs (see note 8). The fair value of deferred cash awards is derived from level 1 inputs, being equal to the fair value of the units in funds to which the employee award is linked.

The Group's trade and other payables contractually mature in the following time periods:

| | 2025 £m | 2024 £m |
|---|---|---|
| Less than 1 year[1] | 946.9 | 956.5 |
| | | |
| 1 – 5 years | 158.9 | 104.1 |
| More than 5 years | 3.3 | 2.4 |
| | **162.2** | **106.5** |
| | | |
| | **1,109.1** | **1,063.0** |

1. Settlement accounts are generally settled within four working days (2024: four working days) and trade creditors have an average settlement period of 21 working days (2024: 22 working days).

## 17 Provisions and contingent liabilities

Provisions are liabilities where there is uncertainty over the timing or amount of settlement and therefore they usually require the use of estimates. They are recognised when three conditions are fulfilled: when the Group has a present obligation (legal or constructive) as a result of a past event; when it is probable that the Group will incur a loss in order to settle the obligation; and when a reliable estimate can be made of the amount of the obligation. They are recorded at the Group's best estimate of the cost of settling the obligation. Any differences between those estimates and the amounts for which the Group actually becomes liable are taken to the income statement as additional charges where the Group has underestimated and credits where the Group has overestimated. Where the estimated timing and settlement are longer term, the amount is discounted using a rate reflecting specific risks associated with the provision.

Contingent liabilities are potential liabilities, which could include a dependency on events not within the Group's control, but where there is a possible obligation. Contingent liabilities are disclosed only where significant and are not included within the statement of financial position.

| | Dilapidations £m | Legal, regulatory and other £m | Total £m |
|---|---|---|---|
| At 1 January 2025 | 18.9 | 41.4 | 60.3 |
| Exchange translation adjustments | – | 0.1 | 0.1 |
| Utilised | (0.5) | (3.7) | (4.2) |
| Charged | 0.5 | 25.6 | 26.1 |
| Released | – | (0.3) | (0.3) |
| Additions | 1.0 | – | 1.0 |
| **At 31 December 2025** | **19.9** | **63.1** | **83.0** |

In 2025, the Group increased its provision for remedial building works to £54.0 million (31 December 2024: £37.5 million). An associated insurance receivable of £35.1 million (31 December 2024: £35.0 million) has been recognised within other receivables as it is virtually certain that a recovery under the insurance policy will be made. The expense and associated reimbursement have been presented net in the Group's income statement.

| | Dilapidations £m | Legal, regulatory and other £m | Total £m |
|---|---|---|---|
| Current – 2025 | 0.2 | 22.9 | 23.1 |
| Non-current – 2025 | 19.7 | 40.2 | 59.9 |
| | **19.9** | **63.1** | **83.0** |
| | | | |
| Current – 2024 | 0.2 | 7.2 | 7.4 |
| Non-current – 2024 | 18.7 | 34.2 | 52.9 |
| | **18.9** | **41.4** | **60.3** |

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## 17 Provisions and contingent liabilities continued

Dilapidation provisions associated with the Group's office leases are expected to be settled predominantly in 12 years (2024: 12 years). See note 12 for further details of the Group's leases.

Legal obligations associated with the Group's remedial building works are expected to be settled mainly within five years (2024: five years).

Other legal and regulatory obligations associated with the Group's business arise from past events that are expected to be settled mainly within two years (2024: two years).

### Estimates and judgements

The timing and amount of settlement of each legal claim or potential claim, regulatory matter and constructive obligation are uncertain. The Group applies judgement to determine whether a provision is required. The Group performs an assessment of the timing and amount of each event and reviews this assessment periodically. For some provisions there is greater certainty as the cash flows have largely been determined. Potential legal claims, regulatory-related costs and other obligations to third parties arise as a consequence of normal business activity. They can arise from actual or alleged breaches of obligations and may be covered by the Group's insurance arrangements, but subject to insurance excess. In certain circumstances, legal and regulatory claims can arise despite there being no error or breach. The Group's risk management and compliance procedures are designed to mitigate, but are not able to eliminate, the risk of losses occurring. Where such claims and costs arise there is often uncertainty over whether a payment will be required and estimation is required in determining the quantum and timing of that payment. As a result, there is also uncertainty over the timing and amount of any insurance recovery, although this does not change the likelihood of insurance cover being available, where applicable. The Group makes periodic assessments of all cash flows, including taking external advice where appropriate, to determine an appropriate provision. Some matters may be settled through commercial negotiation as well as being covered in whole or in part by the Group's insurance arrangements. The Group has made provisions based on the reasonable expectation of likely outflows. The inherent uncertainty in such matters and the results of negotiations and insurance cover may result in different outcomes.

Judgement has been applied in recognising a provision and associated insurance recoverable for the expected cost of remedial building works, as required under the terms of the lease for our head office building. Given the nature and extent of the work is still to be determined based on further technical, legal and commercial analysis, there is uncertainty over the timing, cost and impact. The amount provided represents our current best estimates of the costs we expect to incur. Judgement has been applied in concluding that the insurance receivable meets the 'virtually certain' threshold, and the amount recognised reflects our best estimate of the proportion of costs that are recoverable. Both amounts reflect our current understanding of the nature and extent of the issues, taking into account the information available to date and third party advice received.

There are no key judgements or estimates that would result in any additional material provisions being recognised or any material contingent liabilities being disclosed in the financial statements (2024: none). The provisions included in the financial statements at 31 December 2025 are based on estimates of reasonable ranges of likely outcomes, applying assumptions regarding the probability of payments being due and the settlement value. The aggregate reasonable ranges have been assessed as not materially different to the carrying values.

## 18 Derivative contracts

### (a) The Group's use of derivatives

The Group holds derivatives for risk management, client facilitation and within its consolidated structured entities to provide exposure to market returns. The Group most commonly uses forward foreign exchange contracts, where it agrees to buy or sell specified amounts of a named currency at a future date, allowing the Group to effectively fix exchange rates so that it can avoid unpredictable gains and losses on financial instruments in foreign currency assets and liabilities. The Group uses futures, total return swaps and credit default swaps to hedge market-related gains and losses on its seed investments where the purpose of investing is to help establish a new product rather than gain additional market exposure.

The Group designates certain derivatives as hedges of a net investment in a foreign operation. In these scenarios, and where relevant conditions are met, hedge accounting is applied and the Group formally documents the relationship between the derivative and any hedged item, its risk management objectives and its strategy for undertaking the various hedging transactions. It also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in the fair value of hedged items. In respect of hedges of a net investment in a foreign operation, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income. The Group's net investment hedges are generally fully effective, but any ineffective portion that may arise is recognised in the income statement. On disposal of the foreign operation, together with the hedged gain or loss, the cumulative gain or loss on the hedging instrument is transferred to the income statement.

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# 18 Derivative contracts continued

## (a) The Group's use of derivatives continued

Risk management: The Group actively seeks to limit and manage its exposures to risk where those exposures are not desired by the Group. This may take the form of unwanted exposures to a particular currency, type of interest rate or other price risk. By entering into derivative contracts, the Group is able to mitigate or eliminate such exposures. The principal risks that the Group faces through such use of derivative contracts are credit risk and liquidity risk.

Client facilitation: The Group's Wealth Management entities are involved in providing portfolio management, banking and investment advisory services, primarily to private clients. In carrying out this business, they transact as agent or as principal in financial assets and liabilities (including derivatives) in order to facilitate client portfolio requirements. Wealth Management's policy is to hedge, as appropriate, market risk on its client facilitation positions. This does not eliminate credit risk.

For details of how the Group manages its exposure to credit risk, see below and note 19.

## (b) Derivatives used by the Group

Forwards are contractual obligations to buy or sell foreign currency on a future date at a specified exchange rate. The maximum exposure to credit risk is represented by the fair value of the contracts.

Currency, interest rate, total return and credit default swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies, interest rates or total returns (for example, fixed rate for floating rate) or a combination of these (i.e. cross-currency interest rate swaps). No exchange of principal takes place, except in the case of certain currency swaps. The Group's credit risk represents the potential cost of replacing the swap contracts if counterparties fail to perform their obligations. This risk is monitored on an ongoing basis with reference to the current fair value, the proportion of the notional amount of the contracts, and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties in accordance with its internal policies and procedures.

Futures contracts are standardised contracts to buy or sell specified assets for an agreed price at a specified future date. Contracts are negotiated at a futures exchange, which acts as an intermediary between the two parties. For futures contracts, the maximum exposure to credit risk is represented by the fair value of the contracts.

The fair value of derivative instruments becomes favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, indices, foreign exchange rates and other relevant variables relative to their terms. The aggregate contractual amount of derivative financial instruments held, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time. The fair values and contractual maturities are set out below:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **Assets £m** | **Liabilities £m** | Assets £m | Liabilities £m |
| Equity contracts | 0.6 | (1.7) | 1.2 | (0.5) |
| Forward foreign exchange contracts | 3.8 | (4.0) | 6.8 | (11.0) |
| | **4.4** | **(5.7)** | **8.0** | **(11.5)** |

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **Assets £m** | **Liabilities £m** | Assets £m | Liabilities £m |
| **Net-settled derivative contracts[1] maturing/repricing[2] in:** | | | | |
| Less than 1 year | 0.6 | (1.7) | 1.2 | (0.5) |
| | **0.6** | **(1.7)** | **1.2** | **(0.5)** |
| **Gross-settled derivatives[3] maturing/repricing[2] in less than 1 year:** | | | | |
| Gross inflows | 594.1 | 598.6 | 645.6 | 529.6 |
| Gross outflows | (590.4) | (602.5) | (638.6) | (540.8) |
| Difference between future contractual cash flows and fair value | 0.1 | (0.1) | (0.2) | 0.2 |
| | **3.8** | **(4.0)** | **6.8** | **(11.0)** |
| | | | | |
| | **4.4** | **(5.7)** | **8.0** | **(11.5)** |

1. Equity contracts.
2. Whichever is earlier.
3. Forward foreign exchange contracts.

# 19 Financial instrument risk management

The Group Capital Committee is responsible for the management of the Group's capital and sets objectives for how it is deployed. This note explains how the Group manages its capital, setting out the nature of the risks the Group faces as a result of its operations, and how these risks are quantified and managed.

The Group is exposed to different forms of financial instrument risk including: (i) the risk that money owed to the Group will not be received (credit risk); (ii) the risk that the Group may not have sufficient cash available to pay its creditors as they fall due (liquidity risk); and (iii) the risk that the value of assets will fluctuate as a result of movements in factors such as market prices, interest rates and foreign exchange rates (market risk). The management of such risks is embedded in managerial responsibilities fundamental to the wellbeing of the Group.

The Group's primary exposure to financial instrument risk is derived from the financial instruments that it holds as principal. In addition, due to the nature of the business, the Group's exposure extends to the impact on investment management and other fees that are determined on the basis of a percentage of AUM and are therefore impacted by the financial instrument risk exposure of our clients – the secondary exposure. This note deals only with the direct or primary exposure of the risks from the Group's holding of financial instruments.

Disclosures relating to unit-linked liabilities and assets backing unit-linked liabilities are included in note 15.

## (a) Capital

The Group is supervised in the United Kingdom (UK) on a consolidated basis by the Prudential Regulation Authority (PRA). The PRA sets capital requirements for the Group and monitors the Group's capital adequacy on an ongoing basis. Regulated subsidiaries within the Group are supervised by their local regulators who set and monitor local capital adequacy requirements.

The Group's approach to capital management is to maintain a strong capital position to enable it to invest in the future of the Group, in line with its strategy, and to manage the risks inherent in conducting its business. Capital management is an important part of the Group's risk management framework and is underpinned by the Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP considers the relevant current and future risks to the business and the capital considered necessary to support these risks. The Group actively monitors its capital base to ensure it maintains sufficient and appropriate capital resources to cover the relevant risks to the business and to meet consolidated and local regulatory and working capital requirements. Capital held by the Group is also available to absorb potential losses arising from financial instrument risk.

At 31 December 2025, the Group had total regulatory own funds of £2,569 million (2024: £2,396 million), consisting of Common Equity Tier 1 and Tier 2 capital (2024: same). The Group's overall regulatory capital requirement was £1,379 million (2024: £1,477 million). Therefore, at 31 December 2025 the Group had surplus capital of £1,190 million (2024: £919 million). The Group's capital ratio was 24.2% (2024: 20.9%).

The Group's overall capital requirement comprises a Total Capital Requirement (TCR), which was £1,005 million at 31 December 2025 (2024: £1,085 million), and a capital requirement in respect of regulatory buffers and our insurance companies, which was £374 million at 31 December 2025 (2024: £392 million). The TCR is the minimum amount of capital that the Group is required to maintain at all times.

Further information on the Group's capital position is included in the Group's Pillar 3 disclosures.

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# 19 Financial instrument risk management continued

## (b) Breakdown of assets and liabilities

The tables below provide a detailed breakdown of the Group's assets and liabilities in accordance with IFRS 9:

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Financial instruments at amortised cost | Financial assets at fair value through other comprehensive income | Liabilities to purchase subsidiary shares | Financial instruments at fair value through profit or loss[1] | Non-financial instruments | Total |
| | £m | £m | £m | £m | £m | £m |
| **Assets** | | | | | | |
| Cash and cash equivalents | 4,207.8 | – | – | 368.8 | – | 4,576.6 |
| Trade and other receivables | 951.6 | – | – | – | 161.7 | 1,113.3 |
| Financial assets: | | | | | | |
| Loans and advances to banks | 202.8 | – | – | – | – | 202.8 |
| Loans and advances to clients | 393.5 | – | – | – | – | 393.5 |
| Debt securities | 352.0 | 1,150.4 | – | 146.0 | – | 1,648.4 |
| Pooled investment vehicles | – | – | – | 1,011.8 | – | 1,011.8 |
| Equities | – | – | – | 149.0 | – | 149.0 |
| Derivatives | – | – | – | 4.4 | – | 4.4 |
| Associates and joint ventures | – | – | – | – | 376.1 | 376.1 |
| Property, plant and equipment | – | – | – | – | 443.5 | 443.5 |
| Goodwill and intangible assets | – | – | – | – | 1,715.8 | 1,715.8 |
| Deferred tax | – | – | – | – | 123.4 | 123.4 |
| Retirement benefit scheme surplus | – | – | – | – | 126.1 | 126.1 |
| Assets backing unit-linked liabilities | 172.6 | – | – | 12,555.4 | – | 12,728.0 |
| **Total assets** | **6,280.3** | **1,150.4** | **–** | **14,235.4** | **2,946.6** | **24,612.7** |
| | | | | | | |
| **Liabilities** | | | | | | |
| Trade and other payables | 755.0 | – | – | 237.1 | 117.0 | 1,109.1 |
| Financial liabilities | 5,164.9 | – | 66.4 | 284.4 | – | 5,515.7 |
| Current tax | – | – | – | – | 35.2 | 35.2 |
| Issued debt | 256.1 | – | – | – | – | 256.1 |
| Lease liabilities | 317.5 | – | – | – | – | 317.5 |
| Provisions | – | – | – | – | 83.0 | 83.0 |
| Deferred tax | – | – | – | – | 104.3 | 104.3 |
| Retirement benefit scheme deficits | – | – | – | – | 7.4 | 7.4 |
| Unit-linked liabilities | 32.6 | – | – | 12,695.4 | – | 12,728.0 |
| **Total liabilities** | **6,526.1** | **–** | **66.4** | **13,216.9** | **346.9** | **20,156.3** |
| | | | | | | |
| **Capital** | | | | | | **4,456.4** |

1. Financial assets at fair value through profit or loss are mandatorily measured at fair value through profit or loss. Cash and cash equivalents at fair value through profit or loss are interests in money market funds and are all level 1. Financial liabilities at fair value through profit or loss include £13,159.6 million of liabilities that are designated at fair value through profit or loss and £57.3 million that are mandatorily measured at fair value through profit or loss.

**Consolidated financial statements** continued
Notes to the accounts continued

## 19 Financial instrument risk management continued

### (b) Breakdown of assets and liabilities continued

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Financial instruments at amortised cost | Financial assets at fair value through other comprehensive income | Liabilities to purchase subsidiary shares | Financial instruments at fair value through profit or loss[1] | Non-financial instruments | Total |
| | £m | £m | £m | £m | £m | £m |
| **Assets** | | | | | | |
| Cash and cash equivalents | 3,703.8 | – | – | 362.6 | – | 4,066.4 |
| Trade and other receivables | 912.6 | – | – | – | 113.8 | 1,026.4 |
| Financial assets: | | | | | | |
| Loans and advances to banks | 286.5 | – | – | – | – | 286.5 |
| Loans and advances to clients | 390.0 | – | – | – | – | 390.0 |
| Debt securities | 311.8 | 1,115.2 | – | 53.9 | – | 1,480.9 |
| Pooled investment vehicles | – | – | – | 889.2 | – | 889.2 |
| Equities | – | – | – | 173.3 | – | 173.3 |
| Derivatives | – | – | – | 8.0 | – | 8.0 |
| Associates and joint ventures | – | – | – | – | 550.0 | 550.0 |
| Property, plant and equipment | – | – | – | – | 488.6 | 488.6 |
| Goodwill and intangible assets | – | – | – | – | 1,840.5 | 1,840.5 |
| Deferred tax | – | – | – | – | 160.4 | 160.4 |
| Retirement benefit scheme surplus | – | – | – | – | 131.0 | 131.0 |
| Assets backing unit-linked liabilities | 198.7 | – | – | 9,260.0 | – | 9,458.7 |
| **Total assets** | **5,803.4** | **1,115.2** | **–** | **10,747.0** | **3,284.3** | **20,949.9** |
| **Liabilities** | | | | | | |
| Trade and other payables | 738.8 | – | – | 218.7 | 105.5 | 1,063.0 |
| Financial liabilities | 4,755.1 | – | 140.7 | 217.8 | – | 5,113.6 |
| Current tax | – | – | – | – | 29.0 | 29.0 |
| Issued debt | 256.0 | – | – | – | – | 256.0 |
| Lease liabilities | 345.7 | – | – | – | – | 345.7 |
| Provisions | – | – | – | – | 60.3 | 60.3 |
| Deferred tax | – | – | – | – | 120.3 | 120.3 |
| Retirement benefit scheme deficits | – | – | – | – | 7.9 | 7.9 |
| Unit-linked liabilities | 15.0 | – | – | 9,443.7 | – | 9,458.7 |
| **Total liabilities** | **6,110.6** | **–** | **140.7** | **9,880.2** | **323.0** | **16,454.5** |
| **Capital** | | | | | | **4,495.4** |

1. Financial assets at fair value through profit or loss are mandatorily measured at fair value through profit or loss. Cash and cash equivalents at fair value through profit or loss are interests in money market funds and are all level 1. Financial liabilities at fair value through profit or loss include £9,788.1 million of liabilities that are designated at fair value through profit or loss and £92.3 million that are mandatorily measured at fair value through profit or loss.

**Consolidated financial statements** continued
Notes to the accounts continued

# 19 Financial instrument risk management continued

## (c) Credit risk, liquidity risk and market risk

The Group is exposed to credit, liquidity and market risk as a result of the financial instruments it holds. Settlement of financial instruments (on both a principal and agency basis) also gives rise to operational risk. The Group's risk management framework is critical for the effective management of these risks and considerable resources are dedicated to this area. Risk management is the direct responsibility of the Board, with responsibility for oversight delegated to the Audit and Risk Committee. The Group applies the three lines of defence model to risk management, which includes financial instrument risk. More details on the risk management framework and approach are set out in the Risk Management report and the Audit and Risk Committee report on pages 25 and 53 respectively.

### (i) Credit risk

Credit risk is the risk that a counterparty to a financial instrument, loan or commitment will cause the Group financial loss by failing to discharge its obligations. For this purpose, the impact on fair value of a credit loss arising from credit spread price changes in a portfolio of investments is excluded. This risk is addressed within pricing risk.

The Group has exposure to credit risk from its normal activities where it is exposed to the risk that a counterparty will be unable to pay amounts when due. The Group carefully manages its exposure to credit risk by monitoring exposures to individual counterparties and sectors, monitoring counterparties' creditworthiness, taking collateral and reducing settlement risk where possible and approving lending policies that specify the type of acceptable collateral and lending margins. The Group's maximum exposure to credit risk is represented by the gross carrying value of its financial assets.

Externally published credit ratings are indicators of the level of credit risk associated with a counterparty. A breakdown of the Group's relevant financial assets held with rated and unrated counterparties is set out below:

| | Cash and cash equivalents | | Loans and advances to banks | | Debt securities | |
|---|---|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 |
| | **£m** | £m | **£m** | £m | **£m** | £m |
| **Credit rating:** | | | | | | |
| AAA | 159.7 | 191.0 | – | – | 247.0 | 212.4 |
| AA+ | 77.9 | – | – | – | 127.3 | 127.6 |
| AA | 93.9 | 84.5 | – | – | – | 10.3 |
| AA- | 2,963.1 | 2,220.2 | 66.9 | 66.6 | 816.7 | 819.6 |
| A+ | 751.7 | 1,264.3 | 26.1 | 41.8 | 219.1 | 188.3 |
| A | 408.6 | 175.1 | 30.4 | 137.1 | 75.3 | 32.9 |
| A- | 103.7 | 117.8 | 79.4 | 41.0 | 37.9 | 25.1 |
| BBB+ and lower | 11.8 | 8.4 | – | – | 100.3 | 22.3 |
| Not rated | 6.2 | 5.1 | – | – | 24.8 | 42.4 |
| | **4,576.6** | **4,066.4** | **202.8** | **286.5** | **1,648.4** | **1,480.9** |

Expected credit losses are calculated on all of the Group's financial assets that are measured at amortised cost and all debt instruments that are measured at fair value through other comprehensive income. Factors considered in determining whether a default has taken place include how many days past the due date a payment is, deterioration in the credit quality of a counterparty, and knowledge of specific events that could influence a counterparty's ability to pay.

A three-stage model is used for calculating expected credit losses, which requires financial assets to be assessed as:

- Performing (stage 1) – financial assets where there has been no significant increase in credit risk since initial recognition;
- Under-performing (stage 2) – financial assets where there has been a significant increase in credit risk since initial recognition, but not credit-impaired; or,
- Non-performing (stage 3) – financial assets that are credit-impaired.

For financial assets in stage 1, expected credit losses are calculated based on the credit losses that are expected to be incurred over the following 12-month period. For financial assets in stages 2 and 3, expected credit losses are calculated based on credit losses expected to be incurred over the life of the instrument. The Group applies the simplified approach to calculate expected credit losses for trade and other receivables. Under this approach, instruments are not categorised into three stages and expected credit losses are calculated based on the life of the instrument.

#### Wealth Management activities

All client credit requests are presented to the relevant Wealth Management approval authorities and counterparty exposures are monitored daily against limits. Loans, overdrafts and advances to clients, as well as certain derivative positions, are secured on a range of assets including real estate (both residential and commercial), cash, client portfolios and investment bonds.

The Group does not usually provide loans, overdrafts or advances to clients on an unsecured basis. Where disposal of non-cash collateral is required, in the event of default, the terms and conditions relevant to the specific contract and country will apply. Portfolios held as collateral are marked to market daily and positions compared to clients' exposures. Credit limits are set following an assessment of the market value and lending value of each type of collateral, depending on the perceived risk associated with the collateral. Clients are contacted if these limits are expected to be or are breached, or if collateral is not sufficient to cover the outstanding exposure.

The Group also holds collateral on some short-term advances to banks through reverse repurchase agreements. The collateral accepted includes certain investment-grade securities that can be sold or rehypothecated without default of the provider. At 31 December 2025, the fair value of collateral that could be sold or rehypothecated but had not been, relating solely to these arrangements, was £1,068.9 million (2024: £1,526.6 million).

**Consolidated financial statements** continued
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# 19 Financial instrument risk management continued

## (c) Credit risk, liquidity risk and market risk continued

Policies governing counterparty and market risk limits are established and monitored by the relevant Wealth Management asset and liability management committees. All instruments held within the Wealth Management treasury book have an investment-grade credit rating.

Wealth Management adopts a conservative approach to its treasury investments, placing funds with, or purchasing debt securities issued by, UK and overseas banks and corporates, central banks, supranational banks and sovereigns.

The ECL provision on financial assets at amortised cost within the Wealth Management entities at 31 December 2025 was £5.6 million (2024: £2.2 million). There was one (2024: one) non-performing (stage 3) client loan of £7.3 million (2024: £6.9 million) resulting in an ECL provision of £5.1 million at 31 December 2025 (2024: £1.8 million). All other financial assets at amortised cost (excluding trade and other receivables to which the three-stage model is not applied) were performing (stage 1) (2024: same).

The ECL provision on financial assets at fair value through other comprehensive income within the Wealth Management entities at 31 December 2025 was £0.4 million (2024: £0.4 million). All financial assets at fair value through other comprehensive income were performing (stage 1) (2024: same).

### Other activities

Fee debtors and other receivables arise from the Group's asset management activities and amounts are monitored regularly. Historically, default levels have been insignificant and, unless a client has withdrawn its funds, there is an ongoing relationship between the Group and the client.

Fee debtors past due but not in default at 31 December 2025 were £49.3 million (2024: £54.6 million), the majority of which were less than 90 days past due (2024: less than 90 days).

The Group seeks to manage its exposure to credit risk arising from debt securities and derivatives within the investment portfolio by adopting a conservative approach and through ongoing credit analysis, and it may hedge some of the credit risk with credit default swaps. Corporate bond portfolios, when in place, have an investment-grade mandate, and exposure to sub-investment-grade debt is low.

Most derivative positions, other than forward foreign exchange contracts and total return swaps, are taken in exchange-traded securities where credit risk is minimal. Forward foreign exchange positions generally have a maturity between one and three months.

The Group's cash and cash equivalents in the non-Wealth Management entities are held primarily in current accounts, on deposit with well-rated banks, or invested in money market or similar funds.

The ECL provision on financial assets at amortised cost within non-Wealth Management entities at 31 December 2025 was £22.5 million (2024: £1.6 million). Debt securities at amortised cost included £22.3 million of a previously under-performing (stage 2) financial asset that was reclassified to non-performing (stage 3) during the year, resulting in an ECL provision of £22.3 million at 31 December 2025 (2024: £1.4 million). All other financial assets at amortised cost (excluding trade and other receivables to which the three-stage model is not applied) were performing (stage 1) (2024: same).

## (ii) Liquidity risk

Liquidity risk is the risk that the Group cannot meet its obligations as they fall due or can only do so at a cost. The Group has a clearly defined liquidity risk management framework in place in the form of a Consolidated Group Internal Liquidity Adequacy Assessment Process (ILAAP). The Group policy is that its subsidiaries should trade solvently, comply with regulatory liquidity requirements and have access to adequate liquidity for all activities undertaken in the normal course of business. As part of its ILAAP, the Group performs stress testing to confirm that sufficient liquidity is available to cover severe but plausible stress events.

### Wealth Management activities

The principal liquidity risk in the Group's Wealth Management business arises from its banking activities, where the timing of cash flows from liabilities relating to client accounts can be impacted by client action. The Group's liquidity policy aims to maintain sufficient liquidity within the relevant entities to meet regulatory and prudential requirements, and to cover cash flow imbalances and fluctuations in funding and the timely repayment of funds to depositors.

Liquidity positions are actively monitored against both regulatory and internal limits, and cash flows are managed to ensure sufficient liquidity is available to cover potential risks.

**Consolidated financial statements** continued
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## 19 Financial instrument risk management continued

### (c) Credit risk, liquidity risk and market risk continued

#### (ii) Liquidity risk *continued*

The contractual maturity of Wealth Management financial assets and liabilities is set out below:

| | 2025 | | |
|---|---|---|---|
| | Less than 1 year £m | 1 to 5 years £m | Total £m |
| **Assets** | | | |
| Cash and cash equivalents | 3,550.0 | – | 3,550.0 |
| Loans and advances to banks | 200.3 | – | 200.3 |
| Loans and advances to clients | 157.4 | 234.4 | 391.8 |
| Debt securities | 1,084.1 | 406.0 | 1,490.1 |
| Derivative contracts | 1.3 | – | 1.3 |
| | **4,993.1** | **640.4** | **5,633.5** |
| **Liabilities** | | | |
| Client accounts | 5,131.9 | – | 5,131.9 |
| Deposits by banks | 33.1 | – | 33.1 |
| Derivative contracts | 1.2 | – | 1.2 |
| | **5,166.2** | **–** | **5,166.2** |
| Undrawn loan facilities | 5.0 | 42.8 | 47.8 |
| **Cumulative gap** | **(178.1)** | **419.5** | **419.5** |

| | 2024 | | |
|---|---|---|---|
| | Less than 1 year £m | 1 to 5 years £m | Total £m |
| **Assets** | | | |
| Cash and cash equivalents | 3,246.4 | – | 3,246.4 |
| Loans and advances to banks | 166.3 | – | 166.3 |
| Loans and advances to clients | 172.2 | 216.5 | 388.7 |
| Debt securities | 1,117.5 | 275.5 | 1,393.0 |
| Derivative contracts | 4.1 | – | 4.1 |
| | **4,706.5** | **492.0** | **5,198.5** |
| **Liabilities** | | | |
| Client accounts | 4,724.8 | – | 4,724.8 |
| Deposits by banks | 30.1 | – | 30.1 |
| Derivative contracts | 3.8 | – | 3.8 |
| | **4,758.7** | **–** | **4,758.7** |
| Undrawn loan facilities | 9.4 | 29.9 | 39.3 |
| **Cumulative gap** | **(61.6)** | **400.5** | **400.5** |

Other activities

The Group's exposure to liquidity risk outside its Wealth Management activities is low. Excluding the Life Company and consolidated funds, the Asset Management segment, together with the Group's capital and treasury management activities, held cash and cash equivalents of £999.7 million (2024: £820.0 million). For contractual maturities of non-Wealth Management financial liabilities, refer to the respective liability notes.

The Group has a committed revolving credit facility of £850.0 million (2024: £850.0 million), which expires on 7 November 2029. No money was drawn down under the facility during 2025 (2024: none).

#### (iii) Market risk

Market risk is the risk that the value of assets will fluctuate as a result of movements in factors such as market prices, interest rates and foreign exchange rates.

**Pricing risk**

Pricing risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk.

In respect of financial instrument risk, the Group's exposure to pricing risk is principally through seed investments, co-investments and other investments, including investments in funds hedging deferred employee compensation in the form of fund awards.

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# 19 Financial instrument risk management continued

## (c) Credit risk, liquidity risk and market risk continued

### (iii) Market risk *continued*

#### Pricing risk *continued*

The Group does not hedge exposures to pricing risk except in relation to seed investments, where it is practical to do so, and in respect of deferred employee compensation awards, where these can be matched by interests in funds managed by the Group. Where financial instruments are held to hedge deferred compensation awards, movements in the fair value of the asset are normally offset by changes in the amounts payable to employees (see note 3).

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

Wealth Management activities

In Wealth Management, interest rate risk is monitored on a daily basis against policies and limits set by the relevant risk committee. Interest rate risk is managed within set limits by matching asset and liability positions and through the use of interest rate swaps.

Sensitivity-based and stress-based models are used for monitoring interest rate risk. These models assess the impact of a prescribed shift in interest rates and the potential impact of severe but plausible stress scenarios.

Other activities

Cash held by the other operating companies is not normally expected to be placed on deposit for longer than three months and is not exposed to significant interest rate risk.

#### Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

Wealth Management activities

In Wealth Management, foreign exchange risk is monitored each day against policies and limits set by the relevant risk committees. Foreign exchange risk is managed within set limits by the treasury departments using spot, forward and foreign exchange swap contracts.

Other activities

The Group's policy in relation to foreign exchange risks arising from revenue, expenditure and capital currency exposure from its Asset Management activities is generally not to hedge. The Group's revenue is earned and expenditure incurred in many currencies and the resulting exposure is considered to be a normal part of the Group's business activities.

The Group also has exposure to foreign currency on financial instruments not held in the functional currency of entities which resulted in a £3.2 million gain in the income statement (2024: £21.4 million gain) and exposure arising from net investments in foreign operations which resulted in a £9.4 million loss in other comprehensive income (2024: £54.4 million loss). The Group uses forward foreign exchange contracts with third parties to mitigate some of these exposures. The gain or loss on these contracts is included in the income statement or statement of other comprehensive income, as appropriate. The use of such instruments is subject to approval by the Group Capital Committee.

The sensitivities to market risk at 31 December are estimated as follows:

| | | 2025 | | 2024 | |
|---|---|---|---|---|---|
| | | **A reasonable change in the variable within the next calendar year** | **Increase/(decrease) in post-tax profit** | A reasonable change in the variable within the next calendar year | Increase/(decrease) in post-tax profit |
| **Variable[1]** | | **%** | **£m** | % | £m |
| Interest rates[2] | -increase | 0.25 | 2 | 0.25 | 1 |
| | -decrease | (0.5) | (3) | (0.5) | (3) |
| US dollar against sterling | -strengthen | 10 | 3 | 10 | 2 |
| | -weaken | (10) | (3) | (10) | (1) |
| Euro against sterling | -strengthen | 10 | 2 | 10 | 2 |
| | -weaken | (10) | (4) | (10) | (2) |
| US dollar against Euro | -strengthen | 10 | 4 | 10 | 4 |
| | -weaken | (10) | (3) | (10) | (3) |
| FTSE All-Share Index[3] | -increase | 20 | 27 | 20 | 34 |
| | -decrease | (20) | (27) | (20) | (34) |

1. The underlying assumption is that there is one variable increase/decrease with all other variables held constant.
2. Assumes that the fair value of assets and liabilities will not be affected by a change in interest rates.
3. Assumes that changes in the FTSE All-Share Index correlate to changes in the fair value of the Group's equity investments.

The reasonable changes in variables will have no impact on any other components of equity. These sensitivities concern only the direct impact on financial instruments and exclude indirect impacts on fee income and certain costs that may be affected by changes in the variable. The changes used in the sensitivity analysis were provided by the Group's Global Economics team, which determines reasonable assumptions.

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## 20 Share capital and share premium

Share capital primarily comprises the number of issued ordinary shares in Schroders plc multiplied by their nominal value of 20 pence each (2024: 20 pence each). Where the proceeds received on issue of the shares is greater than the nominal value the difference is recorded in share premium. The Company has authority to buyback ordinary shares, restricted by minimum and maximum price caps and a maximum number of shares. Any ordinary shares bought back may be cancelled or held in treasury. Unless renewed, authority will expire at the Company's next Annual General Meeting, or on 30 June 2026 if earlier.

| | Number of shares | Total ordinary shares | Share premium |
|---|---|---|---|
| | Millions | £m | £m |
| At 1 January 2025 | 1,612.1 | 322.4 | 84.3 |
| **At 31 December 2025** | **1,612.1** | **322.4** | **84.3** |

| | Number of shares | Total ordinary shares | Share premium |
|---|---|---|---|
| | Millions | £m | £m |
| At 1 January 2024 | 1,612.1 | 322.4 | 84.3 |
| **At 31 December 2024** | **1,612.1** | **322.4** | **84.3** |

## 21 Own shares

Own shares are recorded by the Group when ordinary shares are acquired by the Company or acquired through employee benefit trusts. This enables the Group to hold some of its shares to settle option exercises or for other permitted purposes. Own shares are held at cost and their purchase reduces the Group's net assets by the amount spent. When shares vest unconditionally or are cancelled, they are transferred from own shares to the profit and loss reserve at their weighted average cost.

Movements in own shares during the year were as follows:

| | 2025 | 2024 |
|---|---|---|
| | £m | £m |
| At 1 January | 159.9 | 172.1 |
| Own shares purchased | 11.5 | 59.8 |
| Awards vested | (72.9) | (72.0) |
| **At 31 December** | **98.5** | **159.9** |

During the year, 3.0 million (2024: 10.4 million) own shares were purchased and held for hedging share-based awards. In 2024, 6.4 million shares were purchased and held in treasury. During the year, 5.0 million (2024: nil) of the shares held in treasury were transferred to employee benefit trusts. 16.9 million shares (2024: 15.0 million shares) awarded to employees vested in the period and were transferred out of own shares.

The total number of shares in the Company held within the Group's employee benefit trusts and in treasury comprise:

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Number of vested shares | Number of unvested shares | Total | Number of vested shares | Number of unvested shares | Total |
| | Millions | Millions | Millions | Millions | Millions | Millions |
| **Total ordinary shares** | **23.0** | **23.6** | **46.6** | **22.0** | **37.5** | **59.5** |

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Vested shares | Unvested shares | Total | Vested shares | Unvested shares | Total |
| | £m | £m | £m | £m | £m | £m |
| **Total ordinary shares** | | | | | | |
| **Cost** | **107.8** | **98.5** | **206.3** | **103.1** | **159.9** | **263.0** |
| **Fair value** | **93.7** | **96.0** | **189.7** | **71.4** | **121.2** | **192.6** |

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## 22 Reconciliation of net cash from operating activities

This note should be read in conjunction with the cash flow statement. It provides a reconciliation to show how profit before tax, which is based on accounting rules, translates to cash flows.

| | 2025 £m | 2024[1] £m |
|---|---|---|
| Profit before tax | 673.8 | 558.1 |
| | | |
| **Adjustments for income statement non-cash movements:** | | |
| Depreciation of property, plant and equipment and amortisation of intangible assets | 182.2 | 191.1 |
| Net gain on financial instruments | (35.8) | (18.1) |
| Impairment of goodwill, intangible assets and associates and joint ventures | 55.0 | 8.0 |
| Gain on disposal of joint venture | (113.3) | – |
| Share-based payments | 31.3 | 30.4 |
| Net charge for provisions | 25.3 | 38.8 |
| Other non-cash movements[2] | (32.6) | (42.6) |
| | **112.1** | **207.6** |
| **Adjustments for which the cash effects are investing or financing activities:** | | |
| Interest income | (45.1) | (44.2) |
| Interest expense | 23.4 | 17.7 |
| Share of profit of associates and joint ventures after amortisation | (51.2) | (42.1) |
| | **(72.9)** | **(68.6)** |
| **Adjustments for statement of financial position movements:** | | |
| (Increase)/decrease in loans and advances within Wealth Management | (33.2) | 271.3 |
| Increase in trade and other receivables | (98.9) | (88.0) |
| Increase in deposits and client accounts within Wealth Management | 407.3 | 576.3 |
| Increase/(decrease) in trade and other payables, other financial liabilities and provisions | 33.8 | (26.4) |
| | **309.0** | **733.2** |
| **Adjustments for Life Company and consolidated pooled investment vehicles movements:** | | |
| Net (increase)/decrease in financial assets backing unit-linked liabilities | (3,313.8) | 244.6 |
| Net increase/(decrease) in unit-linked liabilities | 3,269.3 | (549.4) |
| Net increase in cash within consolidated pooled investment vehicles | 14.4 | 6.7 |
| | **(30.1)** | **(298.1)** |
| | | |
| Tax paid | (77.5) | (84.0) |
| | | |
| **Net cash from operating activities** | **914.4** | **1,048.2** |

1. The 2024 comparatives have been re-presented (see Presentational changes on page 151).
2. Other non-cash movements primarily consist of discount unwind within the net interest margin and exchange translation adjustments, before hedging activities.

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# 23 Retirement benefit obligations

The Group has two principal types of pension benefit for employees: defined benefit (DB), where the Group has an obligation to provide participating employees with pension payments that represent a specified percentage of their final salary for each year of service, and defined contribution (DC), where the Group's contribution to an employee's pension is measured as, and limited to, a specified percentage of salary.

Accounting for DB schemes requires an assessment of the likely quantum of future pension payments to be made. If ring-fenced assets are held specifically to meet this cost, the scheme is funded, and if not, it is unfunded. The Group periodically reviews its funded DB schemes using actuarial specialists to assess whether it is on course to meet the expected pension payments that current and former employees are, or will be, entitled to. In the case of a projected shortfall, a plan must be formulated to reverse the deficit.

The income statement charge or credit represents the sum of pension entitlements earned by employees in the period, plus a notional net interest charge (if the scheme is in deficit) or income (if it is in surplus) based on the market yields on high-quality corporate bonds. Experience differences, principally the difference between actual investment returns and the notional interest amount, as well as actuarial changes in estimating the present value of future liabilities, are recorded in other comprehensive income.

Assets or liabilities recognised in the statement of financial position represent the differences between the fair value of plan assets (if any) and the actuarially determined estimates of the present value of future liabilities. The Group closed its largest DB scheme to future accrual on 30 April 2011, although it still operates some small unfunded schemes overseas. This means that no future service will contribute to the closed scheme member benefits but those members continue to have the benefits determined by the Scheme rules as at 30 April 2011.

The Group's exposure to funding DC pension schemes is limited to the contributions it has agreed to make. These contributions generally stop when employment ceases. The income statement charge represents the contributions the Group has agreed to make into employees' pension schemes in that year.

The disclosures within this note are provided mainly in respect of the principal DB scheme, which is the DB section of the funded Schroders Retirement Benefits Scheme (the Scheme).

The income statement charge for retirement benefit costs is as follows:

| | **2025 £m** | 2024 £m |
|---|---|---|
| Pension costs – defined contribution plans | (70.9) | (77.8) |
| Pension credit – defined benefit plans | 2.8 | 2.9 |
| Other post-employment benefits | (0.2) | (0.2) |
| | **(68.3)** | **(75.1)** |

## (a) Profile of the Scheme

The Scheme is administered by a trustee company, Schroder Pension Trustee Limited (the Trustee). The board of the Trustee comprises an independent chairman, three directors appointed by the employer and two directors elected by the Scheme members. The Trustee is required by law to act in the interest of all relevant beneficiaries and is responsible for setting the investment strategy and for the day-to-day administration of the benefits. The Trustee's investment committee comprises five of the Trustee directors and two representatives of the Group. This committee, which reports to the Trustee board, is responsible for making investment strategy recommendations to the board of the Trustee and for monitoring the performance of the investment manager.

Under the Scheme, employees are entitled to annual pensions on retirement based on a specified percentage of their final pensionable salary or, in the case of active members at 30 April 2011 (the date the DB section of the Scheme closed for future accrual), actual pensionable salaries at that date, for each year of service. These benefits are adjusted for the effects of inflation, subject to a cap of 2.5% for pensions accrued after 12 August 2007 and 5.0% for pensions accrued before that date.

At 31 December 2025, there were no active members in the DB section (2024: nil) and 2,292 active members in the DC section (2024: 2,528). The weighted average duration of the Scheme's DB obligation is 11 years (2024: 11 years). The Group expects that the plan liabilities will settle gradually over time until all members have left the plan. On termination of the Scheme, any assets that remain after the Trustee has settled the Scheme's liabilities will be returned to the Group.

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# 23 Retirement benefit obligations continued

## (a) Profile of the Scheme (continued)

Membership details of the DB section of the Scheme at 31 December are as follows:

| | 2025 | 2024 |
|---|---|---|
| Number of deferred members | 810 | 884 |
| Total deferred pensions (at date of leaving Scheme) | £6.9m per annum | £5.9m per annum |
| Average age (deferred) | 58 | 57 |
| Number of pensioners | 1,186 | 1,137 |
| Average age (pensioners) | 71 | 71 |
| Total pensions in payment | £27.2m per annum | £26.0m per annum |

## (b) Funding requirements

The last completed triennial valuation of the Scheme was carried out at 31 December 2023. The funding level at that date was 115% on the technical provisions basis and no contribution to the Scheme was required. The next triennial valuation is due at 31 December 2026 and will be performed in 2027.

## (c) Risks of the Scheme

The Company and the Trustee have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes an asset-liability matching policy that aims to reduce the volatility of the funding level of the Scheme by investing in assets that perform in line with the liabilities of the Scheme.

The most significant risks to which the Scheme exposes the Group are:

### Asset volatility

The liabilities are calculated using a discount rate set with reference to bond yields. If assets underperform this yield, this will reduce the surplus or may create a deficit. The Group manages this risk through a diversified investment strategy, with 64% (2024: 64%) of Scheme assets held in a liability matching portfolio and the remainder split across semi-liquid credit, liquid growth and credit, and illiquid growth portfolios. This asset mix is designed to provide returns that match or exceed the unwinding of the discount rate in the long term, but that can create volatility and risk in the short term. The allocation to growth assets is monitored to ensure it remains appropriate given the Scheme's long-term objectives.

### Credit risk

The assets of the Scheme include liability-driven investments (LDIs) and other fixed income instruments that expose the Group to credit risk. A significant amount of this exposure is to the UK Government as a result of holding gilts and bonds guaranteed by the UK Government. Other instruments held include derivatives, which are collateralised daily to cover unrealised gains or losses. The minimum rating for any derivatives counterparty is BBB.

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## 23 Retirement benefit obligations continued

### (c) Risks of the Scheme continued

#### Interest rate risk

A decrease in bond yields will increase the value placed on the Scheme's liabilities for accounting purposes, although this should be partially offset by an increase in the value of the Scheme's liability matching portfolio, which comprises gilts, corporate bonds and other LDI instruments. The liability matching investments have been designed to mitigate interest rate exposures measured on a funding rather than an accounting basis. One of the principal differences between these bases is that the liability under the funding basis is calculated using a discount rate set with reference to gilt yields; the latter uses corporate bond yields. As a result, the liability matching portfolio hedges against interest rate risk by purchasing instruments that seek to replicate movements in gilt yields rather than corporate bond yields. Movements in the different types of instrument are not exactly correlated, and it is therefore likely that a tracking error can arise when assessing whether the liability matching portfolio has provided an effective hedge against interest rate risk on an accounting basis. At 31 December 2025, the liability matching portfolio was designed to mitigate 95% (2024: 95%) of the Scheme's exposure to changes in gilt yields.

#### Inflation risk

A significant proportion of the Scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities. However, in most cases, caps on the level of inflationary increases are in place. The majority of the growth assets are either unaffected by or not closely correlated with inflation, which means that an increase in inflation will also decrease any Scheme surplus. The liability matching portfolio includes instruments such as index-linked gilts to provide protection against inflation risk. At 31 December 2025, the liability matching portfolio was designed to mitigate 95% (2024: 95%) of the Scheme's exposure to inflation risk.

#### Life expectancy

The majority of the Scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liability.

### (d) Reporting at 31 December

The principal financial assumptions used for the Scheme are:

| | **2025** **%** | 2024 % |
|---|---|---|
| Discount rate | 5.5 | 5.4 |
| RPI inflation rate | 2.8 | 3.1 |
| CPI inflation rate | 2.2 | 2.5 |
| Future pension increases (for benefits earned before 13 August 2007) | 2.7 | 2.9 |
| Future pension increases (for benefits earned after 13 August 2007) | 1.9 | 2.0 |

| **Average number of years a current pensioner is expected to live beyond age 60:** | **Years** | Years |
|---|---|---|
| Men | 28 | 27 |
| Women | 29 | 29 |

| **Average number of years future pensioners currently aged 45 are expected to live beyond age 60:** | **Years** | Years |
|---|---|---|
| Men | 29 | 28 |
| Women | 30 | 30 |

Net interest income is determined by applying the discount rate to the opening net surplus in the Scheme. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality, long-dated corporate bonds that are denominated in the currency in which the benefits will be paid.

**Estimates and judgements**

The Group estimates the carrying value of the Scheme by applying judgement to determine the assumptions used to calculate the valuation of the pension obligation using member data and applying the Scheme rules. The Scheme assets are mainly quoted in an active market. The sensitivity to those assumptions is set out below. The most significant judgemental assumption relates to mortality rates, which are inherently uncertain. The Group's mortality assumptions are based on standard mortality tables with Continuous Mortality Investigation core projection factors and a long-term rate of mortality improvement of 1.0% (2024: 1.0%) per annum. An additional adjustment, an "A parameter" set to 0.25% (2024: 0.25%) per annum, allows for the typically higher rate of mortality improvement among members of the Scheme compared with general population statistics. The latest base mortality tables have been adopted with no scaling (2024: nil) following a Scheme-specific review of the membership data.

The Group reviews its assumptions annually in conjunction with its independent actuaries and considers this adjustment appropriate given the geographic and demographic profile of Scheme members. Other assumptions for pension obligations are based in part on current market conditions.

The financial impact of the Scheme on the Group has been determined by independent qualified actuaries, Aon Solutions UK Limited, and is based on an assessment of the Scheme at 31 December 2025.

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## 23 Retirement benefit obligations continued

### (d) Reporting at 31 December continued

The amounts recognised in the income statement are:

| | 2025 £m | 2024 £m |
|---|---|---|
| Interest income on Scheme assets | (33.7) | (31.4) |
| Interest cost on Scheme liabilities | 26.9 | 25.2 |
| **Net interest income recognised in the income statement in respect of the Scheme** | **(6.8)** | **(6.2)** |
| Other charges in respect of defined benefit schemes | 4.0 | 3.3 |
| **Total defined benefit schemes income statement credit** | **(2.8)** | **(2.9)** |

The amounts recognised in the statement of comprehensive income are:

| | 2025 £m | 2024 £m |
|---|---|---|
| Losses on Scheme assets in excess of that recognised in interest income | 6.5 | 64.1 |
| Actuarial losses/(gains) due to change in demographic assumptions | 3.7 | (6.9) |
| Actuarial gains due to change in financial assumptions | (11.9) | (58.6) |
| Actuarial losses due to experience | 2.7 | 9.1 |
| **Total other comprehensive loss in respect of the Scheme** | **1.0** | **7.7** |
| Other comprehensive gain in respect of other defined benefit schemes | (0.3) | (0.3) |
| **Total other comprehensive loss in respect of defined benefit schemes** | **0.7** | **7.4** |

The sensitivity of the Scheme pension liabilities to changes in assumptions are:

| | | 2025 | | 2024 | |
|---|---|---|---|---|---|
| Assumption | Assumption change | Estimated (increase)/ decrease in pension liabilities £m | Estimated (increase)/ decrease in pension liabilities % | Estimated (increase)/ decrease in pension liabilities £m | Estimated (increase)/ decrease in pension liabilities % |
| Discount rate | Increase by 0.5% per annum | 25.2 | 5.0 | 26.9 | 5.2 |
| Discount rate | Decrease by 0.5% per annum | (27.7) | (5.5) | (30.7) | (6.0) |
| Expected rate of pension increases | Increase by 0.5% per annum | (19.7) | (3.9) | (20.2) | (3.9) |
| Expected rate of pension increases | Decrease by 0.5% per annum | 19.2 | 3.8 | 19.9 | 3.9 |
| Life expectancy | Increase by one year | (16.0) | (3.2) | (17.0) | (3.3) |
| Life expectancy | Decrease by one year | 16.1 | 3.2 | 17.4 | 3.4 |

**Consolidated financial statements** continued
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## 23 Retirement benefit obligations continued

### (d) Reporting at 31 December continued

Movements in respect of the assets and liabilities of the Scheme are:

| | 2025 £m | 2024 £m |
|---|---|---|
| At 1 January | 644.7 | 713.4 |
| Interest income | 33.7 | 31.4 |
| Remeasurement of assets | (6.5) | (64.1) |
| Benefits paid | (29.8) | (30.2) |
| Contribution by employer[1] | (8.0) | (3.8) |
| Administrative expenses | (2.7) | (2.0) |
| **Fair value of plan assets** | **631.4** | **644.7** |
| | | |
| At 1 January | (513.7) | (575.1) |
| Interest cost | (26.9) | (25.2) |
| Actuarial (losses)/gains due to change in demographic assumptions | (3.7) | 6.9 |
| Actuarial gains due to change in financial assumptions | 11.9 | 58.6 |
| Actuarial losses due to experience | (2.7) | (9.1) |
| Benefits paid | 29.8 | 30.2 |
| **Present value of funded obligations** | **(505.3)** | **(513.7)** |
| | | |
| **Net assets** | **126.1** | **131.0** |

1. In July 2024, the trustees of the Scheme agreed that certain employer contributions due to the Defined Contribution section could be met by assets allocated to the Defined Benefit section. The arrangement is subject to a monthly cap, is conditional on certain funding levels being maintained and will be monitored by the trustees.

In June 2023, the High Court issued a ruling in respect of Virgin Media v NTL Pension Trustees II Limited (and others), which had the potential to affect the Scheme's liabilities. In September 2025, the Government published the draft Pension Schemes Bill, establishing a framework for legislative remediation, with approval expected in 2026. This will give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The ruling is unlikely to impact the Scheme's liabilities and the valuation remains appropriate.

The Group did not materially change the basis of any of the principal financial assumptions underlying the calculation of the Scheme's net financial position during 2025, although such assumptions have been amended where applicable to reflect current market conditions and expectations.

The fair values of the Scheme's plan assets at the year end are:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Value £m | Of which derived from quoted prices (unadjusted) in an active market £m | Value £m | Of which derived from quoted prices (unadjusted) in an active market £m |
| Liability matching portfolio: | | | | |
| Debt securities | 692.1 | 391.7 | 674.8 | 374.3 |
| Cash and cash equivalents | 21.5 | 15.8 | 9.8 | 1.8 |
| Derivative contracts | 12.6 | 3.4 | 10.3 | – |
| Repurchase agreements | (326.0) | – | (306.9) | – |
| | **400.2** | **410.9** | **388.0** | **376.1** |
| | | | | |
| Portfolio funds | 228.0 | 142.6 | 253.9 | 55.0 |
| Cash | 3.2 | – | 2.8 | – |
| | **631.4** | **553.5** | **644.7** | **431.1** |

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# 24 Share-based payments

Share-based payments are remuneration payments to selected employees that take the form of an award of shares in Schroders plc. Employees are generally not able to exercise such awards in full until three years after the award has been made, although conditions vary between different types of award. The accounting for share-based awards settled by transferring shares to the employees (equity-settled) differs from the accounting for similar awards settled in cash (cash-settled). The charge for equity-settled share-based payments is determined based on the fair value of the award on the grant date. Such awards can include share awards that may or may not have performance criteria. The initial fair value of the award takes into account the current value of shares expected to be issued (i.e. estimates of the likely levels of forfeiture and achievement of performance criteria), and the contribution, if required, by the employee. This initial fair value is charged to the income statement reflecting benefits received from employment, where relevant, in the performance period and over the vesting period. The income statement charge is offset by a credit to the statement of changes in equity, where the award is expected to be settled through the issue of shares. Such awards constituted 3.1% (2024: 3.0%) of salaries, wages and other remuneration (see note 3).

The Group may make share-based payments to employees through awards over or linked to the value of ordinary shares. These arrangements involve a maximum term of ten years.

It is the Group's practice to hedge all awards to eliminate the impact of changes in the market value of shares between the grant date and the exercise date.

Awards that lapse or are forfeited during the vesting period result in a credit to the income statement (reversing the previous charge) in the year in which they lapse or are forfeited.

The Group recognised total expenses of £33.5 million (2024: £30.1 million) arising from share-based payment transactions during the year, of which £31.3 million (2024: £30.4 million) were equity-settled share-based payment transactions.

The Group has the following share-based payment arrangements (further details of the current schemes may be found in the Remuneration report):

## (a) Deferred Award Plan

Awards over ordinary shares made under the Group's Deferred Award Plan are charged at fair value as operating expenses in the income statement. Fair value is determined at the date of grant and is equal to the market value of the shares at that time. The fair value charges, adjusted to reflect actual levels of vesting, are spread over the performance period and the vesting periods of the awards. Awards are structured as nil-cost options.

| | **2025** Number of ordinary shares Millions | 2024 Number of ordinary shares Millions |
|---|---|---|
| Rights outstanding at 1 January | 42.7 | 45.4 |
| Granted/shares in lieu of dividends | 8.9 | 9.6 |
| Forfeited | (1.2) | (1.1) |
| Exercised | (12.0) | (11.2) |
| **Rights outstanding at 31 December** | **38.4** | **42.7** |
| | | |
| Vested | 17.5 | 14.5 |
| Unvested | 20.9 | 28.2 |
| | | |
| Weighted average fair value of shares granted (£) | 4.02 | 3.89 |
| Weighted average share price at date of exercise (£) | 3.88 | 3.72 |

The weighted average exercise price per share is nil. A charge of £26.3 million (2024: £26.6 million) was recognised during the year.

The table below shows the expected charges for awards issued under the Deferred Award Plan to be expensed in future years:

| | **£m** |
|---|---|
| 2026 | 8.7 |
| 2027 | 3.1 |
| 2028 | 0.6 |
| | **12.4** |

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## 24 Share-based payments continued

### (b) Equity Compensation Plan

Awards over ordinary shares made under the Group's Equity Compensation Plan are charged at fair value as operating expenses in the income statement. Fair value is determined at the date of grant and is equal to the market value of the shares at that time. The fair value charges, adjusted to reflect actual levels of vesting, are spread over the performance period and the vesting periods of the awards. Awards are structured as nil-cost options. No new awards will be granted under this plan, as it has been superseded by the Deferred Award Plan (DAP).

| | 2025 Number of ordinary shares Millions | 2024 Number of ordinary shares Millions |
|---|---|---|
| Rights outstanding at 1 January | 5.7 | 7.9 |
| Granted/shares in lieu of dividends | 0.3 | 0.4 |
| Exercised | (2.1) | (2.6) |
| **Rights outstanding at 31 December** | **3.9** | **5.7** |
| | | |
| Vested | 3.9 | 5.7 |
| | | |
| Weighted average share price at date of exercise (£) | 3.92 | 3.71 |

The weighted average exercise price per share is nil. There were no charges (2024: none) recognised during the year.

### (c) Equity Incentive Plan

Awards over ordinary shares made under the Group's Equity Incentive Plan are charged at fair value as operating expenses to the income statement, over a five-year vesting period. Fair value is determined at the date of grant and is equal to the market value of the shares at that time. Awards are structured as nil-cost options. No new awards will be granted under this plan, as it has been superseded by the Deferred Award Plan (DAP).

| | 2025 Number of ordinary shares Millions | 2024 Number of ordinary shares Millions |
|---|---|---|
| Rights outstanding at 1 January | 2.8 | 4.2 |
| Granted/shares in lieu of dividends | 0.2 | 0.3 |
| Forfeited | (0.1) | (0.1) |
| Exercised | (1.3) | (1.6) |
| **Rights outstanding at 31 December** | **1.6** | **2.8** |
| | | |
| Vested | 1.6 | 1.8 |
| Unvested | – | 1.0 |
| | | |
| Weighted average share price at date of exercise (£) | 3.85 | 3.44 |

The weighted average exercise price per share is nil. A charge of £0.2 million (2024: £1.1 million) was recognised during the year.

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## 24 Share-based payments continued

### (d) Long Term Incentive Plan

Awards over ordinary shares made under the Group's Long Term Incentive Plan are charged at fair value to the income statement over a four-year vesting period. Fair value is calculated using the market value of the shares at the grant date, discounted for dividends forgone over the vesting period of the award and adjusted based on an estimate at the year-end date of the extent to which the performance conditions are expected to be met. Awards are structured as nil-cost options.

| | 2025<br>Number of ordinary shares Millions | 2024<br>Number of ordinary shares Millions |
|---|---|---|
| Rights outstanding at 1 January | 0.6 | 0.5 |
| Granted | 1.4 | 0.3 |
| Forfeited | (0.2) | (0.1) |
| Exercised | – | (0.1) |
| **Rights outstanding at 31 December** | **1.8** | **0.6** |
| Unvested | 1.8 | 0.6 |
| Weighted average fair value of shares granted (£) | 4.07 | 3.94 |
| Weighted average share price at date of exercise (£) | – | 3.66 |

The weighted average exercise price per share is nil. A charge of £2.6 million (2024: £0.2 million) was recognised during the year.

The table below shows the expected charges for awards issued under the Long Term Incentive Plan to be expensed in future years:

| | £m |
|---|---|
| 2026 | 0.6 |
| 2027 | 0.6 |
| 2028 | 0.6 |
| | **1.8** |

### (e) Share Incentive Plan

The employee monthly share purchase plan is open to UK permanent employees and provides free shares from the Group to match the employee purchase of shares up to a maximum of £100 per month. The shares vest after one year.

Pursuant to this plan, the Group purchased 672,100 ordinary shares in 2025 (2024: 743,910). A charge of £2.2 million (2024: £2.5 million) was recognised during the year.

### (f) Cash-settled share-based awards

Certain employees have been awarded cash-settled equivalents to these share-based awards. The fair value of these awards is determined using the same methods and models used to value the equivalent equity-settled awards. The fair value of the liability is remeasured at each balance sheet date and at settlement date.

At 31 December 2025, the carrying value of liabilities arising from cash-settled share-based awards was £6.1 million (2024: £5.0 million). The total intrinsic value at 31 December 2025 of liabilities for which the employee's right to cash or other assets had vested by that date was £5.0 million (2024: £3.5 million).

A charge of £2.2 million (2024: credit of £0.3 million) was recognised during the year. The liability was remeasured at the balance sheet date at a share price of £4.07 (2024: £3.24).

## 25 Related party transactions

Transactions between the Group and parties related to the Group are required to be disclosed to the extent that they are necessary for an understanding of the potential effect of the relationship on the financial statements. Other disclosures, such as key management personnel compensation, are also required.

The Group is not deemed to be controlled or jointly controlled by a party directly or through intermediaries under the accounting standards. As a result, the related parties of the Group are members of the Group, including associates and joint ventures, key management personnel, close family members of key management personnel and any entity controlled by those parties.

Cash transactions with associates or joint ventures are reported in the cash flow statement and in note 10.

£18.9 million (2024: £23.5 million) was held in customer accounts in respect of amounts payable to key management personnel or their related parties.

Included within loans and advances to clients are amounts due from related parties of £0.1 million (2024: £0.1 million). All related party loans and advances were at commercial rates.

Some of the plan assets of the Schroders Retirement Benefit Scheme are invested in products managed by the Life Company (see note 15). At 31 December 2025, the fair value of these assets was £62.3 million (2024: £55.0 million).

Transactions between the Group and its related parties were made at market rates. Any amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

### Key management personnel compensation

Key management personnel are defined as members of the Board, the Group Executive Committee (Group ExCo), and the Group Management Committee until its dissolution in November 2024. The remuneration of key management personnel during the year was as follows:

| Type of remuneration | Typical composition of this type of benefit | **2025 £m** | 2024 £m |
|---|---|---|---|
| Short-term employee benefits | Salary and upfront bonus | 20.6 | 21.4 |
| Share-based payments | Deferred share awards | 9.9 | 8.3 |
| Other long-term benefits | Deferred cash awards | 10.1 | 13.3 |
| Termination benefits | Termination benefits | 0.1 | 0.3 |
| Post-employment benefits | Pension plans | 0.1 | 0.3 |
| | | **40.8** | **43.6** |

The remuneration of key management personnel is based on individual performance and market rates. The remuneration policy (which applies to Directors and management) is described in more detail at www.schroders.com/directors-remuneration-policy.

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# 26 Interests in structured entities

Structured entities are those entities that have been designed so that voting or similar rights are not the dominant factor in deciding who has control, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Group's interests in consolidated and unconsolidated structured entities are described below.

The Group has interests in structured entities as a result of contractual arrangements arising from its principal activity, the management of assets on behalf of its clients. AUM, excluding deposits by Wealth Management clients and some segregated client portfolios held within the Group's Asset Management business, is managed within structured entities. These structured entities typically consist of investment vehicles such as Open Ended Investment Companies, Authorised Unit Trusts, Limited Partnerships and Sociétés d'Investissement à Capital Variable, which entitle investors to a percentage of the vehicle's net asset value. The vehicles are financed by the purchase of units or shares by investors. The Group also has interests in structured entities through proprietary investments. These are mainly into vehicles that help facilitate the Group's stated aim of generating a return on capital and when it makes seed investments and co-investments in developing new investment strategies or as it invests alongside its clients. Additionally, the Group holds interests in structured entities for liquidity management purposes, for example via investments in money market funds.

The Group does not ordinarily guarantee returns on the investments it manages or commit to financially support its structured entities. A small proportion of the Group's AUM, principally real estate funds, is permitted to raise finance through loans from banks and other financial institutions. Where external finance is raised, the Group does not provide a guarantee for the repayment of any borrowings.

The business activity of all structured entities in which the Group has an interest, is the management of assets in order to generate investment returns for investors from capital appreciation and/or investment income. The Group earns a management fee from its structured entities, normally based on a percentage of the entity's net asset value, committed capital value or gross asset value and, where contractually agreed, a performance fee or carried interest, based on outperformance against predetermined benchmarks. In addition, where the Group owns a proportion of the structured entity it is entitled to receive investment returns.

## (a) Interests arising from managing assets

The Group's interests in structured entities arising as a result of contractual relationships from its principal activity, the management of assets on behalf of its clients, are reflected in the Group's AUM excluding associates and joint ventures.

| | 2025 | | | |
|---|---|---|---|---|
| | **AUM outside of structured entities** | **AUM within consolidated structured entities** | **AUM within unconsolidated structured entities** | **Total** |
| | **£bn** | **£bn** | **£bn** | **£bn** |
| Asset Management | 324.6 | 6.1 | 275.0 | 605.7 |
| Wealth Management | 104.6 | – | 19.3 | 123.9 |
| | **429.2** | **6.1** | **294.3** | **729.6** |

| | 2024 | | | |
|---|---|---|---|---|
| | AUM outside of structured entities | AUM within consolidated structured entities | AUM within unconsolidated structured entities | Total |
| | £bn | £bn | £bn | £bn |
| Asset Management | 285.9 | 5.4 | 243.7 | 535.0 |
| Wealth Management | 111.6 | – | 15.2 | 126.8 |
| | **397.5** | **5.4** | **258.9** | **661.8** |

Certain AUM are managed outside of structured entities. Within Asset Management, this occurs either because it is formed of segregated investment portfolios for institutional clients comprising directly held investments in individual financial instruments, or because the voting structures of the vehicles themselves allow the investment manager to be removed without cause. Within Wealth Management, AUM is not generally considered to be within structured entities as the contractual relationships exist directly with the client rather than with structured entities, for example discretionary and advisory asset management and banking services. In addition, Wealth Management AUM in the form of loans and advances to customers is managed outside of structured entities.

Certain structured entities are deemed to be controlled by the Group and are accounted for as subsidiaries and consolidated in accordance with the accounting standards. AUM within consolidated structured entities represents the net assets of the beneficial interest in the consolidated structured entity owned by third parties.

AUM within unconsolidated structured entities constitutes the remaining balance, represented principally by the net asset value of pooled vehicles managed for intermediary clients, as well as some assets invested in pooled vehicles on behalf of institutional and Wealth Management clients. The Group's beneficial interest in structured entities is not included within AUM and is described separately overleaf.

The Group has no direct exposure to losses in relation to the AUM reported above, as the investment risk is borne by clients. The main risk the Group faces from its interest in AUM managed on behalf of clients is the loss of fee income as a result of the withdrawal of funds by clients. Outflows from funds are dependent on market sentiment, asset performance and investor considerations.

**Consolidated financial statements** continued
Notes to the accounts continued

## 26 Interests in structured entities continued

### (a) Interests arising from managing assets continued

Revenue includes £1,478.9 million (2024: £1,398.5 million) of fees from structured entities managed by the Group. The table below shows the carrying value of the Group's interests in structured entities as a result of its management of assets, where income is accrued over the period for which assets are managed but payment is yet to be received. The carrying value represents the Group's maximum exposure to loss from these interests.

| | 2025 £m | 2024 £m |
|---|---|---|
| Fee debtors from structured entities | 37.7 | 36.0 |
| Accrued income from structured entities | 368.9 | 317.4 |
| **Total exposure due to investment management activities** | **406.6** | **353.4** |

### (b) Interest arising from the Group's investment in unconsolidated structured entities

The table below shows the carrying values of the Group's proprietary investments in unconsolidated structured entities, which resulted in a net gain on financial instruments and other income of £62.8 million (2024: gain of £32.3 million). The carrying values represent the Group's maximum exposure to loss from these interests.

| | 2025 £m | 2024 £m |
|---|---|---|
| Cash and cash equivalents | 368.8 | 362.6 |
| Financial assets | 895.7 | 818.5 |
| **Total exposure due to the Group's investments** | **1,264.5** | **1,181.1** |

The Group's proprietary investments include interests in unconsolidated structured entities in the form of cash and cash equivalents and financial assets. Cash and cash equivalents comprise investments in money market funds, none of which are managed by the Group (2024: nil). Financial assets include seed investments, co-investments, legacy private equity investments and investments hedging deferred cash awards. Of the financial assets, £646.1 million (2024: £620.6 million) is invested in funds managed by the Group. The Group has no interest apart from its role as investor in those funds for which it does not act as manager. The main risk the Group faces from its interests in unconsolidated structured entities arising from proprietary investments is that the investments will decrease in value. Note 19 includes further information on the Group's exposure to market risk arising from proprietary investments.

The Group has contractual commitments to co-invest alongside its clients and provide a minimum level of capital for certain private assets and alternative vehicles. The Group's investment call commitments are set out in note 8.

The statement of financial position also includes the Life Company assets of £12,728.0 million (2024: £9,458.7 million), which are included in AUM. The exposure to the risks and rewards associated with these assets is borne by unit-linked policyholders, or, where Life Company funds are consolidated, third-party investors in those funds.

#### Financial support for consolidated structured entities where there is no contractual obligation to do so

The Group supports some of its funds through seed investments to enable the funds to establish a track record before they are more widely marketed. During the year, the Group purchased units at a cost of £211.1 million (2024: £54.2 million) to provide seed investment to investment funds managed by the Group, of which £74.1 million (2024: nil) resulted in the consolidation of those funds and £137.0 million (2024: £54.2 million) did not.

# Presentation of the financial statements

### (a) Basis of preparation

The consolidated financial statements are prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006.

The consolidated financial information presented within these financial statements has been prepared on the going concern basis. In making an assessment on going concern, the Directors have considered a wide range of information relating to present and future conditions, including future capital requirements, prediction of profitability and cash flows. These assessments showed the Group has sufficient capital and liquidity to support future business requirements and adequate resources to continue as a going concern for at least 12 months following approval of the financial statements.

The consolidated statement of financial position is shown in order of liquidity. The classification between current and non-current is set out in the notes. The Group's Life Company business is reported separately. If the assets and liabilities of the Group's Life Company business were to be included within existing captions on the consolidated statement of financial position, the effect would be to gross up a number of individual line items to a material extent. By not doing this, the Group can provide a more transparent presentation that shows the assets of the Life Company and the related unit-linked liabilities as separate and distinct from the remainder of the consolidated statement of financial position.

The Group's principal accounting policies have been consistently applied. Further information is provided below and highlighted in the notes to the accounts.

### (b) Future accounting developments

The Group did not implement the requirements of any standards or interpretations that were in issue but were not required to be adopted by the Group at the year-end date. No standards or interpretations have been issued that are expected to have a material impact on the consolidated financial statements.

### (c) Basis of consolidation

The consolidated financial information includes the total comprehensive gains or losses, the financial position and the cash flows of the Company and its subsidiaries, associates and joint ventures. This includes share ownership trusts established for certain share-based awards.

In the case of associates and joint ventures, those entities are presented as single line items in the consolidated income statement and consolidated statement of financial position (see note 10).

Intercompany transactions and balances are eliminated on consolidation. Consistent accounting policies have been applied across the Group in the preparation of the consolidated financial statements. Details of the Company's related undertakings are presented in note 35.

The entities included in the consolidation may vary year on year due both to the restructuring of the Group (including acquisitions and disposals) and changes to the number of pooled investment vehicles controlled by the Group.

Where the Group controls a pooled investment vehicle, it is consolidated and the third-party interest is recorded as a financial liability until the Group loses control. This consolidation has no net effect on the Group's consolidated income statement.

The consolidated cash flow statement separately presents acquisitions and disposals of interests in consolidated pooled vehicles. Cash movements within the pooled vehicles are shown net within cash flows from operating activities as the cash held within the underlying pooled investment vehicles is restricted and is not available to the Group for corporate purposes. This presentation provides more relevant information about the impact of the Group's investment in pooled vehicles on corporate cash resources than an analysis of the underlying cash flows of the vehicles.

The Group records any non-controlling interest at the proportionate share of the acquiree's identifiable assets. Where an option exists to acquire a further interest in the shares of a subsidiary, a financial liability is recognised. These liabilities are measured at the present value of the expected amount payable on exercise. As the option relates to a change in the ownership interest of a subsidiary, the non-controlling interest is adjusted and changes in value are recognised directly in equity. If these options expire unexercised, the financial liability is derecognised with the corresponding credit recognised directly in equity.

On 9 October 2025, the Group disposed of its investment in Scottish Widows Schroder Wealth Holdings Limited (SPW). The 49.9% interest was acquired by Lloyds Banking Group in exchange for its 19.1% interest in Schroder Wealth Holdings Limited (SWHL). No cash was paid or received as part of the transaction. A gain of £113.3 million has been recognised in the consolidated income statement on the disposal of the joint venture (see note 10(a)). A loss of £212.2 million has been recognised within other movements in the consolidated statement of changes in equity on derecognition of the non-controlling interest. As a result of the transaction, equity attributable to shareholders of Schroders plc decreased by £98.9 million.

The consolidated profit after tax of SWHL was £68.8 million for the period to 9 October 2025 (full year 2024: £83.8 million) and no dividends were paid to SWHL's non-controlling interest (2024: £3.6 million). The net assets of SWHL at 31 December 2024 were £377.4 million.

No non-controlling interest is considered to be individually material to the Group on the basis of the carrying values at 31 December 2025 (2024: third-party interests of 19.1% in SWHL).

### (d) Net gains and losses on foreign exchange

Many subsidiaries are denominated in currencies other than sterling. The results of these subsidiaries are translated at the average rate of exchange. At the year end, the assets and liabilities are translated at the closing rate of exchange. Gains or losses on translation are recorded in the consolidated statement of comprehensive income and as a separate component of equity together with gains or losses on any hedges of overseas operations. Such gains or losses are transferred to the consolidated income statement on disposal or liquidation of the relevant subsidiary. Transactions undertaken in foreign currencies are translated into the functional currency of the subsidiary at the exchange rate prevailing on the date of the transaction.

Foreign currency assets and liabilities, other than those measured at historical cost, are translated into the functional currency at the rates of exchange ruling at the year-end date. Any exchange differences arising are included within the consolidated income statement.

### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, short-term deposits with contractual maturities of three months or less and money market funds. Cash equivalents are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are used for cash management purposes.

**Consolidated financial statements** continued
Notes to the accounts continued

## Presentation of the financial statements continued

### (f) Estimates and judgements

The preparation of the consolidated financial statements in conformity with UK-adopted international accounting standards requires the use of certain significant accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies and in determining whether certain assets and liabilities should be recorded or an impairment recognised. Any areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed within the notes and identified under the title estimates and judgements. Estimates and judgements used in preparing the financial statements are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates may not equal the related actual results.

In applying IFRS 10 Consolidated Financial Statements, the Group uses judgement to determine whether its interests in funds (and other similar entities), including those held by the Life Company, constitute controlling interests. The Group can have interests in funds in the form of proprietary investments or through its role as fund manager. The Group usually deems control to exist where the Group is the fund manager and its share of total variable returns exceeds 40% (including from ownership interests and management and performance-based revenues). The Group usually deems that control does not exist where the Group's share of total variable returns is below 30%. The Group reviews all facts and circumstances to establish whether the Group has control. This includes consideration of the purpose and design of the investee as well as the rights held by other parties to remove the Group as the fund manager.

The other estimates and judgements that could have a significant effect on the carrying amounts of assets and liabilities are set out in the following notes, including sensitivities where relevant or material:

| | |
|---|---|
| **Note 2** | Net operating revenue |
| **Note 4** | Tax expense |
| **Note 7** | Trade and other receivables |
| **Note 8** | Financial assets and liabilities |
| **Note 13** | Goodwill and intangible assets |
| **Note 15** | Unit-linked liabilities and assets backing unit-linked liabilities |
| **Note 17** | Provisions and contingent liabilities |
| **Note 23** | Retirement benefit obligations |

Climate risks have been considered in the preparation of these consolidated financial statements, principally through the valuation of financial assets and impairment assessments.

Financial assets measured at fair value are principally valued using traded prices or market-observable inputs that incorporate potential climate risks where appropriate. The valuation of some financial instruments involves a greater level of judgement or estimation. In these scenarios, climate risks are incorporated in the relevant assumptions, such as cash flow forecasts, where appropriate. For financial assets carried at amortised cost, credit risk assessments also include climate risk considerations.

Impairment assessments relating to goodwill and other intangible assets depend on value in use and discounted cash flow models. These valuations include climate risks in the relevant assumptions where appropriate.

The Group's net operating revenues are typically earned as an agreed percentage of the value of AUM or based on the performance of the underlying AUM. The potential impact of climate change on the Group's AUM and future net operating revenue generation is considered in the Risk management section of the Strategic report.

These considerations did not have a material impact on the financial reporting judgements and estimates in the current year. This reflects the conclusion that climate change is not expected to have a significant impact on the Group's short-term cash flows including those considered in the going concern and viability assessments.

### (g) Presentational changes

The consolidated income statement and associated notes have been re-presented to simplify the reporting of the Group's performance and provide greater comparability. As part of these changes, central costs and acquisition costs and related items are now presented in operating expenses.

Additionally, an adjusted operating profit measure is presented in note 1 to the financial statements. Adjusted operating profit aligns with the basis on which the Group monitors the ongoing operational performance of the business and excludes acquisition costs and related items, transformation costs, and portfolio restructuring items.

The new presentation provides information that is more relevant to understanding the Group's underlying performance, enhancing both clarity and comparability.

**Reconciliation of previously reported operating profit to revised operating profit**

| Year ended 31 December 2024 | £m |
|---|---|
| **Previously reported operating profit** | **640.5** |
| Finance charges | 11.5 |
| Central costs | (59.2) |
| Gains on seed investments | 10.3 |
| Acquisition costs and related items | (74.3) |
| **Revised operating profit** | **528.8** |

## Schroders plc financial statements

# Schroders plc – Statement of financial position

at 31 December 2025

| | Notes | 2025 £m | 2024 £m |
|---|---|---|---|
| **Assets** | | | |
| Trade and other receivables | 29 | 1,567.2 | 1,702.5 |
| Deferred tax | 31 | 29.4 | 35.8 |
| Retirement benefit scheme surplus | 23 | 126.1 | 131.0 |
| Investments in subsidiaries | 35 | 3,092.6 | 3,092.6 |
| **Total assets** | | **4,815.3** | **4,961.9** |
| | | | |
| **Liabilities** | | | |
| Trade and other payables | 30 | 22.7 | 28.8 |
| Issued debt | 9 | 256.1 | 256.0 |
| Deferred tax | 31 | 31.5 | 32.8 |
| **Total liabilities** | | **310.3** | **317.6** |
| | | | |
| **Net assets** | | **4,505.0** | **4,644.3** |
| | | | |
| **Total equity** | | **4,505.0** | **4,644.3** |

The financial statements were approved by the Board of Directors on 11 February 2026 and signed on its behalf by:

**Meagen Burnett**
Director

**Schroders plc financial statements** continued

## Schroders plc – Statement of changes in equity

for the year ended 31 December 2025

| | Notes | Share capital £m | Share premium £m | Own shares £m | Profit and loss reserve £m | Total £m |
|---|---|---|---|---|---|---|
| **At 1 January 2025** | | **322.4** | **84.3** | **(148.5)** | **4,386.1** | **4,644.3** |
| **Profit for the year** | | **–** | **–** | **–** | **176.2** | **176.2** |
| **Items that will not to be reclassified to the income statement:** | | | | | | |
| Net actuarial loss on defined benefit pension scheme | 23 | – | – | – | (1.0) | (1.0) |
| Tax on items taken directly to other comprehensive income | | – | – | – | 0.3 | 0.3 |
| **Other comprehensive income** | | **–** | **–** | **–** | **(0.7)** | **(0.7)** |
| **Total comprehensive income for the year** | | **–** | **–** | **–** | **175.5** | **175.5** |
| Own shares purchased | 33 | – | – | (10.4) | – | (10.4) |
| Share-based payments | | – | – | – | 31.3 | 31.3 |
| Tax in respect of share schemes | | – | – | – | 0.1 | 0.1 |
| Dividends | 6 | – | – | – | (335.8) | (335.8) |
| **Transactions with shareholders** | | **–** | **–** | **(10.4)** | **(304.4)** | **(314.8)** |
| **Transfers** | | **–** | **–** | **66.6** | **(66.6)** | **–** |
| **At 31 December 2025** | | **322.4** | **84.3** | **(92.3)** | **4,190.6** | **4,505.0** |

| | Notes | Share capital £m | Share premium £m | Own shares £m | Profit and loss reserve £m | Total £m |
|---|---|---|---|---|---|---|
| **At 1 January 2024** | | **322.4** | **84.3** | **(158.2)** | **4,394.5** | **4,643.0** |
| **Profit for the year** | | **–** | **–** | **–** | **372.4** | **372.4** |
| **Items that will not to be reclassified to the income statement:** | | | | | | |
| Net actuarial loss on defined benefit pension scheme | 23 | – | – | – | (7.7) | (7.7) |
| Tax on items taken directly to other comprehensive income | | – | – | – | 1.9 | 1.9 |
| **Other comprehensive income** | | **–** | **–** | **–** | **(5.8)** | **(5.8)** |
| **Total comprehensive income for the year** | | **–** | **–** | **–** | **366.6** | **366.6** |
| Own shares purchased | 33 | – | – | (55.8) | – | (55.8) |
| Share-based payments | | – | – | – | 24.7 | 24.7 |
| Dividends | 6 | – | – | – | (334.2) | (334.2) |
| **Transactions with shareholders** | | **–** | **–** | **(55.8)** | **(309.5)** | **(365.3)** |
| **Transfers** | | **–** | **–** | **65.5** | **(65.5)** | **–** |
| **At 31 December 2024** | | **322.4** | **84.3** | **(148.5)** | **4,386.1** | **4,644.3** |

The distributable profits of Schroders plc are £2.7 billion (2024: £2.8 billion) and comprise retained profits of £2.8 billion (2024: £3.0 billion), included within the profit and loss reserve, less amounts held within the own shares reserve.

The Group's ability to pay dividends is however restricted by the need to hold regulatory capital and to maintain sufficient other operating capital to support its ongoing business activities. In addition, the Group invests in its own funds as seed investment for the purpose of supporting new investment strategies. An analysis of the Group's capital position is provided in note 19.

**Schroders plc financial statements** continued

## Schroders plc – Cash flow statement

for the year ended 31 December 2025

| | 2025 £m | 2024 £m |
|---|---|---|
| **Profit before tax** | **182.3** | **380.2** |
| | | |
| **Adjustments for:** | | |
| Decrease/(increase) in trade and other receivables | 134.1 | (275.7) |
| (Decrease)/increase in trade and other payables | (10.4) | 1.9 |
| Net adjustment in respect of the Scheme | 3.9 | (0.4) |
| Share-based payments | 31.3 | 24.7 |
| Amounts paid in respect of Group tax relief | (2.6) | (2.0) |
| Net interest income adjustment | 17.2 | 9.7 |
| **Net cash from operating activities** | **355.8** | **138.4** |
| | | |
| **Cash flows from financing activities:** | | |
| Loan received from a Group company | 6.3 | 6.8 |
| Acquisition of own shares | (10.4) | (55.8) |
| Dividends paid | (335.8) | (334.2) |
| Issuance of loan notes | – | 248.8 |
| Interest on issued debt | (15.9) | (4.0) |
| **Net cash used in financing activities** | **(355.8)** | **(138.4)** |
| | | |
| **Net decrease in cash and cash equivalents** | **–** | **–** |
| | | |
| Opening cash and cash equivalents | – | – |
| Net decrease in cash and cash equivalents | – | – |
| **Closing cash and cash equivalents** | **–** | **–** |

**Consolidated financial statements** continued
Notes to the accounts continued

## 27 Significant accounting policies

The separate financial statements of Schroders plc (Company) have been prepared on a going concern basis in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006. The Company has taken advantage of the exemption in section 408 of the Act not to present its own income statement and statement of comprehensive income.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in the Group's financial statement note disclosures, where applicable. In addition, note 35 sets out the accounting policy in respect of investments in subsidiary undertakings.

## 28 Expenses and other disclosures

The auditor's remuneration for audit services to the Company was £0.9 million (2024: £0.8 million). There was £0.1 million of other assurance services in the year (2024: £0.2 million).

### Key management personnel compensation

The remuneration policy is described in more detail at www.schroders.com/directors-remuneration-policy. The Company has no employees. The key management personnel of the Company are defined as the Board of Directors. The remuneration of key management personnel, borne by the Company, during the year was as follows:

| Type of remuneration | Typical composition of this type of benefit | 2025 £m | 2024 £m |
|---|---|---|---|
| Short-term employee benefits | Salary and upfront bonus | 10.6 | 6.0 |
| Share-based payments | Deferred share awards | 4.1 | 4.9 |
| Other long-term benefits | Deferred cash awards | 3.7 | 2.4 |
| | | **18.4** | **13.3** |

## 29 Trade and other receivables

| | 2025 £m | 2024 £m |
|---|---|---|
| Amounts due from subsidiaries | 1,564.7 | 1,701.9 |
| Prepayments and accrued income | 0.1 | – |
| Other receivables | 2.4 | 0.6 |
| | **1,567.2** | **1,702.5** |

Trade and other receivables are initially recorded at fair value and subsequently at amortised cost. All trade and other receivables are due within one year or repayable on demand.

The ECL provision on trade and other receivables at 31 December 2025 was £1.5 million (2024: £1.7 million). Note 19 sets out the details of the expected credit loss calculation.

The Company grants equity-settled awards to employees of its directly and indirectly owned subsidiaries, resulting in a corresponding increase in amounts due from subsidiaries.

## 30 Trade and other payables

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| Trade and other payables amortised at cost: | Non-current £m | Current £m | Total £m | Non-current £m | Current £m | Total £m |
| Social security | 1.8 | 1.4 | 3.2 | 1.5 | 1.0 | 2.5 |
| Accruals | 2.5 | 11.2 | 13.7 | 2.0 | 9.2 | 11.2 |
| Amounts owed to subsidiaries | – | 5.8 | 5.8 | – | 14.8 | 14.8 |
| Other payables | – | – | – | – | 0.3 | 0.3 |
| | **4.3** | **18.4** | **22.7** | **3.5** | **25.3** | **28.8** |

The Company's trade and other payables contractually mature in the following time periods:

| | 2025 £m | 2024 £m |
|---|---|---|
| Less than one year | 18.4 | 25.3 |
| | | |
| 1 - 5 years | 4.3 | 3.5 |
| | **4.3** | **3.5** |
| | | |
| | **22.7** | **28.8** |

Amounts owed to subsidiaries include an interest-bearing loan of £2.6 million (2024: £8.9 million) that is repayable on demand.

**Consolidated financial statements** continued
Notes to the accounts continued

## 31 Deferred tax

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Deferred employee awards** | **Losses** | **Pension surplus** | **Total** | Deferred employee awards | Losses | Pension surplus | Total |
| | **£m** | **£m** | **£m** | **£m** | £m | £m | £m | £m |
| At 1 January | 3.5 | 32.3 | (32.8) | 3.0 | 3.3 | 34.9 | (34.6) | 3.6 |
| Income statement (charge)/credit | (0.2) | (6.3) | 1.0 | (5.5) | 0.2 | (2.6) | (0.1) | (2.5) |
| Credit to statement of other comprehensive income | – | – | 0.3 | 0.3 | – | – | 1.9 | 1.9 |
| Credit taken to equity | 0.1 | – | – | 0.1 | – | – | – | – |
| **At 31 December** | **3.4** | **26.0** | **(31.5)** | **(2.1)** | **3.5** | **32.3** | **(32.8)** | **3.0** |

A deferred asset of £3.2 million (2024: £3.4 million) relating to £12.8 million of realised capital losses has not been recognised as there is insufficient evidence that there will be sufficient capital gains in the future against which the deferred tax asset could be utilised.

Net deferred tax at 31 December comprises a deferred tax asset of £29.4 million (2024: £35.8 million) and a deferred tax liability of £31.5 million (2024: £32.8 million).

## 32 Financial instrument risk management

The Company's policy is to have adequate capital for all activities undertaken in the normal course of business. In particular, it should have adequate capital to maintain sufficient liquid funds to meet peak working capital requirements. Generally, surplus capital is loaned back to the Group's investment capital management entities.

The risk management processes of the Company are aligned with those of the Group as a whole. More details on the risk management framework and approach are set out in the Risk Management report and the Audit and Risk Committee report on pages 25 and 53 respectively as well as in note 19. The Company's specific risk exposures are explained below.

### Credit risk

The Company has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due. The Company's counterparties are predominantly its subsidiaries and therefore there is minimal external credit risk exposure.

### Liquidity risk

The Company holds sufficient liquid funds to cover its needs in the normal course of business. The Company can recall intercompany loans to subsidiaries or utilise the Group loan facility to maintain sufficient liquidity.

### Interest rate risk

At 31 December 2025, if interest rates had been 25 bps higher (2024: 25 bps higher) or 50 bps lower (2024: 50 bps lower) with all other variables held constant, the Company estimates that profit after tax for the year would have increased by £2.9 million (2024: increased by £3.1 million) or decreased by £5.8 million (2024: decreased by £6.2 million) respectively. These changes are mainly as a result of net interest income on the Company's interest-bearing intercompany receivables and payables and cash. Other components of equity are not directly affected by interest rate movements.

The model used to calculate the effect on post-tax profits does not take into account the indirect effect of interest rates on the fair value of assets and liabilities.

### Foreign exchange and pricing risk

The Company is not directly exposed to foreign exchange or pricing risk. The Company's investments in its directly held subsidiaries are in sterling and are held at historic cost. It has indirect exposure to foreign exchange and pricing risk in the Group, which could result in the impairment of these subsidiaries. There are currently sufficient resources in subsidiaries to absorb any normal market events.

**Consolidated financial statements** continued
Notes to the accounts continued

## 33 Own shares

Movements in own shares during the year were as follows:

| | 2025 £m | 2024 £m |
|---|---|---|
| At 1 January | 148.5 | 158.2 |
| Own shares purchased | 10.4 | 55.8 |
| Awards vested | (66.6) | (65.5) |
| **At 31 December** | **92.3** | **148.5** |

During the year, 2.7 million (2024: 9.4 million) own shares were purchased and held for hedging share-based awards. In 2024, 6.4 million shares were purchased and held in treasury. During the year, 5.0 million (2024: nil) of the shares held in treasury were transferred to employee benefit trusts. 15.4 million shares (2024: 13.8 million shares) awarded to employees vested in the year and were transferred out of own shares.

The total number of shares in the Company held within the Company's employee benefit trusts and in treasury comprise:

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Number of vested shares Millions | Number of unvested shares Millions | Total Millions | Number of vested shares Millions | Number of unvested shares Millions | Total Millions |
| **Total ordinary shares** | **23.0** | **21.3** | **44.3** | **22.0** | **34.0** | **56.0** |

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Vested shares £m | Unvested shares £m | Total £m | Vested shares £m | Unvested shares £m | Total £m |
| **Total ordinary shares:** | | | | | | |
| **Cost** | **107.8** | **92.3** | **200.1** | **103.1** | **148.5** | **251.6** |
| **Fair value** | **93.7** | **86.5** | **180.2** | **71.4** | **109.9** | **181.3** |

## 34 Related party transactions

The Company is not deemed to be controlled or jointly controlled by a party directly or through intermediaries under the accounting standards. As a result, the related parties of the Company comprise principally subsidiaries, associates and joint ventures, key management personnel, close family members of key management personnel and any entity controlled by those parties.

The Company has determined that key management personnel comprises only the Board of Directors.

### Transactions between related parties

Details of transactions between the Company and its subsidiaries, which are related parties of the Company, and transactions between the Company and other related parties, excluding compensation (which is set out in note 28), are disclosed below:

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Revenue £m | Expenses £m | Interest receivable £m | Interest payable £m | Amounts owed by related parties £m | Amounts owed to related parties £m |
| Subsidiaries of the Company | 150.0 | (2.9) | 66.2 | (0.9) | 1,564.7 | (5.8) |
| Key management personnel | 0.6 | – | – | (0.3) | 0.1 | (16.9) |

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Revenue £m | Expenses £m | Interest receivable £m | Interest payable £m | Amounts owed by related parties £m | Amounts owed to related parties £m |
| Subsidiaries of the Company | 358.0 | (24.0) | 71.9 | (0.1) | 1,701.9 | (14.8) |
| Key management personnel | 0.5 | – | – | (0.2) | 0.1 | (20.6) |

Transactions with related parties were made at market rates. The amounts outstanding are unsecured and will be settled in cash.

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# 35 Subsidiaries and other related undertakings

The Group operates globally, which results in the Company having a corporate structure consisting of a number of related undertakings, comprising subsidiaries, joint ventures, associates and other qualifying undertakings. A full list of these undertakings, the country of incorporation, registered office, classes of shares held and the effective percentage of equity owned at 31 December 2025 is disclosed below.

Additionally, related undertakings include entities where the Company has a significant holding of a share class or unit class of a pooled vehicle. These holdings can arise through the Group's investment management activities on behalf of clients or as part of the stated aim of generating a return on capital. The seeding of structured entities in order to develop new investment strategies can give rise to these holdings. A listing of related undertakings arising from the Company's interest in structured entities along with registered offices is included on pages 171 to 174.

## (a) Related undertakings arising from the Company's corporate structure

### Fully owned subsidiaries

| Name | Share class | Footnote | % | Address |
|---|---|---|---|---|
| **UK** | | | | |
| Leadenhall Securities Corporation Limited | OS | | 100% | 1 London Wall Place, London, EC2Y 5AU, England |
| Schroder & Co. Limited | OS | | 100% | |
| Schroder Administration Limited | OS | a | 100% | |
| Schroder Corporate Services Limited | OS | | 100% | |
| Schroder Financial Holdings Limited | OS | | 100% | |
| Schroder Financial Services Limited | OS | | 100% | |
| Schroder International Holdings Limited | OS | | 100% | |
| Schroder Investment Company Limited | OS | | 100% | |
| Schroder Investment Management Limited | OS | | 100% | |
| Schroder Private Assets Holdings Limited | OS | | 100% | |
| Schroder Real Estate Investment Management Limited | OS | | 100% | |
| Schroder Unit Trusts Limited | OS | | 100% | |
| Schroder Wealth Holdings Limited | OS | | 100% | |
| Schroder Wealth International Holdings Limited | OS | | 100% | |
| Croydon Gateway Nominee 1 Limited | OS | g | 100% | |
| Croydon Gateway Nominee 2 Limited | OS | g | 100% | |
| Gatwick Hotel Feeder GP LLP | PI | | 100% | |
| J. Henry Schroder Wagg & Co. Limited | OS | | 100% | |
| Schroders Capital Junior Infrastructure Debt United Kingdom GP LLP | PI | | 100% | |
| Schroder Investment Management North America Limited | OS | | 100% | |
| Schroder Nominees Limited | OS | b | 100% | |
| Schroder Pension Management Limited | OS | | 100% | |
| Schroder Pension Trustee Limited | OS | | 100% | |
| Schroders IS Limited | OS | | 100% | |
| UK PEM Partners Limited | OS | | 100% | |
| Schroders Capital UK Self Storage GP LLP | PI | n | 100% | |
| Cazenove New Europe (CFM1) Limited | OS | b | 100% | |
| Cazenove New Europe (PPI) Limited | OS | b | 100% | |
| Cazenove New Europe Staff Interest Limited | OS | b | 100% | |
| Whitley Asset Management Limited | OS | c, d | 100% | |
| Sand Aire Limited | OS | b | 100% | |
| Schroder & Co Nominees Limited | OS | b | 100% | |
| Schroder Wealth Management (US) Limited | OS | | 100% | |
| Schroders Capital Private Equity Founder Partner (GP) Limited | OS | | 100% | 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland |
| Schroders Capital Private Equity Founder Partner Limited | OS | | 100% | |

**Consolidated financial statements** continued
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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Fully owned subsidiaries** continued

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **UK (continued)** | | | | |
| Schroders Capital Private Equity GP LLP | PI | | 100% | 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland |
| TransPennine GP (Scot) LLP | PI | | 100% | |
| Benchmark Capital Limited | OS | | 100% | Broadlands Business Campus, Langhurstwood Road, Horsham, West Sussex, RH12 4QP, England |
| Benchmark Financial Planning Limited | OS | | 100% | |
| Best Practice IFA Group Limited | OS | | 100% | |
| Bright Square Pensions Limited | OS | | 100% | |
| Creative Technologies Ltd | OS | | 100% | |
| Evolution Wealth Network Limited | OS | | 100% | |
| Fusion Wealth Limited | OS | | 100% | |
| Jenkins Financial Planning Ltd | OS | | 100% | |
| Oculus Wealth Management Limited | OS | | 100% | |
| Oculus (Holdings) Limited | OS | c, d | 100% | |
| PP Nominees Limited | OS | | 100% | |
| PP Trustees Limited | OS | | 100% | |
| RIA Pension Trustees Limited | OS | | 100% | |
| Unique Financial Planning Limited | OS | | 100% | |
| Cusack Financial Management Limited | OS | o | 100% | |
| Verum Financial LLP | PI | l | 100% | |
| Kingston Bishop Limited (In Liquidation) | OS | m | 100% | Town Wall House, Balkerne Hill, Colchester, Essex, CO3 3AD, England |
| Champain Financial Services Limited (In Liquidation) | OS | | 100% | 4, Balkerne Hill, Colchester, Essex, CO3 3AD, United Kingdom |
| Retirement Planning Partnership Ltd (In Liquidation) | OS | | 100% | Kestrel House, Alma Road, Romsey, Hampshire, SO51 8ED, England |
| Advison Limited (In Liquidation) | OS | | 100% | Begbies Traynor (Central) LLP, Town Wall House, Balkerne Hill, Colchester, Essex, CO3 3AD, England |
| Mark Cardy Consultancy Limited (In Liquidation) | OS | g | 100% | |
| Oculus Wealth Management (North Dorset) Limited (In Liquidation) | OS | | 100% | |
| Redbourne Wealth Management Limited (In Liquidation) | OS | c, d | 100% | |
| Vercern Limited (In Liquidation) | OS | g | 100% | |
| Wealth Planning Limited (In Liquidation) | OS | i | 100% | |
| Robertson Baxter Limited | OS | | 100% | Beck House, Abbey Road, Shepley, Huddersfield, HD8 8EP, England |
| **Australia** | | | | |
| Schroder Australia Holdings Pty Limited | OS, R | c, d | 100% | Level 17, 39 Martin Place, Sydney, NSW, 2000, Australia |
| Schroder Investment Management Australia Limited | OS, CPS | | 100% | |
| **Austria** | | | | |
| Schroder Real Estate Asset Management Österreich GmbH (In Liquidation) | OS | | 100% | Hegelgasse 8/10, Wien, 1010, Austria |
| **Belgium** | | | | |
| Algonquin Management Partners S.A. | OS | | 100% | Avenue Louise, 523 – 1050, Bruxelles, Belgium |
| **Bermuda** | | | | |
| Schroder Venture Managers Limited | COS | | 100% | Wellesley House, 2nd Floor, 90 Pitts Bay Road, Pembroke HM 08, Bermuda |
| Schroders (Bermuda) Limited | OS | | 100% | |
| SITCO Nominees Ltd | OS | | 100% | |
| **Brazil** | | | | |
| Schroder Investment Management Brasil Ltda | OS | | 100% | Av Presidente Juscelino Kubitschek, 1327, 12º andar, sala 121, São Paulo, SP, 04543-011, Brazil |
| **Canada** | | | | |
| Schroder Canada Investments Inc. | COS | | 100% | Cidel Financial Group, 60 Bloor Street West, 9th Floor, Toronto, Ontario, M4W 3B8, Canada |
| **Cayman Islands** | | | | |
| AEROW SMA Management I L.P. | PI | | 100% | Maples & Calder, PO Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, KY1 113, Cayman Islands |
| AEROW SMA Management II L.P. | PI | | 100% | |
| PEM Partners Ltd | OS | | 100% | |
| Schroders Capital cPI Global Management III L.P. | PI | | 100% | |
| Clean Energy And Environment (China) Limited | OS | | 100% | Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1 9001, Cayman Islands |

**Consolidated financial statements** continued
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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Fully owned subsidiaries** continued

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **Chile** | | | | |
| Schroders Chile SpA | OS | | 100% | Avenida Cerro El Plomo 5420 Oficina 1104, Les Condes, Santiago, Chile |
| **China** | | | | |
| Schroder Fund Management (China) Company Limited | OS | | 100% | Unit 33T52A, 33F, 100 Century Avenue, FTZ, Shanghai, China |
| Schroder Investment Management (Shanghai) Co., Ltd. | OS | | 100% | Unit 40T12, 40F, 100 Century Avenue, FTZ, Shanghai, China |
| Schroders Capital Private Fund Management (Shanghai) Co., Ltd. | OS | | 100% | |
| Schroders Capital Investment Management (Beijing) Co., Ltd. | OS | | 100% | Unit F1929-F1930, 19th Floor, 101, 4th to 19th Floor, No.7 Finance Avenue, Xicheng District, Beijing, China, China |
| Schroders Capital GP Management (Shanghai) Co., Ltd. | OS | | 100% | Room E-F, No. 828-838 Zhangyang Road, Shanghai Free Trade Zone, Shanghai, China |
| 施罗德绿衣投资管理(无锡)有限公司 (Schroders Capital GP Management Infra (Wuxi) Co., Ltd) | OS | | 100% | 990-303, West Jianghai Road, Liangxi District, Wuxi, China/Jiang Su, 214151, China |
| **Curaçao** | | | | |
| cPI Schroders Capital Investments Management B.V. | OS | | 100% | Johan van, Walbeeckplein 11, Willemstad, Curaçao |
| Schroder Adveq Investors B.V. | OS | | 100% | |
| Schroders Capital Management (Curaçao) N.V. | OS | | 100% | |
| **France** | | | | |
| Schroder Real Estate (France) SAS | OS | | 100% | 1 rue Euler, 75008, Paris, France |
| Schroders Capital Mid Infra II UP | OS | | 100% | Tour Franklin, 100-101 Terrasse Boieldieu, CS70395, Paris La Défense Cedex, France, 92042, France |
| Schroder Mid Infra UP | OS | | 100% | |
| Schroders IDF IV UP | OS | | 100% | |
| **Germany** | | | | |
| Blitz 06-953 GmbH | OS | p | 100% | Taunustor 1, 60310, Frankfurt, Germany |
| Real Neunzehnte Verwaltungsgesellschaft mbH | OS | | 100% | |
| Schroder Eurologistik Fonds Verwaltungs GmbH | OS | | 100% | |
| Schroder Holdings (Deutschland) GmbH | CS | | 100% | |
| Schroder Real Estate Investment Management GmbH | OS | | 100% | |
| Schroder Real Estate Kapitalverwaltungsgesellschaft mbH | OS | | 100% | |
| Schroders Capital Management (Deutschland) GmbH | OS | | 100% | |
| SIMA 5 Verwaltungsgesellschaft mbH | OS | | 100% | |
| Schroder Real Estate Asset Management Austria GmbH | OS | | 100% | Maximilianstraße 31, 80539, München, Germany |
| Schroder Real Estate Asset Management GmbH | OS | | 100% | |
| **Guernsey** | | | | |
| Burnaby Insurance (Guernsey) Limited | OS | | 100% | Heritage Hall, Le Marchant Street, St.Peter Port, Guernsey, GY1 4JH, Channel Islands |
| CC Private Assets Equity PCC Limited | OS | | 100% | Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands |
| CC Private Assets Yield Limited | OS | | 100% | |
| CC Private Debt Feeder Company Limited | OS | | 100% | |
| CC Private Equity Feeder Company PCC Limited | OS | | 100% | |
| Schroder Venture Managers (Guernsey) Limited | OS, NCRPS | | 100% | |
| Schroders Wealth Private Assets PCC Limited | OS | | 100% | |
| Schroder Investment Management (Guernsey) Limited | OS | | 100% | PO Box 334, Regency Court, Glategny Esplanade, St. Peter Port, Guernsey, GY1 3UF, Channel Islands |
| Schroder Investments (Guernsey) Limited | OS, R | | 100% | |
| Schroder Nominees (Guernsey) Limited | OS | | 100% | |

**Consolidated financial statements** continued
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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Fully owned subsidiaries** continued

| Name | Share class | % | Address |
|---|---|---|---|
| **Guernsey (continued)** | | | |
| Schroder Investment Company (Guernsey) Limited | OS, Redeemable | 100% | PO Box 334, Regency Court, Glategny Esplanade, St. Peter Port, Guernsey, GY1 3UF, Channel Islands |
| Schroders (C.I.) Limited | OS | 100% | |
| Secquaero Re (Guernsey) ICC Ltd | OS | 100% | PO Box 33, Dorey Court, Admiral Park, St.Peter Port, Guernsey, GY1 4AT, Channel Islands |
| **Hong Kong** | | | |
| Schroders Greencoat HK SLP Limited | OS | 100% | 37/F One Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong |
| Schroder Investment Management (Hong Kong) Limited | OS | 100% | Level 33, Two Pacific Place, 88 Queensway, Hong Kong |
| **Ireland** | | | |
| Schroder Investment Management (Ireland) Limited | OS | 100% | George's Court, 54-62 Townsend Street, Dublin 2, Ireland |
| **Japan** | | | |
| Schroder Investment Management (Japan) Limited | OS | 100% | 8-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-0005, Japan |
| **Jersey** | | | |
| AAF Management II L.P. | PI | 100% | 26 New Street, St. Helier, Jersey, JE2 3RA, Channel Islands |
| AAF Management III L.P. | PI | 100% | |
| Confluentes Partners I L.P. | PI | 100% | |
| Confluentes Partners II L.P. | PI | 100% | |
| CPPEF Partners L.P. | PI | 100% | |
| Cresta Management L.P. | PI | 100% | |
| Cresta Management II L.P. | PI | 100% | |
| Cresta Partners III L.P. | PI | 100% | |
| Cresta Partners IV L.P. | PI | 100% | |
| EEM Management L.P. | PI | 100% | |
| EEM Management II L.P. | PI | 100% | |
| EEM Opportunities Management L.P. | PI | 100% | |
| Gemini Management L.P. | PI | 100% | |
| GPEP Management I L.P. | PI | 100% | |
| GPEP Management IV L.P. | PI | 100% | |
| GPEP Partners V L.P. | PI | 100% | |
| GPEP Partners VI L.P. | PI | 100% | |
| IST3 Manesse PE Management L.P. | PI | 100% | |
| IST3 Manesse PE2 Management L.P. | PI | 100% | |
| Malatrex Partners L.P. | PI | 100% | |
| Marmolata Partners L.P. | PI | 100% | |
| Marmolata PE Impact Partners L.P. | PI | 100% | |
| Matterhorn Partners L.P. | PI | 100% | |
| Milele Partners L.P. | PI | 100% | |
| PSY Private Equity Partners L.P. | PI | 100% | |
| PSY Private Equity Partners II L.P. | PI | 100% | |
| SA Co-Investment Management 1 L.P. | PI | 100% | |
| SA RP CO Management 1 L.P. | PI | 100% | |
| SA TG Management L.P. | PI | 100% | |
| SA VS Management L.P. | PI | 100% | |
| SA-EL Asia Partners I L.P. | PI | 100% | |

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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Fully owned subsidiaries** continued

| Name | Share class | Footnote | % | Address |
|---|---|---|---|---|
| **Jersey (continued)** | | | | |
| SA-EL Partners II L.P. | PI | | 100% | 26 New Street, St. Helier, Jersey, JE2 3RA, Channel Islands |
| Salève 2017 Management L.P. | PI | | 100% | |
| Salève 2020 Management L.P. | PI | | 100% | |
| Salève 2022 Partners L.P. | PI | | 100% | |
| Salève 2025 Partners L.P. | PI | | 100% | |
| Schroders Capital PE UK Co-Investment FGC Partners L.P. | PI | | 100% | |
| SC Global Opportunities Management L.P. | PI | | 100% | |
| SC Global Opportunities Management II L.P. | PI | | 100% | |
| Schroders Capital Private Equity China Access Management L.P. | PI | | 100% | |
| Schroders Capital cPI Global Partners IV L.P. | PI | | 100% | |
| Schroders Capital cPI Global Partners V L.P. | PI | | 100% | |
| Schroders Capital Private Equity Asia Partners V L.P. | PI | | 100% | |
| Schroders Capital Private Equity Asia Partners VI L.P. | PI | | 100% | |
| Schroders Capital Private Equity China Partners IV L.P. | PI | | 100% | |
| Schroders Capital Private Equity China Partners VI L.P. | PI | | 100% | |
| Schroders Capital Private Equity Europe Direct Partners III L.P. | PI | | 100% | |
| Schroders Capital Private Equity Europe Direct Partners IV L.P. | PI | | 100% | |
| Schroders Capital Private Equity Europe Partners IX L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Direct Partners III L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Direct Partners IV EUR L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Innovation Partners IX L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Innovation Partners X L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Innovation Partner XI L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Partners II L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Partners III L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Partners IV L.P. | PI | | 100% | |
| Schroders Capital Private Equity Healthcare Partners L.P. | PI | | 100% | |
| Schroders Capital Private Equity India Partners L.P. | PI | | 100% | |
| Schroders Capital Private Equity Mature Secondaries (Orthros) Management L.P. | PI | | 100% | |
| Schroders Capital Private Equity Asia Management III L.P. | PI | | 100% | |
| Schroders Capital Private Equity Continuation Opportunities Management L.P. | PI | | 100% | |
| Schroders Capital Private Equity Continuation Opportunities Partners II L.P. | PI | | 100% | |
| Schroders Capital Private Equity Continuation Opportunities Partners III EUR L.P. | PI | | 100% | |
| Schroders Capital Private Equity Continuation Opportunities Partners III USD L.P. | PI | | 100% | |
| Schroders Capital Private Equity US Partners V L.P. | PI | | 100% | |
| Schroders Capital Private Equity US Partners VI L.P. | PI | | 100% | |
| Schroders Capital WPP Global Private Equity Management III L.P. | PI | | 100% | |

**Consolidated financial statements** continued
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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Fully owned subsidiaries** continued

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **Jersey (continued)** | | | | |
| Schroders Capital Taft-Hartley Ventures Partners L.P. | PI | | 100% | 26 New Street, St. Helier, Jersey, JE2 3RA, Channel Islands |
| Schroders Capital WPP Global Private Equity Management I L.P. | PI | | 100% | |
| Schroders Capital WPP Global Private Equity Management II L.P. | PI | | 100% | |
| TMC Management III L.P. | PI | | 100% | |
| TMC Management IV L.P. | PI | | 100% | |
| TMC Management V L.P. | PI | | 100% | |
| TMCO Management I L.P. | PI | | 100% | |
| Wilmersdorf Secondary Management II L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Direct Partners IV GBP L.P. | PI | | 100% | |
| Schroders Capital Private Equity Global Direct Partners IV USD L.P. | PI | | 100% | |
| Schroders Capital cPI Global Partners VI L.P. | PI | | 100% | |
| Schroders Capital Management (Jersey) Ltd | OS | | 100% | IFC1, St. Helier, Jersey, JE2 3BX, Channel Islands |
| Schroders Capital Private Equity Wollstonecraft Management Ltd. | OS | | 100% | |
| Schroders Capital WPP Global Private Equity Management Ltd. | OS | | 100% | |
| SCWM PE Management Ltd | OS | | 100% | |
| UFCW No Ca Liquidating Mandate Management Ltd | OS | | 100% | |
| Croydon Gateway GP Limited | OS | g | 100% | 47 Esplanade, St. Helier, Jersey, JE1 0BD, Channel Islands |
| Croydon Gateway Investments Limited | OS | g | 100% | |
| Income Plus Real Estate Debt GP Limited | OS | g | 100% | |
| Schroder Real Estate Managers (Jersey) Limited | OS | | 100% | |
| Schroder RECaP SSF Nominee 1 Limited | OS | i | 100% | |
| Schroder RECaP Nominee 2 Limited | OS | i | 100% | |
| SRECaP SSF GP Limited | OS | | 100% | |
| UK Retirement Living Fund (ReLF) GP Limited | OS | | 100% | |
| Schroders Capital UK Operating Hotels (GP) Limited | OS | | 100% | |
| **Luxembourg** | | | | |
| Confluentes Management S.à r.l. | OS | | 100% | 17, boulevard F.W. Raiffeisen, L-2411, Luxembourg |
| Schroders Capital PE FGC Management S.à r.l. | OS | | 100% | |
| CPPEF Management S.à r.l. | OS | | 100% | |
| Cresta Management S.à r.l. | OS | | 100% | |
| GPEP Management S.à r.l. | OS | | 100% | |
| KVT PE Management S.à r.l. | OS | | 100% | |
| Manesse PE Management S.à r.l. | OS | | 100% | |
| Marmolata Management S.à r.l. | OS | | 100% | |
| Matterhorn Management S.à r.l. | OS | | 100% | |
| PE III Management S.à r.l. | OS | | 100% | |
| PSY Private Equity Management S.à r.l. | OS | | 100% | |
| Salève Management S.à r.l. | OS | | 100% | |
| Schroders Capital cPI Global Management S.à r.l. | OS | | 100% | |
| Schroders Capital Management (Luxembourg) S.à r.l. | OS | | 100% | |
| Schroders Capital Private Equity Asia Management V S.à r.l. | OS | | 100% | |
| Schroders Capital Private Equity Asia Management VI S.à r.l. | OS | | 100% | |
| Schroders Capital Private Equity China Management S.à r.l. | OS | | 100% | |
| Schroders Capital Private Equity Europe Direct Management III S.à r.l. | OS | | 100% | |
| Schroders Greencoat Global GP S.à r.l. | OS | | 100% | |

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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Fully owned subsidiaries** continued

| Name | Share class | % | Address |
|---|---|---|---|
| **Luxembourg (continued)** | | | |
| Schroders Capital Private Equity Europe Management VIII S.à r.l. | OS | 100% | 17, boulevard F.W. Raiffeisen, L-2411, Luxembourg |
| Schroders Capital Private Equity Europe Management IX S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Global Direct Management III S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Global Direct Management IV S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Global Innovation Management X S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Global Innovation Management XI S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Global Innovation Management XII S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Global Management III S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Global Management IV S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Healthcare Management S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity India Management S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Continuation Opportunities Management II S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Continuation Opportunities Management III S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity US Management V S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity US Management VI S.à r.l. | OS | 100% | |
| Schroders Capital Semi-Liquid Holding Management S.à r.l. | OS | 100% | |
| Schroders Capital Solutions Management S.à r.l. | OS | 100% | |
| Schroders Capital Private Equity Europe Direct Management IV S.à r.l. | OS | 100% | |
| Schroders Capital Junior Infrastructure Debt Europe II GP S.à r.l. | OS | 100% | 46A Avenue J.F. Kennedy, L-1855, Luxembourg |
| Schroders Capital Junior Infrastructure Debt Europe III GP S.à r.l. | OS | 100% | |
| Schroders Capital Senior Infrastructure Debt Europe V GP S.à r.l. | OS | 100% | |
| Schroders Capital European Operating Hotels GP S.à r.l. | OS | 100% | 404, Route d'Esch, L - 1471 Luxembourg |
| IED UK GP S.à r.l. | OS | 100% | 4, rue du Fort Wallis, Luxembourg, L - 2714, Luxembourg |
| Schroders Capital Real Estate Debt GP S.à r.l. | OS | 100% | 15 Boulevard Friedrich Wilhelm Raiffeisen, L - 2411, Luxembourg |
| SNI Management S.à r.l. | OS | 100% | |
| BlueOrchard Asset Management (Luxembourg) S.A. | OS | 100% | 5 rue Höhenhof, L-1736 Senningerberg, Luxembourg |
| BlueOrchard Invest S.à r.l. | OS | 100% | |
| Schroder Real Estate (CIP) GP S.à r.l. | OS | 100% | |
| Schroder Real Estate Investment Management (Luxembourg) S.à r.l. | OS | 100% | |
| Schroder Investment Management (Europe) S.A. | OS | 100% | |
| Schroders Greencoat Europe GP S.à r.l. | OS | 100% | 8, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg |
| Schroders Greencoat US - A SCSp | PI | 100% | |
| Schroders Greencoat US GP S.à r.l. | OS | 100% | |
| Schroders Capital High Yield Enhanced Return Infrastructure GP S.à r.l. | OS | 100% | 60, avenue J.F. Kennedy, L-1855 Luxembourg |
| Schroders Capital Senior Infrastructure Debt Europe VI GP S.à r.l. | OS | 100% | |
| Windmill Infrastructure Debt GP S.à.r.l | OS | 100% | |
| **Netherlands** | | | |
| Schroders Capital Real Estate Netherlands B.V. | OS | 100% | Strawinskylaan 1547, WTC, Level 15, 1077 XX Amsterdam, Netherlands |
| Real Estate Fund Management B.V. | OS | 100% | |
| RES Participations B.V. | OS | 100% | |
| Schroder International Finance B.V. | OS | 100% | 1 London Wall Place, London, EC2Y 5AU, England |

**Consolidated financial statements** continued
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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Fully owned subsidiaries** continued

| Name | Share class | % | Address |
|---|---|---|---|
| **Peru** | | | |
| BlueOrchard America Latina S.A.C. | OS | 100% | Calle Dean, Valdivia 227, Office 501, San Isidro, Lima, Peru |
| **Singapore** | | | |
| Blueorchard Investments (Singapore) Pte. Ltd. | OS | 100% | 138 Market Street, #23-02, CapitaGreen, Singapore, 048946 |
| Schroder & Co. (Asia) Limited | OS | 100% | |
| SWM Capital VCC | OS | 100% | |
| Schroder Singapore Holdings Private Limited | OS | 100% | |
| Schroder Investment Management (Singapore) Ltd. | OS | 100% | |
| China Renewable Energy Fund GP Pte. Ltd | OS | 100% | 77 Robinson Road, #13-00, Robinson 77, Singapore, 068896 |
| China Renewable Energy Fund II GP Pte. Ltd. | OS | 100% | |
| **South Korea** | | | |
| Schroders Korea Limited | OS | 100% | 15th fl., Centropolis A, 26, Ujeongguk-ro, Jongno-gu, Seoul, Republic of Korea |
| **Switzerland** | | | |
| BlueOrchard Finance AG | OS | 100% | Talstrasse 11, 8001 Zurich, Switzerland |
| Schroders Capital Holding (Switzerland) AG | OS | 100% | |
| Schroder & Co Bank AG | OS | 100% | |
| Schroder Investment Management (Switzerland) AG | OS | 100% | |
| Schroders Capital Management (Switzerland) AG | OS | 100% | |
| **Taiwan** | | | |
| Schroder Investment Management (Taiwan) Limited | OS | 100% | 9/F, 108 Sec.5, Hsin-Yi Road, Hsin-Yi District, Taipei 11047, Taiwan |
| **United States** | | | |
| Schroder Venture Managers Inc. | COS | 100% | 7 Bryant Park, New York, New York, 10018, USA |
| Schroders Greencoat US GP LLC | OS | 100% | |
| Schroders Incorporated | COS | 100% | 9 East Loockerman Street, Dover, Kent, 19901, USA |
| Schroder FOCUS II GP, LLC | OS | 100% | Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA |
| Schroder Flexible Secured Income GP, LLC | OS | 100% | |
| Schroder Canada Inc. | OS | 100% | |
| Schroder Fund Advisors LLC | OS | 100% | |
| Schroder Taft-Hartley Income GP, LLC | OS | 100% | |
| Schroders Capital PILLARS GP, LLC | OS | 100% | |
| Schroders Capital ERISA Flexible Secured Income GP, LLC | OS | 100% | |
| Schroders Capital FOCUS III GP, LLC | OS | 100% | |
| Schroders Capital FOCUS IV GP, LLC | OS | 100% | |
| MPS FOCUS CO-INVEST GP, LLC | OS | 100% | |
| Schroders Capital Management (US) Inc. | OS | 100% | |
| Schroders Capital Securitized Hi-Grade Flexible Total Return GP, LLC | OS | 100% | |
| Schroder US Holdings Inc. | COS | 100% | National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware, 19904, USA |
| Schroder Investment Management North America Inc. | COS | 100% | |

**Subsidiaries where the ownership is less than 100%**

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **UK** | | | | |
| Residential Land Development (GP) LLP | PI | g | 67% | 1 London Wall Place, London, EC2Y 5AU, England |
| Ruskin Square Phase One LLP | PI | g | 50% | |
| Greencoat Carlisle Place GP LLP | PI | f | 77% | |
| Greencoat Carlisle Place Investments Limited | OS | f | 77% | |
| Greencoat Cornwall Gardens GP LLP | PI | f | 77% | |

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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Subsidiaries where the ownership is less than 100%** continued

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **UK (continued)** | | | | |
| Greencoat Cornwall Gardens Investments Limited | OS | f | 77% | 1 London Wall Place, London, EC2Y 5AU, England |
| Greencoat Embankment GP LLP | PI | f | 77% | |
| Greencoat Embankment Investments Limited | OS | f | 77% | |
| Greencoat GRI Investments Limited | OS | f | 77% | |
| Greencoat Hudson GP LLP | PI | f | 77% | |
| Greencoat Hudson Investments Limited | OS | f | 77% | |
| Greencoat Sejong GP LLP | PI | f | 77% | |
| Greencoat Sejong Investments Limited | OS | f | 77% | |
| Greencoat Solar GP Unlimited | OS | f | 77% | |
| Greencoat Solar II GP Unlimited | OS | f | 77% | |
| Greencoat Solar II Investments LLP | PI | f | 77% | |
| Greencoat Solar Investments LLP | PI | f | 77% | |
| Greencoat Tachbrook GP LLP | PI | f | 77% | |
| Greencoat Tachbrook Investments Limited | OS | f | 77% | |
| Greencoat Tothill GP LLP | PI | f | 77% | |
| Greencoat Tothill Investments Limited | OS | f | 77% | |
| Greencoat Villiers GP LLP | PI | f | 77% | |
| Greencoat Villiers Investments Limited | OS | f | 77% | |
| Greencoat Wilton GP LLP | PI | f | 77% | |
| Greencoat Wilton Investments Limited | OS | f | 77% | |
| Greencoat York GP LLP | PI | f | 77% | |
| Greencoat York Investments Limited | OS | f | 77% | |
| Greencoat GRI (Feeder) GP Unlimited | OS | f | 77% | |
| Schroders Greencoat Francis Investments LLP | PI | f | 77% | |
| Schroders Greencoat Glasgow Terrace GP LLP | PI | f | 77% | |
| Schroders Greencoat Holdings Limited | OS | | 77% | |
| Schroders Greencoat Investment Limited | OS | f | 77% | |
| Schroders Greencoat LLP | PI | f | 77% | |
| Schroders Greencoat Piccadilly GP LLP | PI | f | 77% | |
| Schroders Greencoat Wessex Gardens GP LLP | PI | f | 77% | |
| Schroders Greencoat Willow GP LLP | PI | f | 77% | |
| Schroders Greencoat Woodmont Renewables GP LLP | PI | f | 77% | |
| Schroders Greencoat Beaufort GP LLP | PI | f | 77% | |
| Social Supported Housing CIP LLP | PI | | 50% | |
| Social Supported Housing GP LLP | PI | | 50% | |
| Greencoat Buckingham GP Unlimited | OS | f | 77% | |
| Greencoat Buckingham Investments LLP | PI | f | 77% | |
| Greencoat Capital Management Investment Limited | OS | f | 77% | |
| Finura Partners Limited | OS | | 79% | C/O Cantelowes Limited, 4th Floor, 20 Aldermanbury, London, EC2V 7HY, England |
| Greencoat GRI GP LLP | PI | f | 77% | 50 Lothian Road, Festival Square, EH3 9WJ, Edinburgh, Scotland |
| Greencoat Sejong FP LP | PI | f | 77% | |
| Schroders Greencoat Francis GP | PI | f | 77% | |
| Tenacity Wealth Management Limited (In Liquidation) | OS | m | 79% | Begbies Traynor, Town Wall House, Balkerne Hill, Colchester, Essex, CO3 3AD, England |

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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Subsidiaries where the ownership is less than 100%** continued

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **Argentina** | | | | |
| Schroder Investment Management S.A. | OS | | 94.9% | Ing.Enrique Butty 220, Piso 12, Buenos Aires, C1001AFB, Argentina |
| Schroder S.A. Sociedad Gerente de Fondos Comunes de Inversion | OS | | 95% | |
| **British Virgin Islands** | | | | |
| Alpha Park Limited | OS | e | 77.4% | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands |
| Flete Holdings Limited | OS | e | 77.4% | |
| Pamfleet China Limited | OS | e | 77.4% | |
| **Cayman Islands** | | | | |
| Pamfleet China Investment Management Limited | OS | e | 77.4% | Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands |
| Pamfleet China Investment Management II Limited | OS | e | 54.2% | |
| Pamfleet International Limited | OS | e | 77.4% | |
| Schroders HKHS G.P. | OS | e | 77.4% | |
| Schroder Adveq Technology Management V L.P. | PI | | 90% | |
| Schroder Adveq Technology Management VI L.P. | PI | | 66% | |
| Schroders Capital cPI Global Management L.P. | PI | | 63% | |
| Schroders Capital cPI Global Management II L.P. | PI | | 89% | |
| Schroders Capital Private Equity Asia Management L.P. | PI | | 76% | |
| Schroders Capital Private Equity Asia Management II L.P. | PI | | 66% | |
| Schroders Capital Private Equity Europe Management IV A L.P. | PI | | 60% | |
| Schroders Capital Private Equity Europe Management IV B L.P. | PI | | 70% | |
| **France** | | | | |
| Terre et Mer Holding SAS | OS | k | 79.99% | 1 rue Euler, 75008, Paris, France |
| **Germany** | | | | |
| CM Komplementär 06-379 GmbH & Co. KG | OS | | 94.99% | Taunustor 1, 60310, Frankfurt, Germany |
| Schroders Greencoat (Deutschland) GmbH | CS | f, g | 77% | |
| Schroder Real Estate Kapitalverwaltungsgesellschaft mbH | OS | | 99.7% | |
| **Guernsey** | | | | |
| SV (Nominees) Limited | OS | i | 51% | PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands |
| **Hong Kong** | | | | |
| Pamfleet Asset Management (China) Limited | OS | e | 77.4% | Level 33, 88 Queensway, Hong Kong |
| Pamfleet Asset Management (HK) Limited | OS | e | 77.4% | |
| Pamfleet (China II) Asset Management Limited | OS | e | 54.2% | |
| Pamfleet (HK) Limited | OS | e | 77.4% | |
| Pamfleet Holdings (Hong Kong) Limited | OS | | 77.4% | |
| **Indonesia** | | | | |
| PT Schroder Investment Management Indonesia | OS | | 99% | 30th Floor, Indonesia Stock Exchange Building, Tower 1, Jl Jendral Sudirman Kav 52-53, Jakarta, 12190, Indonesia |
| **Ireland** | | | | |
| Schroders Greencoat (Ireland) Limited | OS | f, g | 77% | Riverside One, 37-42 Sir John Rogerson's Quay, Dublin 2, D02 DX57, Ireland |

**Consolidated financial statements** continued
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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Subsidiaries where the ownership is less than 100%** continued

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **Jersey** | | | | |
| AAF Management I L.P. | PI | | 48% | 26 New Street, St. Helier, Jersey, JE2 3RA, Channel Islands |
| GPEP Management II L.P. | PI | | 71% | |
| GPEP Management III L.P. | PI | | 70% | |
| Schroders Capital Private Equity Asia Management IV L.P. | PI | | 70% | |
| Schroders Capital Private Equity Europe Direct Management L.P. | PI | | 73% | |
| Schroders Capital Private Equity Europe Management V L.P. | PI | | 75% | |
| Schroders Capital Private Equity Europe Management VI L.P. | PI | | 75% | |
| Schroders Capital Private Equity Europe Partners VII L.P | PI | | 47% | |
| Schroders Capital Private Equity Europe Partners VIII L.P. | PI | | 78% | |
| Schroders Capital Private Equity Europe Direct Partners II L.P. | PI | | 67% | |
| Schroders Capital Private Equity Global Innovation Management VII L.P. | PI | | 46% | |
| Schroders Capital Private Equity Global Innovation Management VIII L.P. | PI | | 78% | |
| Schroders Capital Private Equity Global Management L.P. | PI | | 71% | |
| Schroders Capital Private Equity Secondaries Management II L.P. | PI | | 52% | |
| Schroders Capital Private Equity US Management III L.P | PI | | 51% | |
| Schroders Capital Private Equity US Management IV L.P. | PI | | 73% | |
| TMC Management I L.P. | PI | | 55% | |
| TMC Management II L.P. | PI | | 50% | |
| Wilmersdorf Secondary Management L.P. | PI | | 71% | |
| UK Retirement Living (CIP) GP Limited | OS | | 50% | 47 Esplanade, St. Helier, Jersey, JE1 0BD, Channel Islands |
| **Luxembourg** | | | | |
| Schroders Capital Hotels (CIP) SCSp | PI | | 75% | 5 rue Höhenhof, L-1736 Senningerberg, Luxembourg |
| SEOHF (CIP) SCSp | PI | | 99.9% | |
| SEOHF AGGREGATOR (CIP) SCSp | PI | | 79% | |
| SRE ReLF (CIP) SCSp | PI | | 74.7% | |
| SRE SoHo (CIP) SCSp | PI | | 83.1% | |
| SRE Invest SCSp | PI | | 99.7% | 15 boulevard F.W. Raiffeisen, L-2411, Luxembourg |
| **Mexico** | | | | |
| Consultora Schroders, S.A. de C.V. | OS | c, d | 99.99% | Montes Urales 760 Desp. 101, Col. Lomas de Chapultepec, DF, 11000, Mexico |
| **Netherlands** | | | | |
| Data Invest B.V. | OS | | 21.9% | Strawinskylaan 1547, WTC Level 15, 1077 XX Amsterdam, Netherlands |
| ITC Invest B.V. | OS | | 37.5% | |
| RES Retail B.V. | OS | | 51.5% | |
| Senectute Invest B.V. | OS | | 45.9% | |
| Frame Offices B.V. | OS | | 24% | Coolsingel 104, 3011 AG, Rotterdam, Netherlands |
| **Singapore** | | | | |
| Pamfleet Asset Management (Singapore) Pte. Limited | OS | e | 77.4% | 138 Market Street, #23-01, CapitaGreen, Singapore, 048946 |

**Consolidated financial statements** continued
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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

#### Subsidiaries where the ownership is less than 100% continued

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **United States** | | | | |
| Schroders Greencoat (US) LLC | OS | f, g | 77% | Maples Fiduciary Services (Delaware) Inc., 4001 Kennett Pike, Suite 302, Wilmington, Delaware 19807, USA |
| Greencoat Columbus GP LLC | OS | f | 77% | |
| Greencoat Columbus II GP LLC | OS | f | 77% | |
| SG US Blocker LLC | PI | | 77% | The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801, USA |
| SG US Aggregator LLC | PI | | 77% | |

#### Associates and joint ventures

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **UK** | | | | |
| Chartered Independent Limited | OS | h | 49% | 6 Church Street, Wellington, Telford, TF1 1DG, England |
| Kellands (Bristol) Limited | OS | | 30.8% | Quays Office Park, Conference Avenue, Portishead, Bristol, BS20 7LZ, England |
| Future Growth Capital (Holdings) Limited | OS | d | 50.1% | 1 London Wall Place, London, EC2Y 5AU, England |
| Future Growth Capital Limited | OS | | 50.1% | |
| Nippon Life Schroders Asset Management Europe Limited | OS | c | 33% | |
| **British Virgin Islands** | | | | |
| Graceful Lane Limited | OS | | 30% | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands |
| **China** | | | | |
| Bank of Communications Schroder Fund Management Company Limited | OS | | 30% | 2nd Floor Bank of Communications Tower, 188 Middle Yincheng Road, Pudong New Area, Shanghai, 200120, China |
| Schroder BOCOM Wealth Management Co, Limited | OS | | 51% | Floor 59, Wheelock Square, No. 1717, West Nanjing Road, Jingan District, Shanghai, China |
| **France** | | | | |
| JV Hotel Paris La Villette SAS | OS | | 50% | 1 rue Euler, 75008, Paris, France |
| **Guernsey** | | | | |
| Schroder Ventures Investments Limited | OS, R, D, B Preference | i | 51.3% | PO Box 255, Trafalgar Court Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands |

**Consolidated financial statements** continued
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## 35 Subsidiaries and other related undertakings continued

### (a) Related undertakings arising from the Company's corporate structure continued

**Associates and joint ventures** continued

| Name | Share class | | % | Address |
|---|---|---|---|---|
| **India** | | | | |
| Axis Asset Management Company Limited | OS | g | 25% | 1st Floor, Axis House C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli-Mumbai, 400025, India |
| Axis Mutual Fund Trustee Limited | OS | g | 25% | |
| **Singapore** | | | | |
| Nippon Life Global Investors Singapore Limited | OS | | 33% | 138 Market Street, #34-02, CapitaGreen, 048946, Singapore |
| **United States** | | | | |
| A10 Capital Parent Company LLC | COS | | 19.3% | 800 W, Main Street, Suite 1100, Boise, Idaho, ID 83702, United States of America |

**Share class abbreviations**

| | |
|---|---|
| CS | Capital shares. |
| COS | Common stock. |
| NCRPS | Non-cumulative redeemable preference shares. |
| CPS | Convertible preference shares. |
| D | Deferred shares. |
| OS | Ordinary shares. |
| PI | Partnership interest. |
| PS | Promote shares. |
| R | Redeemable preference shares. |

**Footnotes**

a Held directly by the Company.
b Dormant company.
c The Company holds ordinary B shares.
d The Company holds ordinary A shares.
e Owned through Pamfleet Holdings (Hong Kong) Limited.
f Owned through Schroders Greencoat Holdings Limited.
g Financial year end 31 March.
h Financial year end 31 May.
i Financial year end 30 June.
j Financial year end 31 August.
k Financial year end 30 April.
l Financial year end 30 November.
m Financial year end 28 February.
n Financial year end 31 January.
o Financial year end 30 December.
p Financial year end 29 December.

**Consolidated financial statements** continued
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## 35 Subsidiaries and other related undertakings continued

### (b) Related undertakings arising from the Company's interests in structured entities

The Company's related undertakings also include funds in which it holds investments. These include fully and partially owned funds that are classified as subsidiaries. Due to the number of share classes or unit classes that can exist in these vehicles, a significant holding in a single share class or unit class is possible without that undertaking being classified as a subsidiary or associate.

| Fund name | Share/unit class | Holding in share/ unit class | Total holding in undertaking via share/unit class |
|---|---|---|---|
| **UK** | | | |
| Schroder Active Asset Allocation Portfolio | Q1 Accumulation | 100% | 100% |
| Schroder Diversified Growth Fund* | I Accumulation | 90% | 86% |
| Schroder Diversified Growth Fund* | X Accumulation | 35% | 1% |
| Schroder European Fund | I Income | 44% | 2% |
| Schroder Flexible Retirement Fund* | X Accumulation | 100% | 85% |
| Schroder Global Emerging Markets Fund* | A Accumulation | 66% | 37% |
| Schroder Global Equity Fund | I Accumulation | 33% | 5% |
| Schroder Global Sustainable Food And Water Fund* | X Accumulation | 60% | 60% |
| Schroder Global Sustainable Value Equity Fund | X Accumulation | 55% | 6% |
| Schroder India Equity Fund* | X Accumulation | 100% | 73% |
| Schroder Institutional UK Smaller Companies | X Accumulation | 74% | 5% |
| Schroder Life Dynamic Structured Equity Fund | I Accumulation | 42% | 42% |
| Schroder Life Global Diversified Equity | I Accumulation | 55% | 55% |
| Schroder Life Matching Index Linked Gilt Fund (2048-57) | I Accumulation | 100% | 2% |
| Schroder Life Matching Index Linked Gilt Fund (2058-77) | I Accumulation | 100% | 6% |
| Schroder Life Matching Nominal Gilt Fund (2038-57) | I Accumulation | 100% | 1% |
| Schroder Life Matching Nominal Gilt Fund (2058-77) | I Accumulation | 100% | 9% |
| Schroder Life UK Equity Portfolio | IES 1 | 100% | 1% |
| Schroder Long Dated Corporate Bond Fund | I Accumulation | 47% | 11% |
| Schroder QEP Global Active Value Fund | I Accumulation | 99% | 26% |
| Schroder Sterling Broad Market Bond | I Accumulation | 34% | 2% |
| Schroder Sustainable Future Multi-Asset Fund* | Z Accumulation | 47% | 37% |
| Schroder Sustainable Multi-Factor Equity Fund* | X Accumulation | 75% | 50% |
| Schroders Capital UK Innovation LTAF | XT Accumulation | 100% | 1% |
| Schroders Greencoat Global Renewables+ LTAF | GBP Accumulation | 100% | 13% |
| **Australia** | | | |
| Schroder Equity Opportunities Fund | I Accumulation | 100% | 0% |
| **Brazil** | | | |
| Schroder Premium Diversified Credit Vintage A FIC FIM CP | Unspecified | 80% | 80% |
| **Cayman Islands** | | | |
| Musashi Smart Premia Fund (Exclusively For Qualified Institutional Investors With Re-Sale Restriction For The Japanese Investors) | B | 100% | 0% |
| Musashi Smart Premia Fund (Exclusively For Qualified Institutional Investors With Re-Sale Restriction For The Japanese Investors) | C | 100% | 0% |
| **China** | | | |
| Schroder China Dynamic Equity Fund | A Accumulation | 26% | 17% |
| Schroder Hengxiang Bond Fund | A Accumulation | 82% | 15% |
| **Guernsey** | | | |
| Schroder Institutional Developing Markets Fund | B Income | 100% | 4% |
| **Hong Kong** | | | |
| Schroder Asian Asset Income Fund | I Accumulation USD | 100% | 0% |
| **Ireland** | | | |
| Schroder Global Investment Grade Corporate Bond Active UCITS ETF | EUR Hedged | 23% | 0% |
| Schroder Global Investment Grade Corporate Bond Active UCITS ETF | CHF Hedged | 25% | 0% |
| **Luxembourg** | | | |
| BlueOrchard Covid-19 Fund | ST1 and ST2 | 20% | 7% |
| BlueOrchard Impact Credit Fund | BO | 27% | 14% |

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## 35 Subsidiaries and other related undertakings continued

### (b) Related undertakings arising from the Company's interests in structured entities continued

| Fund Name | Share/unit class | Holding in share/ unit class | Total holding in undertaking via share/unit class |
|---|---|---|---|
| **Luxembourg (continued)** | | | |
| BlueOrchard Latin America and the Caribbean Gender, Diversity and Inclusion Fund | BlueOrchard Affiliates | 100% | 3% |
| BlueOrchard Sustainable Asset Fund | A | 22% | 22% |
| Schroder Alternative Solutions Commodity Fund | I Accumulation GBP Hedged | 100% | 0% |
| Schroder Alternative Solutions Commodity Total Return Fund | I Accumulation GBP Hedged | 97% | 1% |
| Schroder GAIA Oaktree Credit* | E Accumulation | 37% | 22% |
| Schroder GAIA Oaktree Credit* | I Accumulation | 50% | 10% |
| Schroder ISF Alternative Securitised Income | IZ Accumulation | 50% | 0% |
| Schroder ISF Blueorchard Emerging Markets Climate Bond | I Accumulation | 100% | 0% |
| Schroder ISF Carbon Neutral Credit* | I Accumulation | 100% | 48% |
| Schroder ISF Circular Economy | I Accumulation | 98% | 98% |
| Schroder ISF Emerging Europe | I Accumulation | 33% | 0% |
| Schroder ISF Emerging Markets Debt Total Return | I Accumulation GBP Hedged | 100% | 0% |
| Schroder ISF Emerging Markets Debt Total Return | I Accumulation EUR Hedged | 100% | 0% |
| Schroder ISF Emerging Markets Equity Impact* | I Accumulation | 42% | 39% |
| Schroder ISF Emerging Markets Local Currency Bond* | I Accumulation | 30% | 29% |
| Schroder ISF Emerging Markets Multi Asset | I Accumulation | 100% | 0% |
| Schroder ISF EURO Credit Conviction | I Accumulation | 100% | 0% |
| Schroder ISF European Equity Impact* | I Accumulation | 100% | 52% |
| Schroder ISF European Special Situations | I Accumulation | 100% | 2% |
| Schroder ISF Global Climate Leaders* | I Accumulation | 51% | 30% |
| Schroder ISF Global Consumer Trends* | I Accumulation | 100% | 77% |
| Schroder ISF Global Energy | I Accumulation | 100% | 0% |
| Schroder ISF Global Equity Impact | I Accumulation | 100% | 96% |
| Schroder ISF Global Equity Yield | I Accumulation EUR | 100% | 0% |
| Schroder ISF Global Inflation Linked Bond | I Accumulation | 100% | 0% |
| Schroder ISF Global Multi-Asset Balanced | I Accumulation CHF Hedged | 98% | 0% |
| Schroder ISF Global Multi-Asset Income | I Accumulation | 100% | 0% |
| Schroder ISF Global Recovery | I Accumulation | 71% | 1% |
| Schroder ISF Japanese Opportunities | I Accumulation | 39% | 1% |
| Schroder ISF Multi-Asset Growth And Income | I Accumulation | 93% | 3% |
| Schroder ISF Nordic Micro Cap | I Accumulation | 100% | 0% |
| Schroder ISF Nordic Smaller Companies | I Accumulation | 100% | 0% |
| Schroder ISF QEP Emerging Markets Ex China Core* | I Accumulation | 100% | 92% |
| Schroder ISF Robotics And Automation | I Accumulation | 100% | 6% |
| Schroder ISF Strategic Bond | I Accumulation | 100% | 0% |
| Schroder ISF Sustainable Global Credit Income Short Duration | I Accumulation GBP Hedged | 100% | 0% |
| Schroder ISF Sustainable Global Multi Credit | I Accumulation EUR Hedged | 100% | 0% |
| Schroder ISF Swiss Equity | I Accumulation | 100% | 0% |
| Schroder Matching Plus Buy And Maintain Credit Sterling Cashflow (2018-2032) | I Distribution | 30% | 16% |
| Schroder Matching Plus Buy And Maintain Credit Sterling Cashflow (2032-2040) | I Distribution | 49% | 28% |
| Schroder Matching Plus Synthetic Index Linked Gilt Fund (2028 - 2037) | I Accumulation | 31% | 31% |
| Schroder Matching Plus Synthetic Index Linked Gilt Fund (2048-2057) | I Accumulation | 21% | 21% |
| Schroder Matching Plus Synthetic Nominal Gilt Fund (2018 - 2037) | I Accumulation | 35% | 35% |
| Schroder Matching Plus Synthetic Nominal Gilt Fund (2038 - 2057)* | I Accumulation | 47% | 47% |
| Schroder Special Situations Fund Wealth Management USD Growth* | IS Accumulation | 57% | 29% |
| Schroder SSF Sterling Liquidity Plus | X Accumulation | 100% | 2% |
| Schroders Capital Europe Infrastructure Credit FCP-FPS | I Accumulation | 100% | 3% |
| Schroders Capital Real Estate Debt Senior Loan EUR | Unspecified | 100% | 96% |
| Schroders Capital Semi-Liquid European Loans | I Accumulation GBP Hedged | 100% | 2% |
| Schroders Capital Semi-Liquid European Loans | C Accumulation | 67% | 1% |
| Schroders Capital Semi-Liquid Global Energy Infrastructure | C Accumulation | 55% | 0% |
| Schroders Capital Semi-Liquid Global Innovation Private Plus* | I Accumulation | 100% | 49% |

## **Consolidated financial statements** continued
Notes to the accounts continued

| Fund Name | Share/unit class | Holding in share/ unit class | Total holding in undertaking via share/unit class |
|---|---|---|---|
| **Luxembourg (continued)** | | | |
| Schroders Capital Semi-Liquid Global Innovation Private Plus* | C Accumulation | 78% | 5% |
| Schroders Capital Semi-Liquid Global Private Equity ELTIF* | I Accumulation | 53% | 47% |
| Schroders Capital Semi-Liquid Global Private Equity ELTIF* | R2 Accumulation | 98% | 2% |
| Schroders Capital Semi-Liquid Global Real Estate Total Return* | I Accumulation | 100% | 36% |
| Schroders Capital Semi-Liquid Global Real Estate Total Return* | C Accumulation | 62% | 4% |
| Schroders Capital Semi-Liquid High Income Credit* | I Accumulation | 100% | 100% |
| SIF Core Insurance Linked Securities | I Accumulation | 24% | 16% |
| SSSF Optimum Euro Credit* | I Accumulation | 43% | 41% |
| SSSF Structured Income | I Accumulation | 100% | 2% |
| **United States** | | | |
| Hartford Schroders International Contrarian Value Fund | Unspecified | 100% | 10% |
| Hartford Schroders Private Opportunities Fund | SD Accumulation | 27% | 27% |
| Lincoln Inflation Plus I | I Accumulation | 98% | 47% |
| Lincoln U.S. Equity Inc Maximizer I | I Accumulation | 99% | 33% |

*Investments in structured entities that are consolidated.

**Consolidated financial statements** continued
Notes to the accounts continued

## 35 Subsidiaries and other related undertakings continued

### (b) Related undertakings arising from the Company's interests in structured entities continued

The registered offices for each of the related undertakings listed on pages 171 to 173 are reflected by country below:

### UK

1 London Wall Place, London, EC2Y 5AU, England

### Australia

Level 20, Angel Place, 123 Pitt Street, Sydney, NSW 2000, Australia

### Brazil

Av. Presidente Wilson, nº 231, 11º andar, Rio de Janeiro, Brazil

### Cayman Islands

Maples Corporate Services Limited, Ugland House, PO Box 309, Grand Cayman, KY11-1104, Cayman Islands

### China

Unit 33T52A, 33F Shanghai World Financial Center, 100 Century Avenue, Shanghai, China

### Guernsey

PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey

### Hong Kong

HBSC Institutional Trust Services (Asia) Limited, 1 Queen's Road Central, Hong Kong

### Ireland

10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland

### Luxembourg

The registered office for the Luxembourg-related undertakings is 5 rue Höhenhof, L-1736 Senningerberg, Luxembourg, except for the following:

The registered office for the following related undertakings is 2 rue d' Alsace, L-1122 Luxembourg

BlueOrchard LAC GDI
BlueOrchard Covid-19 Fund

The registered office for the following related undertakings is 15, Boulevard F.W. Raiffeisen L - 2411 Luxembourg

Schroders Capital Real Estate Debt Senior Loan EUR

### United States

The registered office for the following related undertakings is 690 Lee Road, Wayne, Pennsylvania, 19087, USA

Hartford Schroders International Contrarian Value Fund

The registered office for the following related undertakings is

251 Little Falls Drive, Wilmington, DE 19808, USA

Hartford Schroders Private Opportunity Fund

The registered office for the following related undertakings is C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, 19808, USA

Lincoln Inflation Plus I
Lincoln U.S. Equity Inc Maximizer I

## 36 Subsequent events

Subsequent to the year end, the Board of Schroders plc reached a preliminary agreement with Pantheon LLC, a wholly-owned subsidiary of Nuveen, LLC, on the financial terms of a possible offer to acquire the entire issued and to be issued ordinary share capital of Schroders plc, to be implemented by way of a scheme of arrangement.

# Independent auditor's report to the members of Schroders plc

## Opinion

In our opinion:

- Schroders plc's Group financial statements and Parent company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Schroders plc (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise:

| Group | Parent company |
|---|---|
| Consolidated income statement for the year ended 31 December 2025 | Schroders plc - Statement of financial position at 31 December 2025 |
| Consolidated statement of comprehensive income for the year ended 31 December 2025 | Schroders plc - Statement of changes in equity for the year ended 31 December 2025 |
| Consolidated statement of financial position at 31 December 2025 | Schroders plc - Cash flow statement for the year ended 31 December 2025 |
| Consolidated statement of changes in equity for the year ended 31 December 2025 | Schroders plc – Notes to the accounts – 27 to 36, including material accounting policy information |
| Consolidated cash flow statement for the year ended 31 December 2025 | |
| Notes to the accounts 1 to 26 including material accounting policy information and Presentation of the financial statements | |

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### Independence

We are independent of the Group and Parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's ('FRC') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting the audit.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Our evaluation of the Directors' assessment of the Group and Parent company's ability to continue to adopt the going concern basis of accounting included:

- assessing the assumptions used in management's five-year forecast by comparing to internal management information, external market sources and current market conditions. We also determined that the model is appropriate to enable management to make an assessment of the going concern status of the Group for a period of twelve months from the date the financial statements are approved. We also performed back-testing on prior year forecasts by comparing them to the Group's results over the same periods;
- evaluating the capital and liquidity position of the Group by reviewing the Internal Capital Adequacy Assessment Process, the Internal Liquidity Adequacy Assessment Process and the Recovery Plan;
- assessing the appropriateness of the stress and reverse stress test scenarios by considering the key risks identified by management, our understanding of the business and the external market environment. We evaluated the assumptions used in the scenarios by comparing them to internal management information and external market sources, tested the clerical accuracy and assessed the conclusions reached in the stress and reverse stress test scenarios;
- assessing the plausibility of the available options identified by management to mitigate the impact of the key risks by comparing them to our understanding of the Group;
- performing enquiries of management and those charged with governance to identify risks or events that may impact the Group's ability to continue as a going concern. We also reviewed management's paper describing their assessment of going concern approved by the Board and minutes of meetings of the Board and its committees; and
- assessing the appropriateness of the going concern disclosures by comparing them to management's assessment for consistency and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent company's ability to continue as a going concern for twelve months from the date the Annual Report and Accounts are approved.

In relation to the Group and Parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Parent company's ability to continue as a going concern.

## Independent auditor's report to the members of Schroders plc continued

| Overview of our audit approach | |
|---|---|
| Audit scope | – The Group is comprised of over 300 legal entities domiciled in multiple countries.<br>– Certain of the Group's processes over financial reporting are centralised in key operations hubs in London, Luxembourg, Singapore, Zurich and Horsham. Where appropriate, testing was performed in these locations.<br>– Our scoping accounted for 93% of revenue, 98% of profit before tax and 98% of total assets. |
| Key audit matters | – Improper recognition of revenue and cost of sales<br>– Incorrect accounting for transformation programmes and portfolio restructuring |
| Materiality | – Overall Group materiality of £30.7 million which represents 5% of adjusted profit before tax. |

## An overview of the scope of the Parent company and Group audits

### Tailoring the scope

We have followed a risk-based approach when developing our audit approach to obtain sufficient and appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our overseas auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures.

Our audit was scoped by considering our understanding of the Group and its business environment, its business activities and the components that make up the Group, the applicable financial reporting framework, the Group's system of internal control, the existence of centralised processes, IT applications, relevant internal audit results and the potential impact of climate change. Our approach was designed to reflect how the Group is organised as well as ensuring our audit was both effective and risk focused, with input from our component auditors.

Due to the centralised nature of the business, which includes shared service centres and centralised processes, a significant portion of our testing was performed centrally by the Group audit team in the UK ('the Group team'). This included certain procedures over revenue, cost of sales, journal entries, taxation, variable compensation, defined benefit pension schemes, provisions and information technology controls. We considered quantitative and qualitative factors regarding our scoping, including where we identified that processes, controls and financial reporting were not centrally managed, and instead performed locally.

Our scoping accounted for 93% of revenue, 98% of profit before tax and 98% of total assets.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the key audit matters section of our report.

### Involvement with overseas teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the entities by us, as the Group audit engagement team, or by overseas component auditors operating under our instruction. In these instances, we received reporting from overseas component audit teams, including Luxembourg, Switzerland and Singapore.

The Group team continued to follow a programme of planned visits designed to support the oversight by the Senior Statutory Auditor of overseas component audit teams. These visits involved gaining a greater understanding of the business issues faced in each location, discussing the audit approach with the local team and any issues arising from their work, reviewing relevant audit working papers, and attending meetings with local management. The Group team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

### Climate change

The Group has determined that the majority of its climate-related risk lies in the assets it manages on behalf of its clients. This is primarily explained in the Task Force for Climate related Financial Disclosures and on page 31 in the Risk Management section of the Annual Report and Accounts. The Group has also explained their climate commitments on page 186. All of these disclosures form part of the 'Other information', rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities in relation to 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the Estimates and judgements section of the Presentation of the financial statements on page 151 how they have reflected the impact of climate change in their financial statements where management consider it appropriate. The principal areas of consideration by management include the measurement of financial assets and impairment assessments. Significant judgements and estimates relating to climate change are included within this section.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 187 to 188 and the significant judgements and estimates, and whether these have been appropriately reflected by management in reaching their judgements in relation to the measurement of financial assets and their impairment assessments. As part of this evaluation, we performed our own risk assessment, supported by our internal climate change specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or as a factor that impacts a key audit matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent auditor's report to the members of Schroders plc continued

| Risk | Our response to the risk |
|---|---|
| **Group only risk:**<br>**Improper recognition of revenue and cost of sales (revenue £3,250.7 million, cost of sales £746.4 million, 2024: revenue £3,067.0 million, cost of sales £697.0 million)**<br>*Refer to the Audit and Risk Committee report (page 53) and Note 2 of the Consolidated financial statements.*<br><br>Schroders manages mutual funds and private funds (earning 'gross fund fees') in numerous domiciles, which consist of many share classes.<br><br>Schroders also manages segregated portfolios and unitised mandates for a range of institutions. In addition, Schroders provides wealth management services. The inputs and calculation methodologies that drive the fees vary significantly across this population. For example, performance fees, fees related to segregated accounts and fees generated from private assets have a range of calculation methodologies.<br><br>As part of this Schroders has fee expense agreements in place with many parties. These expenses include commissions, carried interest payable, external fund manager fees, expenses paid on behalf of UK-managed funds, and distribution fees payable to financial institutions, investment platform providers and financial advisers. The expenses are generally based on Assets under management ('AUM').<br><br>For certain revenue streams, management must apply judgement in accordance with IFRS 15 – Revenue from contracts with customers ('IFRS 15') to determine whether it is highly probable that a significant reversal will not occur in the future.<br><br>The following are identified as the key risks or subjective areas of revenue and cost of sales recognition:<br>– **Fee rates:** Not all agreements in place have been identified and accounted for. Terms have not been correctly interpreted or entered into the fee calculation and billing or expense systems.<br>– **AUM:** There is a risk AUM is not accurate and has not been properly attributed to agreements, or third party fee or fee expense arrangements.<br>– **Calculation:** Errors occur in externally calculated revenues and manually calculated revenues, such as gross fund fees, performance fees, private asset fees and solutions fees. Inappropriate judgements are made by management in the calculation and recognition of carried interest receivable and payable.<br><br>There is also the risk that management may influence the timing or recognition of revenue and cost of sales in order to meet market expectations or net operating income-based targets. | We have:<br>– confirmed and updated our understanding of the procedures and controls in place, both at Schroders through walkthrough procedures, and at third party administrators ('TPAs') through review of independent controls assurance reports;<br>– **IT systems:** tested the controls over access to, and changes to, the systems underpinning the processes, including testing controls over the flow of data between systems for completeness and accuracy;<br>– **fee agreements:** tested the controls over new and amended fee agreements or prospectuses. For a sample of fees, agreed the fee terms used in the calculation to investment management agreements ('IMAs'), fee letters or fund prospectuses;<br>– **AUM:** tested the controls in place, validating the source of the AUM used in the fee and fee expense calculations. For a sample of fees, tested that AUM included in the fee calculation systems agreed to administrator reports or Schroders' investment management systems;<br>– **billing and cash management:** For a sample of fees and expenses, compared the amounts recorded to the cash received/paid, checking whether the revenue/cost of sale has been recorded in the correct period, and assessed the recoverability of debtors through the testing of subsequent cash receipts and inspection of the aged debtors report;<br>– **analytical procedures:** performed analytics over AUM-driven net operating revenues, including cost of sales. We considered the expected margin per segment, ratio of cost of sales to revenue and challenged management based on our expectations formed;<br>– **review of other information:** inspected the global operational incident log and complaints registers to identify significant errors or control deficiencies reported by management; and<br>– **management override:** in order to address the residual risk of management override we performed enquiries of management, read minutes of board and committee meetings held throughout the year and performed journal entry testing.<br><br>Additional procedures for specific revenue streams and cost of sales:<br>– **Gross fund fees:** for a sample of gross fund fees billed directly by the TPA, compared the revenue recorded by Schroders to reports provided by the TPA;<br>– **Segregated/unitised revenue:** tested automated controls over the arithmetical accuracy of a sample of fee calculations within the relevant systems including a substantive test for each different fee type including where fee rebates are recognised on a net basis;<br>– **Wealth management revenue:** for a sample of manual and automated fee and commission income items, we agreed the fee rates through to customer agreements, traced the fees charged to portfolio statements and recalculated the fee income and tested the accrued revenue by agreeing a sample of transactions to portfolio statements; and<br>– **Cost of sales processed on Group finance operations model:** tested the controls over new agreements and amended fee expense agreements. For a sample of fee expenses calculated by Schroders and an additional sample calculated by third parties, agreed the fee expense terms used in the calculation to IMAs, fee letters or rebate agreements.<br><br>We have not tested controls for manually calculated revenues. Additional procedures are listed below:<br>– **Carried interest:** challenged management over the judgements made by the engagement team with respect to the risk and estimates used in the valuation of the carried interest receivable and payable. This includes the constraints applied under IFRS 15. For a sample of funds, we have tested the inputs used in the calculations to accounting records, third party sources and legal agreements as well as recalculated the value of the carried interest liability; and compared the discounted carried interest expense to the cost of sales recorded; and<br>– **Solutions fees, performance fees and certain private assets fees:** For a sample we have agreed the inputs used in the relevant calculations to third party sources and benchmarks, where applicable, and legal agreements and recalculated the value of the relevant fee. |

## Independent auditor's report to the members of Schroders plc continued

### Key observations communicated to the Schroders Audit and Risk Committee

Transactions tested have been recognised in accordance with the underlying agreements or other supporting documentation. Revenue has been recorded materially in accordance with IFRS 15.

Based on the procedures performed, we have no matters to report in respect of revenue recognition.

### How we scoped our audit to respond to the risk

Audit procedures over this risk covered 93% of the total revenue and 96% of the total cost of sales. Due to the centralised nature of the revenue process, the majority of our revenue testing was performed by the Group team for Asset Management revenue, and by the Group and Switzerland teams for Wealth Management revenue. All cost of sales testing was undertaken by the Group team.

| Risk | Our response to the risk |
|---|---|
| **Group only risk:**<br>**Incorrect recognition of the impact of the transformation programme and portfolio restructuring**<br>*Refer to the Report of the Board Audit and Risk Committee; Accounting policies; and Notes 2, 3, 10 and 13 of the Consolidated Financial Statements.*<br><br>The Group reported an impact on Operating profit for transformation costs of £79.4 million and portfolio restructuring of £60.8 million, including a gain on the share exchange for their 49.9% holding in Schroders Personal Wealth of £113.3 million. The Group's consolidated statement of financial position includes goodwill and intangible assets balances of £1,715.8 million as well as a carrying value of associates and joint ventures of £376.1 million.<br><br>Management are undergoing a three-year transformation programme to simplify their business portfolio, including restructuring or exiting certain businesses, reduce operating expenses and reinvest in talent through selective hiring. In aggregate, these actions have had a material effect on the Group's profit before tax.<br><br>Judgement is required to determine the accounting for share exchanges and the disposal of businesses.<br><br>Management are required to consider the impact of changes to their business portfolio on the carrying value of goodwill, intangibles assets and associates and joint ventures. Judgement is required to determine the groups of assets ('CGUs') that should be assessed for impairment and whether impairment indicators exist for intangible assets and associates and joint ventures, including considering the performance of previously acquired businesses. Where impairment assessments are performed there is complexity in estimating the value-in-use of businesses or assets, including a risk that incorrect assumptions are made regarding future cashflows, discount rates, long-term growth rates or customer retention rates.<br><br>Management are also required to consider the disclosure requirements for restructuring costs and items of income and expense that are one-off in nature, including the impact on Adjusted Profit Measures. | We have:<br>– updated our understanding of the processes and controls relevant to corporate activity and impairment assessments;<br>– We held discussions with management and reviewed relevant Board papers and minutes to understand the governance structures and oversight for the accounting of transactions; and<br>– considered management's share exchange and disposal accounting treatment's compliance with IFRS. We challenged the judgements made by forming our own independent view of the accounting treatment, based on the terms of the executed legal agreements.<br><br>**Impairment assessments:**<br>– considered the appropriateness of the CGUs or groups of CGUs identified for which a goodwill impairment assessment is performed;<br>– performed a search for impairment indicators for each CGU or group of CGUs, material acquired intangible assets, and associate or joint venture, such as determining if there has been a material decline in revenues and considering external market factors and management's portfolio restructuring;<br>– considered the appropriateness of the useful economic life ('UEL') over which material intangible assets are amortised;<br>– with the support of our valuations specialists, considered the appropriateness of the valuation methodology, terminal growth rate and discount rate used in the assessment of impairment for each CGU, with reference to comparable companies and observable market data. Using our specialists' own assumptions, we derived a reasonable range for the recoverable value for each CGU or group of CGUs and compared this to management's value-in-use;<br>– compared the future cash flow forecasts against divisional budgets, determining whether key judgements are in line with our understanding of the business, transformation programme and third party data;<br>– back tested the accuracy of prior cash flow forecasting against historical performance; and<br>– performed sensitivity analysis by flexing the key assumptions to establish the values that would result in an impairment.<br><br>**Disclosures:**<br>– we assessed the adequacy of disclosures made in the financial statements and their compliance with the relevant accounting standards. |

### Key observations communicated to the Schroders Audit and Risk Committee

Transactions tested have been recognised in accordance with the relevant accounting standards. Based on the procedures performed, we have no matters to report in respect of incorrect recognition of the impact of the transformation programme and portfolio restructuring.

### How we scoped our audit to respond to the risk

All audit work performed to address this risk was undertaken by the Group team.

## Independent auditor's report to the members of Schroders plc continued

In the current year, we have added a key audit matter in relation to incorrect recognition of the impact of the transformation programme and portfolio restructuring. This is due to the level of judgement and estimation required to account for these changes to the Group's strategy.

With the exception of the additional key audit matter, there have been no further changes to our risk assessment from the 2024 Audit key audit matters. The incorrect recognition of revenue and cost of sales key audit matters have been combined in the current year.

## Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### Materiality

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the Group to be £30.7 million (2024: £32 million), which is 5% of adjusted profit before tax (2024: 5% of operating profit). Following the change in presentation of the income statement in the year, we believe that adjusted profit before tax is the most relevant performance measure to the stakeholders of the Group. See below showing our calculation of the materiality basis:

| | |
|---|---|
| **Starting basis** | Profit before tax - £673.8 million |
| **Adjustments** | Restructuring costs - £54.4 million<br>Gain on disposal - Schroders Personal Wealth - £113.3 million |
| **Materiality** | Adjusted profit before tax £614.9 million<br>Materiality of £30.7 million (5% of materiality basis) |

*We determined materiality for the Parent company to be £45 million (2024: £46 million), which is 1% (2024: 1%) of net assets. The Parent company primarily holds investments in Group entities and, therefore, net assets is considered to be the key focus for users of the financial statements.*

During the course of our audit, we reassessed initial materiality based on 31 December 2025 financial statement amounts and adjusted our audit procedures accordingly.

### Performance materiality

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £23.1 million (2024: £24 million). We have used a threshold consistent with 2024 due to our prior experience as to the low occurrence of material misstatements and our conclusions as to the effectiveness of the control environment and accounting processes.

Audit work was undertaken at the entity level for the purpose of responding to the assessed risks of material misstatement of the group financial statements. The performance materiality set for each entity is based on the relative scale and risk of the entity to the Group as a whole and our assessment of the risk of misstatement at that entity. In the current year, the range of performance materiality allocated to individual entities was £4.6 million to £12.7 million (2024: £4.8 million to £13.2 million).

### Reporting threshold

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £1.5 million (2024: £1.6 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

## Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 95 and 182 to 207, including the Strategic report, Governance and Shareholder information sections, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

## Independent auditor's report to the members of Schroders plc continued

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent company financial statements and the part of the Directors' Remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 34;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 34;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 34;
- Directors' statement on fair, balanced and understandable set out on page 95;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 27 to 31;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 54 to 55; and
- the section describing the work of the Audit and Risk Committee, as set out on pages 53 to 60.

### Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 95, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent auditor's report to the members of Schroders plc continued

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules and relevant rules and regulations of the Prudential Regulation Authority ('PRA'), Financial Conduct Authority ('FCA') and those of other applicable regulators around the world.
- We understood how Schroders plc is complying with those frameworks by making enquiries of senior management, including the Chief Financial Officer, General Counsel, Company Secretary, Chief Risk Officer, Head of Internal Audit and the Chairman of the Audit and Risk Committee. We corroborated our understanding through our review of board and committee meeting minutes, papers provided to the Audit and Risk Committee, and correspondence received from the PRA and FCA.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their potential influence on efforts made by management to manage or influence the perceptions of analysts. We considered the controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors these controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of senior management, including those key hub locations; and focused testing, as referred to in the key audit matters section above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

### Other matters we are required to address

- Following the recommendation from the Audit and Risk Committee, we were appointed by the Parent company on 9 March 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial periods. Our appointment as auditor was approved by shareholders at the Annual General Meeting on 26 April 2018.
- The period of total uninterrupted engagement including previous renewals and reappointments is eight years, covering the years ending 2018 to 2025.
- The audit opinion is consistent with the Audit Results Report to the Board Audit and Risk Committee.

### Use of our report

This report is made solely to the Parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent company and the Parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

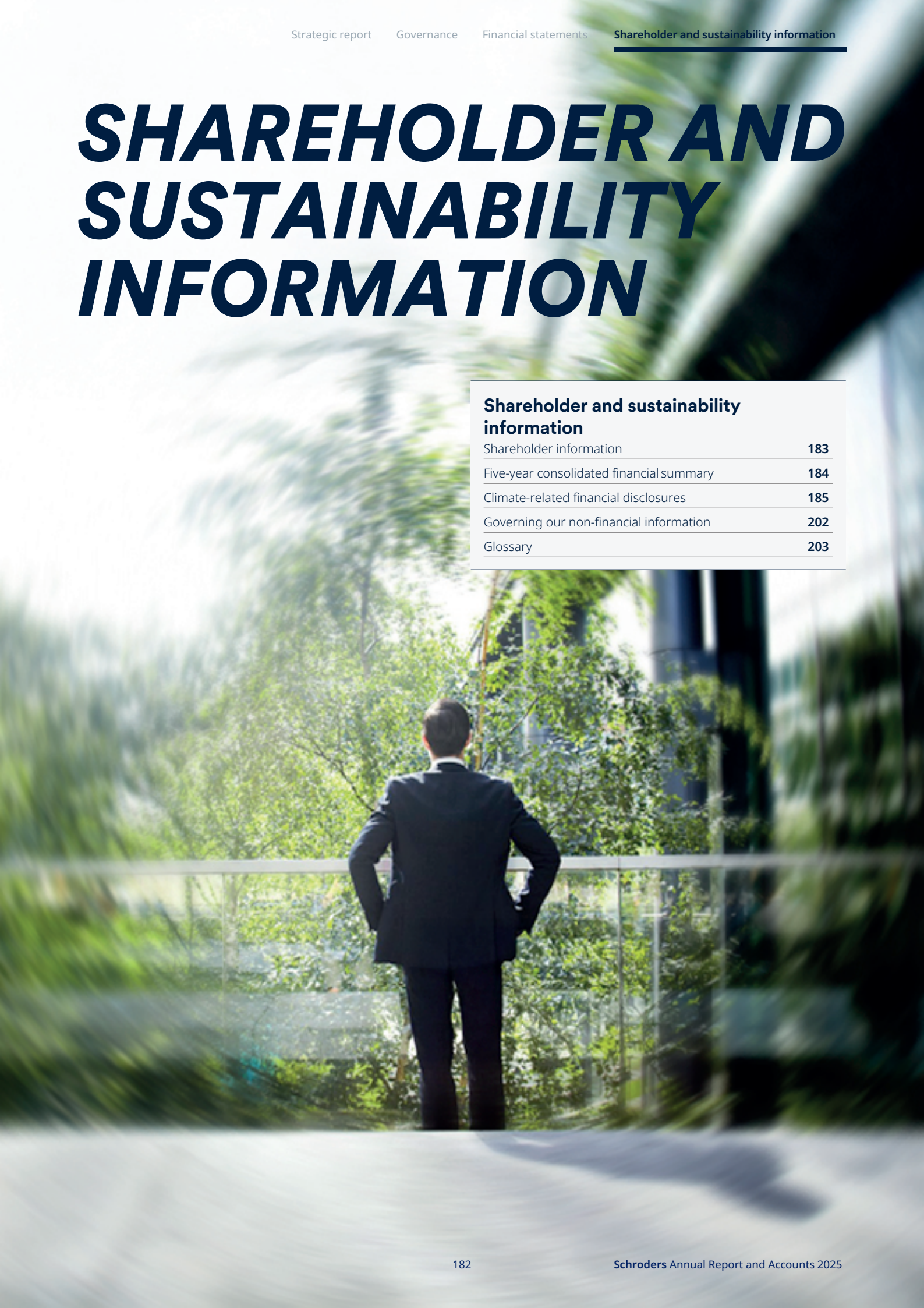
**Simon Michaelson**

Senior statutory auditor

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

11 February 2026

# SHAREHOLDER AND SUSTAINABILITY INFORMATION



## Shareholder and sustainability information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Shareholder information

# Shareholder information

## Schroders plc

Registered in England and Wales Company No. 3909886

### Registered office

1 London Wall Place, London, EC2Y 5AU
Tel: +44 (0) 207 658 6000
Email: companysecretary@schroders.com
Website: www.schroders.com

## Share Registrar

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

### UK shareholder helpline:

Freephone (UK callers only): 0800 923 1530
International: +44 117 378 8170
Email: WebCorres@computershare.co.uk
Website: www.investorcentre.co.uk

### Financial calendar

| | |
|---|---|
| Ex-dividend date | 12 March 2026 |
| Record date | 13 March 2026 |
| DRIP election date deadline | 31 March 2026 |
| Annual General Meeting | 16 April 2026 |
| Final dividend payment date | 23 April 2026 |
| Half-year results announcement | 30 July 2026 |
| Interim dividend paid[1] | September 2026 |

[1] Date to be confirmed.

## Annual General Meeting (AGM)

Our AGM will be held in person at 1 London Wall Place, London, EC2Y 5AU on Thursday 16 April 2026 at 11.30am.

## Investor Centre

Computershare is the Company's share registrar. Investor Centre is Computershare's free, self-service website where shareholders can manage their interests online.

The website enables shareholders to:

- view share balances
- change address details
- view payment and tax information
- update payment instructions
- update communication instructions.

Shareholders can register their email address at www.investorcentre.co.uk to be notified electronically of events such as AGMs, and can receive shareholder communications such as the Annual Report and Accounts and the Notice of Meeting online.

Enquiries and notifications concerning dividends, share certificates or transfers and address changes should be sent to the Registrar.

## Dividends

Paying dividends into a bank or building society account helps reduce the risk of fraud and will provide you with quicker access to your funds than payment by cheque. Applications for an electronic mandate can be made by contacting the Registrar.

If your dividend is paid directly into your bank or building society account, you will receive an annual consolidated dividend confirmation, which will be sent to you in September each year at the time the interim dividend is paid.

Dividend confirmations are available electronically at www.investorcentre.co.uk to those shareholders who have their payments mandated to their bank or building society accounts, and who have expressed a preference for electronic communications.

The Company operates a Dividend Reinvestment Plan (DRIP), which provides shareholders with a way of increasing their shareholding in the Company by reinvesting their dividends. A copy of the DRIP terms and conditions and application form can be obtained from the Registrar.

Details of dividend payments can be found in the Directors' report on page 91.

Schroders offers a service to shareholders in participating countries that enables dividends to be received in local currencies. You can check your eligibility and/or request a mandate form by contacting the Registrar.

## Warning to shareholders

Companies are aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas-based "brokers" who target UK shareholders, offering to sell them what often turn out to be worthless or high-risk shares or investments. These operations are commonly known as "boiler rooms". These "brokers" can be very persistent and extremely persuasive.

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount, or offers of free company reports. If you receive any unsolicited investment advice:

- make sure you get the correct name of the person and organisation
- check that they are properly authorised by the Financial Conduct Authority (FCA) before getting involved by visiting register.fca.org.uk
- report the matter to the FCA by calling 0800 111 6768 or visiting www.fca.org.uk/consumers/report-scam-unauthorised-firm
- do not deal with any firm that you are unsure about.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FCA provides a list of the unauthorised firms it is aware of, which can be accessed at www.fca.org.uk/consumers/warning-list-unauthorised-firms.

More detailed information on this or similar activity can be found on the FCA website at www.fca.org.uk/consumers/protect-yourself-scams.

## Capital gains tax implications of simplification of the Schroders plc dual share class structure

Information on capital gains tax relating to the Enfranchisement, Compensatory Bonus issue and Sub-Division of Schroders plc shares that took place in September 2022 can be found on the Company's website.

## Five-year consolidated financial summary

# Five-year consolidated financial summary (unaudited)

| | **2025 £m** | 2024 £m | 2023 £m | 2022 £m | 2021 £m |
|---|---|---|---|---|---|
| Adjusted operating profit before tax | 756.6 | 603.1 | 626.1 | 644.3 | 813.0 |
| Tax | (158.9) | (133.6) | (121.5) | (110.2) | (142.5) |
| **Adjusted operating profit after tax** | **597.7** | 469.5 | 504.6 | 534.1 | 670.5 |

| | **2025 £m** | 2024 £m | 2023 £m | 2022 £m | 2021 £m |
|---|---|---|---|---|---|
| Profit before tax | 673.8 | 558.1 | 487.6 | 586.9 | 764.1 |
| Tax | (123.4) | (125.1) | (85.0) | (100.7) | (140.3) |
| **Profit after tax** | **550.4** | 433.0 | 402.6 | 486.2 | 623.8 |

| **Adjusted operating earnings per share** | **2025 Pence** | 2024 Pence | 2023 Pence | 2022 Pence | 2021 Pence |
|---|---|---|---|---|---|
| Basic earnings per share[1] | **36.6** | 28.4 | 30.7 | 33.2 | 41.5 |
| Diluted earnings per share[1] | **36.1** | 28.0 | 30.1 | 32.6 | 40.8 |

| **Earnings per share** | **2025 Pence** | 2024 Pence | 2023 Pence | 2022 Pence | 2021 Pence |
|---|---|---|---|---|---|
| Basic earnings per share[1] | **34.1** | 26.4 | 24.6 | 30.4 | 38.7 |
| Diluted earnings per share[1] | **33.6** | 26.0 | 24.2 | 29.9 | 38.1 |

| **Dividends** | **2025** | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Cost (£m) | **335.8** | 334.2 | 333.0 | 332.1 | 318.6 |
| Pence per share[2] | **21.5** | 21.5 | 21.5 | 21.4 | 20.4 |

| | | | | | |
|---|---|---|---|---|---|
| **Total equity (£m)** | **4,456.4** | 4,495.4 | 4,463.7 | 4,479.7 | 4,425.7 |

| | | | | | |
|---|---|---|---|---|---|
| **Net assets per share (pence)[3]** | **276** | 279 | 277 | 278 | 275 |

| **Group employees at year end 31 December** | **2025 Number** | 2024 Number | 2023 Number | 2022 Number | 2021 Number |
|---|---|---|---|---|---|
| United Kingdom | 3,597 | 3,946 | 3,897 | 3,788 | 3,329 |
| Europe, Middle East and Africa | 813 | 904 | 1,016 | 1,031 | 940 |
| Asia Pacific | 938 | 1,090 | 1,089 | 1,188 | 1,093 |
| Americas | 369 | 423 | 436 | 427 | 388 |
| | **5,717** | 6,363 | 6,438 | 6,434 | 5,750 |

| **Exchange rates – closing 31 December** | **2025** | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| **Sterling:** | | | | | |
| Euro | **1.15** | 1.21 | 1.15 | 1.13 | 1.19 |
| US dollar | **1.35** | 1.25 | 1.27 | 1.20 | 1.35 |
| Swiss franc | **1.07** | 1.13 | 1.07 | 1.11 | 1.23 |
| Australian dollar | **2.02** | 2.02 | 1.87 | 1.77 | 1.86 |
| Hong Kong dollar | **10.47** | 9.73 | 9.95 | 9.39 | 10.56 |
| Japanese yen | **210.83** | 196.83 | 179.72 | 158.72 | 155.97 |
| Singaporean dollar | **1.73** | 1.71 | 1.68 | 1.61 | 1.83 |
| Chinese renminbi | **9.40** | 9.14 | 9.04 | 8.36 | 8.63 |

| **Exchange rates – average** | **2025** | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| **Sterling:** | | | | | |
| Euro | **1.17** | 1.18 | 1.15 | 1.17 | 1.16 |
| US dollar | **1.32** | 1.28 | 1.24 | 1.24 | 1.37 |
| Swiss franc | **1.10** | 1.12 | 1.12 | 1.18 | 1.25 |
| Australian dollar | **2.04** | 1.94 | 1.87 | 1.78 | 1.83 |
| Hong Kong dollar | **10.26** | 9.97 | 9.74 | 9.71 | 10.68 |
| Japanese yen | **197.80** | 192.84 | 175.10 | 161.25 | 151.02 |
| Singaporean dollar | **1.72** | 1.71 | 1.67 | 1.71 | 1.84 |
| Chinese renminbi | **9.45** | 9.18 | 8.81 | 8.32 | 8.86 |

1. See note 5 for the basis of this calculation. Prior year comparatives have been restated following the simplification of the Company's dual share class structure in 2022 and following the re-presentation of the consolidated income statement in 2025 (see Presentational changes on page 151).
2. Dividends per share are those amounts approved by the shareholders to be paid within the year on a per share basis to the shareholders on the register at the specified dates. Prior year comparatives have been restated following the simplification of the Company's dual share class structure in 2022.
3. Net assets per share are calculated by using the actual number of shares in issue at the year-end date. Prior year comparatives have been restated following the simplification of the Company's dual share class structure in 2022.

Climate-related financial disclosures

# Task Force on Climate-related Financial Disclosures and compliance summary

**Our climate-related financial disclosures, prepared in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022, are outlined below. The report aligns with the Task Force on Climate-related Financial Disclosures (TCFD) framework, as required under FCA UK Listing Rule 6.6.6R(8). It is consistent with the TCFD recommendations and relevant recommended disclosures, including the supplemental guidance for the financial sector.**

In this section, we refer to distinct businesses within the Group such as Public Markets, Schroders Capital and Wealth Management. These businesses are involved, to varying degrees, with investing directly (where we manage the investments directly) and indirectly (where we select external asset managers to manage investments on our behalf).

The following Financial Conduct Authority (FCA) regulated entities within the Group are required to publish their own entity-level reports in accordance with the FCA's Environmental, Social and Governance Sourcebook. These entities (see the list on the right) will predominantly rely on these disclosures when publishing their own, which will be completed by 30 June 2026.

- Schroder Investment Management Limited
- Schroder Investment Management North America Limited
- Schroder & Co. Limited
- Schroders Greencoat LLP
- Schroders IS Limited
- Schroder Pension Management Limited
- Schroder Real Estate Investment Management Limited
- Schroder Unit Trusts Limited.

Their individual reports may contain additional information that is specific and material to them which has not been included in this Group-level disclosure.

The table below contains a mapping of TCFD requirements and the climate-related requirements under the Companies Act to the relevant sections in the following pages.

| TCFD Pillar | Recommended disclosure | CA 414CB | Page reference |
|---|---|---|---|
| **Governance** | a. Describe the Board's oversight of climate-related risks and opportunities | (a) | 195 |
| | b. Describe management's role in assessing and managing climate-related risks and opportunities | (a) | 195 |
| **Strategy** | a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term | (d) | 187-188, 197 |
| | b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning | (e) | 186-194, 196-197 |
| | c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | (f) | 192 |
| **Risk management** | a. Describe the organization's processes for identifying and assessing climate-related risks | (b) | 196-197 |
| | b. Describe the organization's processes for managing climate-related risks | (b) | 196-197 |
| | c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management | (c) | 196-197 |
| **Metrics and targets** | a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process | (h) | 198-201 |
| | b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks | (h) | 198-201 |
| | c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets | (g) | 186, 198-201 |

**Climate-related financial disclosures** continued

# Our climate strategy

Transition risks arising from policy change and uncertainty, shifting consumer preferences and technological innovation are intersecting with physical risks such as extreme and chronic weather events. Together, these trends have material implications for our clients' portfolios and for the way we manage our business.

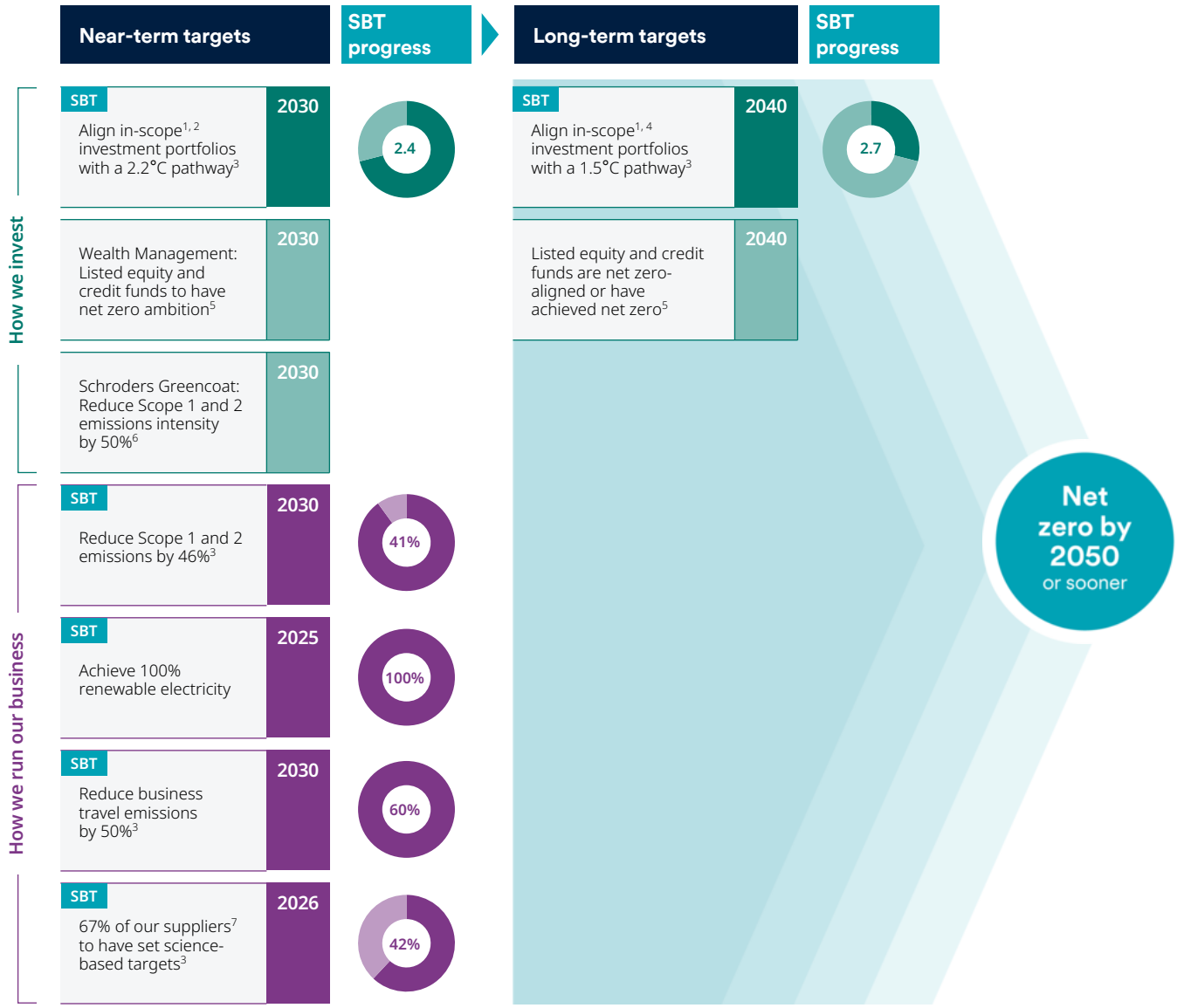
Physical risks have become more pronounced, with greater frequency and severity of extreme weather events. This has led to an increased focus on climate adaptation, alongside climate mitigation. Over the long term, however, we believe that policy, markets and innovation will continue to move economies and industries to decarbonise.

For Schroders, these dynamics create both risks and opportunities. They may influence asset valuations, reshape industries and test business models. Yet they also open the door to innovation and the growth of climate solutions that align with our clients' objectives. By combining our investment expertise with proprietary insights, we are helping clients navigate these challenges.

We also recognise that effective risk management is essential. Protecting the value of our clients' assets requires us to identify, assess and proactively manage climate-related risks with discipline. The table on pages 187 to 188 sets out the climate-related risks and opportunities we consider most material to our business and explains how we are responding to them.

We are committed to managing our clients' portfolios in line with their investment objectives and to strengthening the long-term sustainability of our business. Therefore, in 2021 we made our initial commitment to transitioning our business and the portfolios we manage toward a net zero future.

Our commitment remains unchanged. As stewards of capital, we recognise our responsibility to assess the risks and opportunities climate change presents for our clients' portfolios. We reflect these considerations in our investment decisions, while supporting the transition to a more sustainable global economy.




1. Directly managed listed equity, corporate bonds, real estate investment trusts (REITs) and exchange-traded funds (ETFs).
2. Scopes 1 and 2.
3. Base year 2019.
4. Scopes 1, 2 and 3.
5. Refers to third-party and Schroders funds on our approved buy list, which Wealth Management's discretionary business selects from.
6. Base year 2022.
7. By GHG emissions.

SBT Science-based targets (validated by the Science Based Targets initiative)

**Climate-related financial disclosures** continued

# Climate risks and opportunities for our clients and our business

Transition and physical risks and opportunities may affect how we invest – i.e. the way in which we manage our portfolios – and also how we run our business – i.e. the way in which we manage our business overall, including the management of our operations.

**How we invest:** This relates to the processes which our investment teams follow in making investment decisions. These investment decisions result in our managed funds owning companies or assets which may be exposed to climate risks or opportunities. Climate risks or opportunities may result in lower or higher valuations or reduced or increased profitability of companies or assets, thereby affecting investment returns for our clients and our investment performance. Persistent under- or outperformance may consequently affect the Group's AUM and our ability to retain clients or attract new business, thereby affecting our revenues.

In this section, we make a distinction between **direct investments**, i.e. where we manage the investments directly, and **indirect investments**, i.e. where we select external asset managers to manage investments on our behalf.

**How we run our business:** This relates to the typically centralised actions or decisions related to how we manage our business. These are usually conducted at the Group or business unit level including, for example, those relating to product strategy or operations. Climate risks or opportunities may directly result in higher or lower Group costs or revenues, affecting returns for our shareholders.

Most of the risks and opportunities disclosed below emerge across all timeframes; however, we have indicated the timeframe we consider most significant for each risk or opportunity.

**Timeframes**

**Short term (0–1 year)**

The current reporting period, which covers existing activities to manage climate issues.

**Medium term (1–5 years)**

Aligns with our strategic planning, business forecasting and viability assessment. It is also the typical investment duration of our clients.

**Long term (5–10 years) and extended long term (10+ years)**

Depending on real-world action, this period could see continued transition risks and opportunities, as well as intensifying physical climate risks and opportunities.

**Materiality**

When assessing materiality, we consider how the Group is affected by climate change, taking into consideration the impact of climate on our financial performance and position.

The table below summarises the climate issues – both risks and opportunities – which we have deemed could have a material impact on our financial performance and position in the relevant timeframes. It also summarises our management response to the identified issues.

## Short- and medium-term climate issues

How we invest

| Risks | Opportunities | Our response |
|---|---|---|
| **Investment underperformance may arise from:**<br>– **Transition, policy, market:** Climate-related policy action and market trends impacting the revenues or costs of the portfolio companies or assets we are invested in, particularly where the policy landscape is uncertain<br>– **Physical (acute) :** Increasing severity and frequency of acute extreme weather events impacting the revenues or costs of the portfolio companies or assets we are invested in.<br>The above can impact our portfolios either directly or indirectly. | **Investment outperformance may arise from:**<br>– **Transition, policy, market:** Portfolio companies or assets we are invested in which are better positioned to deal with climate-related policy action or better aligned with market trends, particularly those involved in delivering climate mitigation solutions<br>– **Physical (acute):** Portfolio companies or assets we are invested in which benefit from increased spending on climate adaptation solutions.<br>The above can impact our portfolios either directly or indirectly. | We have developed frameworks to assess the transition plans and decarbonisation targets of the companies, assets and external asset managers we are invested in.<br>**Direct investments**<br>– We have developed a dashboard[1] for our investment teams to identify the climate risks and opportunities their portfolio companies are exposed to, including under different climate scenarios.<br>– Within our real estate and infrastructure portfolios, we have started to onboard geospatial asset-specific data providers to improve our asset-specific risk assessments and aid in developing adaptation plans for assets.<br>– We engage with the management of companies, assets and wider related stakeholders in our portfolios in order to understand their exposure to climate risks and opportunities. Where material, we encourage them to take appropriate action through dialogue, by exercising our voting rights (for listed companies) or via other escalation methods. We also engage collaboratively via industry initiatives.<br>**Indirect investments**<br>– We conduct net zero assessments (typically annually) of our external asset managers to understand i) their net zero commitments and ii) if and how they analyse their portfolio holdings to understand exposure to climate issues.<br>– We engage with our external asset managers to encourage them to take appropriate action. |

1. The dashboard mainly covers listed companies given data availability is typically better compared to privately held companies.

## Climate-related financial disclosures continued

### How we run our business

| Risks | Opportunities | Our response |
|---|---|---|
| **Potential loss of revenue or increased costs from:**<br>– **Reputation:** Negative perception of the Group's approach to managing climate issues which leads to loss of business and clients<br>– **Products and services:** Failure to establish climate-aligned products to meet client demand, or insufficient demand leading to sub-scale unprofitable funds<br>– **Legal:** Regulatory breaches due to increasing volume, scope and complexity of climate regulation, which leads to reputational damage or fines. | **Potential increased revenue:**<br>– **Reputation:** Positive perception of the Group's climate capabilities and solutions, which leads to new business and clients<br>– **Products and services:** Increased client demand leads to the development and growth of climate-aligned products including those focused on decarbonisation, climate mitigation and adaptation. | – We monitor the volume and sentiment of coverage in publications and on social media and report this to the Group Risk Committee and Audit and Risk Committee. We take appropriate action to address areas that have resulted or may result in an impaired reputation.<br>– We conduct client surveys for institutional and retail clients to assess product demand.<br>– We maintain an internal working group focused on understanding and supporting clients in meeting their climate objectives within their portfolios.<br>– We apply a climate product framework to showcase our capabilities and align our offering with clients' preferences and objectives.<br>– We implement an operating model with the aim to comply with and monitor climate regulations. |

### Long- and extended long-term climate issues

### How we invest

| Risks | Opportunities | Our response |
|---|---|---|
| **Investment underperformance may arise from:**<br>– **Physical (chronic):** Long-term and extended long-term acute and chronic climate change impacts such as temperature and sea-level rises impacting the revenues or costs of the portfolio companies or assets we are invested in.<br>The above can impact our portfolios either directly or indirectly. | **Investment outperformance may arise from:**<br>– **Physical (chronic):** Portfolio companies or assets we are invested in which are better positioned to deal with physical climate risks through their development of climate adaptation solutions.<br>The above can impact our portfolios either directly or indirectly. | **Direct investments**<br>– We have developed a dashboard[1] for our investment teams to identify the risks and opportunities their portfolio companies are exposed to, including a climate scenario which incorporates chronic physical risks.<br>– Across private markets, climate-related components are considered within the sustainability assessment during the investment decision-making process.<br>**Indirect investments**<br>– We conduct net zero assessments (typically annually) of external asset managers to understand i) their net zero commitments and ii) if and how they analyse their portfolio holdings to understand exposure to climate issues, including long-term climate change. |

1. The dashboard mainly covers listed companies given data availability is typically better compared to privately held companies.

**Climate-related financial disclosures** continued

# Progressing our climate strategy

### Context

Delivering our decarbonisation strategy requires more than the actions of a single firm. The global economy itself must transition, and that depends on many factors, with a critical one being effective government policy. Regulation and long-term policy frameworks will be important to set clear direction for different sectors in the real economy. Alongside this, investors have a duty to steward the companies and assets which they own.

We believe that by proactively managing the risks and identifying the opportunities presented by climate change, we are better placed to deliver the performance our clients expect.

In many asset classes, it is possible to build portfolios today that only invest in companies and assets already on a credible path to net zero or providing solutions that enable faster decarbonisation of the economy. However, restricting portfolios in this way risks creating heavy sector and geographic concentrations and could sacrifice returns for clients.

### Our approach

Our approach is to focus on companies and assets from across sectors and regions which are transitioning, which have provided stronger performance as well as supporting real-world decarbonisation, through capital allocation and stewardship.

Our climate strategy is underpinned by the need to meet clients' objectives and protect and enhance the value of their investment portfolios. It is therefore focused on understanding and assessing where companies, assets and managers stand on their journey towards net zero and to encourage them to mitigate the climate risks embedded in their operating models which may arise from action which is either too rapid or too slow.

We do this through:

- active management: developing proprietary models for climate analysis that help our fund managers integrate climate risks and opportunities into investment decision-making
- active ownership: engaging with company boards and management teams to encourage robust transition plans and disclosure of annual emissions performance, using our votes at AGMs to hold them accountable, as well as engaging with policymakers to advocate for consistent, long-term climate policy
- innovation: developing investment strategies which manage risks and emphasise opportunities in companies and assets which are transitioning or contributing to climate solutions, such as renewable energy infrastructure.

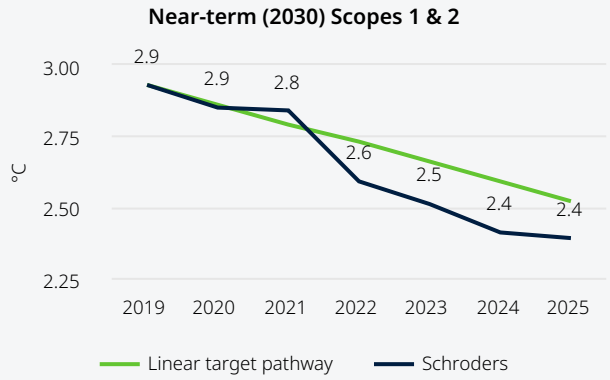
Together, these actions can help to support the transition that is needed in the wider economy and help address some of the climate risks and opportunities set out in the table on pages 187 and 188.

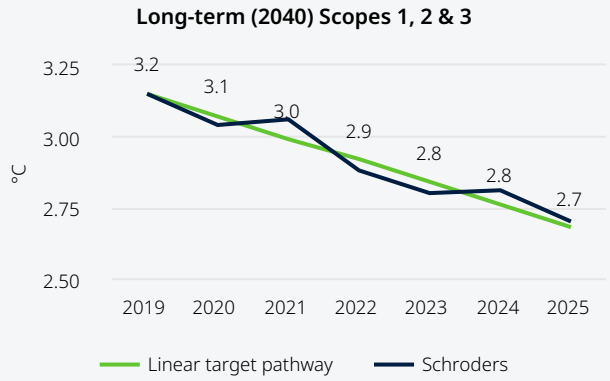
### Measuring our progress

We set clear, measurable targets that reflect the characteristics of each asset class and which are aligned with our net zero commitment. The majority of our AUM is in public markets, where we use temperature scores[1] as our benchmark. These science-based targets, validated by the Science Based Targets initiative (SBTi) in 2021, commit us to reducing the temperature alignment of our in-scope[2] portfolios from 2.9°C in 2019 to 2.2°C by 2030.

Our latest score is 2.4°C, reflecting the commitments of the companies we invest in, our engagement efforts and our investment decisions. For our near-term (2030) targets, our portfolio temperature score remains ahead of the linear reduction target, based on the modelling of near-term investee Scope 1 and 2 targets. Our long-term (2040) portfolio temperature score is in line with the linear reduction target required.

## SBTi-validated portfolio temperature scores




For other asset classes, we use measures better suited to them.

Within Schroders Greencoat, the focus is on growing the capacity for renewable energy generation of the assets it invests in and manages on behalf of clients; this in turn leads us to set a carbon intensity-based target, with emissions relative to power generation. We have set a commitment to reduce the Scope 1 and 2 emissions intensity by 50% by 2030 from a 2022 base year. More information on our targets and progress are disclosed in the Schroders Greencoat ESG Report, which can be found at www.schroderscapital.com/schrodersgreencoat/esg.

For indirect investments managed by external managers – largely overseen by our wealth management business – our targets focus on the proportion of funds who have committed to aligning their strategies with a net zero future. More information on these targets and progress are disclosed in the Wealth Management Climate Transition Action Plan update which can be found at www.cazenovecapital.com/climate-transition-action-plan.

By tailoring targets to each part of our business, we can track progress credibly while maintaining a consistent Group-wide focus on long-term decarbonisation.

**Further information can be found in the Metrics and targets section on page 198.**

1. Using CDP-WWF methodology (see Metrics and targets section for more information).
2. Listed equities, corporate bonds, real estate investment trusts (REITs) and exchange-traded funds (ETFs).

**Climate-related financial disclosures** continued

# How we invest

## Active management: measuring and managing exposure in our investment portfolios

To support our climate strategy, we have developed net zero alignment frameworks for both our direct and indirect investments. These frameworks are designed to assess where companies, assets and managers stand on their journey towards net zero, providing a structured and consistent way to evaluate ambition, credibility and maturity. They also help us to monitor the progress being made on actual decarbonisation.

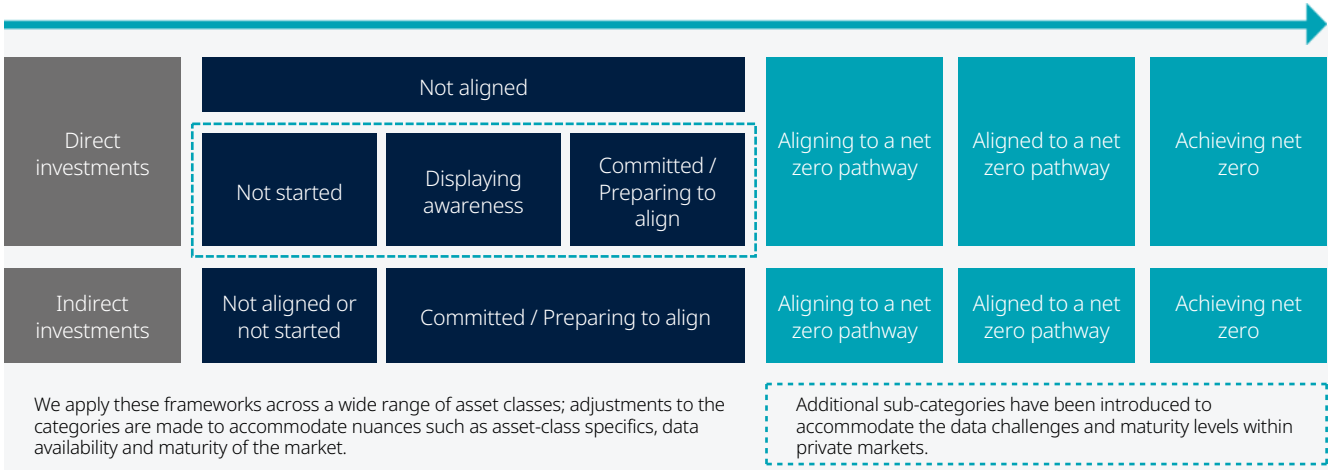
Where the data is available, for example, for listed companies or for assets in real estate and infrastructure, we apply quantitative measures to assess the maturity of their transition plans.

In the case of external managers, the frameworks allow us to evaluate the strength of their commitments and the credibility of their plans to align with a net zero pathway. This is done annually as part of our fund due diligence. They also play a role in guiding our stewardship by helping to identify which managers are the most suitable targets for engagement and where our influence can add the most value.

The frameworks provide more than a snapshot of individual positions. They give us portfolio-wide insights into the levels of exposure to climate risks and opportunities, allowing us to understand where vulnerabilities may exist and where value could be created through transition.

Alongside these frameworks, we continue to develop tools and dashboards that surface relevant climate information for integration into the investment process. These provide fund managers with clear insights into how their holdings are exposed to both risks and opportunities, supporting more informed decision-making. For example, our climate analytics toolkit brings together metrics such as financed emissions, avoided emissions, net zero targets, decarbonisation pathways and portfolio temperature scores; and, where data allows, incorporates scenario analysis. By equipping our teams with these tools, we allow for climate considerations to be consistently embedded across investment decisions.

## Net zero alignment framework




## Active ownership: voting, engagement and operational management of assets

Climate change is one of our thematic priorities for engagement across the asset classes in which we invest. We believe that active engagement is one of the most effective tools available to support the management of climate risks and opportunities. It can improve risk management, drive more resilient business models and support better long-term financial outcomes for our clients.

Our climate engagement objectives focus on encouraging our investees to identify, manage and disclose material climate risks, and to set credible transition targets. In practice, this means tailoring our conversations to reflect the context in which each business operates – recognising the nuances of different sectors, geographies and levels of maturity on the path to decarbonisation. This approach helps contribute to setting expectations that are both ambitious and realistic.

To guide this work, we use our Engagement Blueprints for Public and Private Markets, which set out our active ownership approach across asset classes and how we set climate objectives, as well as how we escalate engagement when progress is slower than we think necessary.

### Public Markets voting

During the 2025 proxy voting season, we voted against the directors of companies on climate grounds on 75 occasions. This represented a 56% increase relative to 2024 and reflects the escalation of our engagement with companies we considered to be lagging behind their peers in their sector and region on climate risk management issues.

We supported 48 out of 93 shareholder resolutions on issues related to climate risk, excluding "anti-ESG" resolutions.

### Public Markets engagement

We conducted 550 climate-related engagements with 381 companies in the basic materials, utilities, energy, industrials and financials sectors. The table below shows our engagements categorised by sector.

| Number of engagements by sector (Public Markets) | |
|---|---|
| Utilities | 72 |
| Financials | 78 |
| Energy | 81 |
| Consumer cyclicals | 52 |
| Basic materials | 57 |
| Technology | 51 |
| Industrials | 48 |
| Consumer non-cyclicals | 55 |
| Healthcare | 14 |
| Real estate | 31 |
| Government activity | 11 |

## Climate-related financial disclosures continued

As part of our engagements, we met 11 sovereign issuers (captured within the "Government activity" category in the table on the previous page). We engage with sovereigns to address the risks arising from climate change in order to support long-term sovereign credit quality.

Most of our engagements were one-to-one with company management; however, we also conducted 33 collaborative engagements on climate-related topics, including with key groups such as Climate Action 100+, Asia Investor Group on Climate Change, the Institutional Investor Group on Climate Change in Europe, and the Interfaith Center on Corporate Responsibility in the US.

Since we published our Climate Transition Action Plan in 2021, we have made steady progress engaging companies we invest in and asking them to mitigate climate risks by setting emissions reduction goals. We have engaged with companies representing 78% of our financed emissions since 2021[1].

We conducted our climate engagements along six sub-themes as indicated in the table below.

| Climate engagement by sub-theme | % |
|---|---|
| Climate mitigation | 47 |
| Climate oversight | 15 |
| Climate adaptation | 13 |
| Climate solutions | 9 |
| Deforestation and Other – climate change | 9 |
| Just transition and resilience | 7 |

Throughout the year, we monitored company progress against our climate engagement objectives and overall, by the end of the year, we considered that 47 objectives were achieved.

### Schroders Capital operational management of assets and engagement

Where we directly manage assets across our real estate and infrastructure portfolios, we aim to manage these assets to robust sustainability standards, including addressing decarbonisation and managing climate risks, in order to protect and enhance asset values.

We also engage with our investee companies and management boards as well as key stakeholders such as industry bodies and regulators to encourage greater transparency on climate-related topics such as energy or material use and decarbonisation commitments.

### Wealth Management engagement

In our dialogue with external asset managers, we encourage management of climate risks such that effective investment outcomes are generated in line with our clients' objectives. We use engagement to hold them accountable for integrating climate considerations into their investment processes.

In 2025, within Wealth Management, we conducted 40 climate-related engagements across 20 external asset managers.

# How we run our business

## Innovate: developing climate-related products and solutions to meet clients' needs

Our focus as an active manager continues to be delivering our clients' investment outcomes. We assess our product range and client demand so that we can effectively match our offering to client needs. This informs our product strategy.

Whilst we have clients for whom climate change is not a focus or objective, we are seeing an increasing number who have set their own climate objectives and are at varying stages of their net zero transition journeys. This has translated into growing demand for products and bespoke solutions that meet these needs.

We have developed a climate product framework to help our clients understand the range of strategies we can offer to meet their climate objectives.

## Climate product framework

**Lower carbon**

Designed for clients with a decarbonisation objective and who want to invest in core strategies

**These strategies target specific emissions reductions, either relative to a benchmark or on an absolute basis.**

**Climate action**

Designed for clients who want to invest in companies transitioning to net zero

**These strategies invest in companies that are actively transitioning to lower-carbon business models and reducing their GHG emissions.**

**Climate solutions**

Designed for clients who want to invest in solutions tackling climate change

**These strategies invest in companies whose products and services contribute to specific climate-related outcomes through technological development and innovation.**

We have also developed bespoke solutions for clients who want their specific climate goals reflected in their portfolios. This has included strategies which focus on portfolio emissions reductions, supporting a real-economy transition, or targeting climate mitigation or adaptation themes. We have developed quantitative models, within Public Markets, and more qualitative assessments in Schroders Capital, that help us build these types of bespoke portfolios.

Our approach has been reinforced by strategic acquisitions and partnerships. The acquisition of BlueOrchard in 2019 expanded our impact investment (including climate impact) capabilities, while the addition of Schroders Greencoat in 2021 strengthened our capabilities in renewable energy infrastructure. As at 31 December 2025, Schroders Greencoat managed over £8.7 billion of renewable assets, making it one of Europe's largest specialist managers in the sector. Across the Group, we managed more than £15.8 billion in strategies with climate-related objectives, which represents a growth of 13.5% year on year.

1. Based on the Scope 1, 2 and 3 emissions of investee companies within our public markets portfolios as at 31 December 2025. The percentage is calculated based on year-end holdings but the engagement may have occurred in a prior year. Engagements that took place in 2025 covered 51.4% of financed emissions.

## **Climate-related financial disclosures** continued

## Climate scenario analysis

We analyse the exposure of our covered investments (see "Definitions and scope" box to the right) to both transition and physical climate risks using scenario analysis. The standard scenarios used are as follows:

1. 1.5°C orderly – global temperature rise is limited to 1.5°C through stringent climate policies and innovation, with net zero $CO_2$e emissions reached around 2050
2. 2°C disorderly – annual $CO_2$e emissions do not fall until 2030, requiring stronger policy action thereafter to limit warming to below 2°C
3. 3°C Nationally Determined Contributions (NDCs) – outcomes based on current pledged targets (NDCs) set by countries, including where these are not yet underpinned by implemented policies.

For the analysis shown below, we used MSCI's aggregated Climate Value-at-Risk (VaR) model applying the Network for Greening the Financial System (NGFS) scenarios to assess potential impacts under a range of future pathways.

## Scenario analysis findings

Our covered investments are more exposed to climate risks under a 1.5°C scenario, with a potential impact of -8.8% of current market value. The impact is slightly lower under the 2°C (-4.3%) and 3°C (-3.9%) scenarios. The chart below illustrates how risks vary by sector: while overall exposure increases under more ambitious transition scenarios, the concentration of risk becomes more pronounced in carbon-intensive industries such as energy and materials.

It is important to note that model outputs provide only one view of possible outcomes. They do not capture the full complexity of physical risks, including interconnected effects and the potential for irreversible "tipping points" once critical thresholds are breached.

## Evolving our strategy

We recognise that we will need to remain adaptable as policy and investment outlooks shift and as climate risks and opportunities evolve. We will adjust our approach to engagement and capital allocation to reflect the conditions under which we invest.

As extreme weather events become more frequent and severe, we have continued to focus on climate adaptation in our engagement with portfolio companies whilst acknowledging that rapidly reducing emissions is needed to avoid the worst climate impacts.

We have also expanded our climate-related product and solutions offering to capture opportunities in transition, mitigation and adaptation.

### Definitions and scope

- **Covered investments**: listed equities and corporate bonds.
- **Physical risks**: exposure to approximately ten climate hazards, including acute weather events such as cyclones and flooding, and chronic weather changes such as increased rainfall or prolonged heat. We apply the "aggressive" outcome across all three scenarios.
- **Transition risks**: including shifts in carbon pricing, fossil fuel demand, energy mix and emissions pathways.
- **Time horizon**: assessed from the reporting year to the end of the century.

### Limitations

These scenarios are not forecasts. They are intended to illustrate a range of potential outcomes and highlight risks and opportunities.

The model assumes no mitigation or adaptation actions by companies over time and reflects a snapshot of current holdings, without considering changes to portfolio composition or the impact of engagement on portfolio holdings.

### Carbon prices

The scenarios we use include various assumptions about carbon pricing.

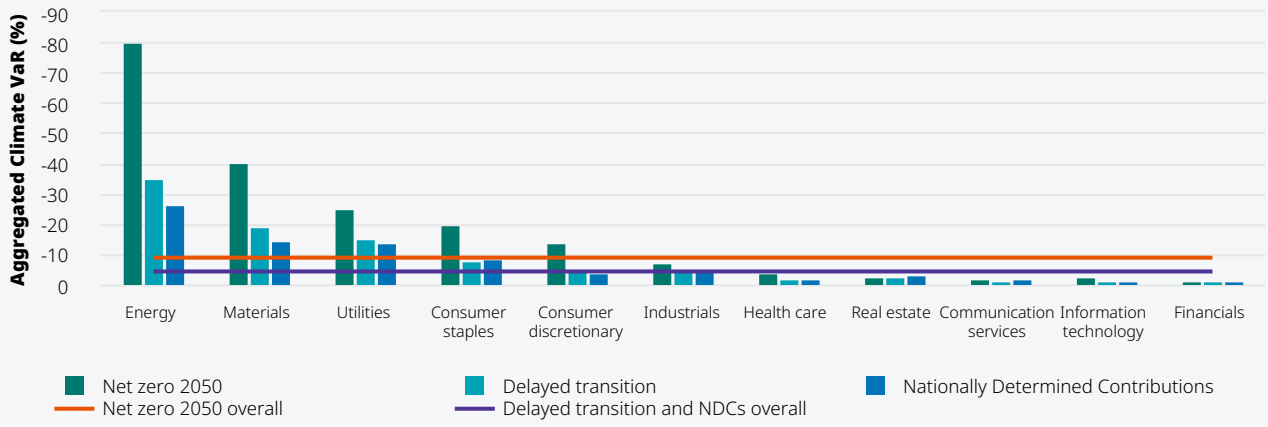
In addition, our proprietary SustainEx™ model applies a social cost of carbon of US$110 per tonne to company and sovereign emissions, providing fund managers with a view of the broader costs or benefits companies and countries may create for society and the environment.

### Scenario analysis within Schroders Capital

Within our private markets business, a consistent quantitative approach is not yet feasible given data constraints. Instead, we integrate qualitative and/or quantitative climate scenario analysis within specific asset-class processes and, as yet, do not aggregate across them.

We have focused our quantitative climate scenario analysis within our real estate and infrastructure asset classes, and have enhanced our analysis using geospatial data providers.

**Covered investments exposure to aggregated climate risk, broken down by sector[1] [2]**




1. Schroders' aggregated sectoral climate risk analysis using MSCI Climate VaR. Climate exposure data is mapped to covered investment holdings with values expressed in present terms as a proportion of current market value. Note that the underlying models do not take into account investee responses to climate-specific actions.
2. The horizontal lines represent aggregated Climate VAR of covered investment holdings while the columns represent the value for each individual sector.

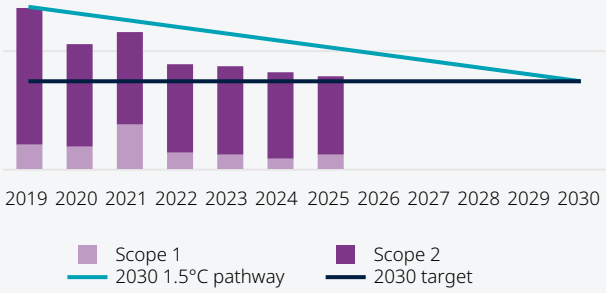
**Climate-related financial disclosures** continued

# How we run our business: Leading by example in our own corporate actions

## Direct activities: offices and fleet

**Our target: reduce Scope 1 and 2 (location-based) emissions by 46% by 2030**

Our operational climate strategy focuses on reducing our environmental impact by decreasing energy demand, increasing energy efficiency and transitioning to low-carbon sources of energy.




### Our progress

In 2025, our total Scope 1 and 2 GHG emissions decreased by 41% from the 2019 base year and decreased by 4% compared to 2024. Specifically, our total Scope 1 GHG emissions decreased by 38% from the 2019 base year and increased by 42% compared to 2024, and our total Scope 2 GHG emissions decreased by 42% from the 2019 base year and decreased by 10% compared to 2024. The combined overall reduction has been driven by the consolidation of our offices including Switzerland at the end of 2024, which has reduced energy demand. As our target uses the location-based methodology, our Scope 2 emissions are also determined by the emissions intensity of electricity grids. The decarbonisation of grids, such as in the UK, has also supported emissions reductions.

### Our actions

**Reducing energy consumption:** in 2025, we continued to implement energy-saving and decarbonisation projects across our main global operations. This included projects such as improving plant efficiency, enhancing heating controls and decommissioning old air-conditioning assets.

**Implementing environmental management systems (EMS):** in 2025, we added our Zurich office to the ISO 14001 certification. The buildings that represent 83% of our building-related Scope 1 and 2 emissions are certified to the ISO 14001 standard. Certification includes regular audits, holding us accountable to site-level targets.

**Transitioning our company car fleet to hybrid and electric:** company car emissions accounted for 29% of our base year Scope 1 emissions. We therefore set a target to transition to hybrid or fully electric vehicles by 2025, and to fully electric by 2030 unless impractical. In 2025, 91% of our fleet was hybrid or electric, an increase from 87% in 2024. Infrastructure challenges have prevented us from meeting our 2025 goal. However, we estimate 95% of the fleet can transition by the end of their lease period.

## Direct activities: office electricity sourcing

**Our target: increase annual sourcing of renewable electricity to 100% by 2025[1]**

Electricity use from our offices worldwide accounts for 89% of our Scope 2 GHG emissions. Therefore, we are committed to sourcing 100% renewable electricity for all our owned or leased offices globally. We joined the RE100 initiative in 2019 and aim to align with their renewable electricity sourcing criteria.

In 2024, we achieved 100% renewable electricity for our global operations for the first time, one year ahead of schedule. We remain committed to sourcing 100% renewable electricity each year and doing what we can to increase the share of electricity sourced through more direct methods, where possible.

### Our progress

In 2025, we maintained the annual sourcing of renewable electricity at 100%. Our 2025 figures align with the RE100 criteria, which will be assessed in our 2026 CDP submission. Sourcing challenges still exist in some regions where we operate; however, since the consumption from these locations accounts for only 1% of our total electricity consumption, we are able to exclude them from our boundary in accordance with RE100 guidelines.

### Our actions

**Increase renewable electricity use:** we aim to install onsite renewables at our owned or controlled offices. Where this is not possible, we purchase renewable electricity directly from suppliers or switch to green electricity contracts. For offices where we do not control the supply, we acquire renewable electricity certificates.

**Engage stakeholders:** we work with landlords and managing agents to secure renewable electricity contracts, and include "green" clauses in leases to support renewable electricity sourcing.

1. For all offices owned or leased by Schroders (to cover the boundary of all Scope 2 emissions within our financial control as defined by the GHG Protocol).

## Climate-related financial disclosures continued

### Value chain activities: business travel

**Our target: reduce absolute business travel GHG emissions by 50% by 2030 from a 2019 base year**

Our operational Scope 3 value chain emissions (excluding financed emissions) are approximately 32 times greater than our Scope 1 and 2 emissions. Since 96% of these Scope 3 emissions relate to business travel and our supply chain, we have set additional targets for these areas.

By establishing a business travel emissions reduction target we can reduce impacts across the value chain by encouraging sustainable travel practices and partnering with airlines and travel suppliers that are also taking climate action.

#### Our progress

Our business travel GHG emissions decreased by 60% from the 2019 base year and decreased by 35% compared to 2024. This is the first year emissions have fallen since 2021, following increased travel after Covid-19. It suggests that our travel emissions may be stabilising at a much lower level than our pre-pandemic base year emissions. In 2025, we flew fewer miles compared to 2024. The average emissions per mile of air travel also decreased by 27% based on the Department for Environment, Food and Rural Affairs (Defra) sources, leading to an overall reduction in travel emissions.

#### Our actions

**Encouraging sustainable travel practices:** business travel is a necessary part of how we work and collaborate. However, we continually challenge ourselves regarding the purpose, frequency and mode of travel. Our Group Travel Policy also aims to keep travel to a minimum and promote more sustainable transport options.

**Travel data analytics and insights:** we use advanced reporting tools to analyse travel spend and emissions at the business unit level. This data is provided to business leaders to inform planning and travel budgeting.

**Selecting sustainable travel partners:** sustainability is a key consideration when selecting preferred airline partners and we routinely benchmark their sustainability performance and commitments. All of our preferred airline partners have "net zero by 2050" targets.

### Value chain activities: supply chain

**Our target: encourage our suppliers to set science-based targets so that 67% in scope[1] (by GHG emissions) have done so by 2026**

By establishing a supplier engagement target, we can influence decarbonisation efforts within our supply chain and foster stronger relationships. This approach will enhance efficiency, transparency and resilience across the value chain.

We define science-based targets as those validated by, or aligned with, SBTi criteria to support a 1.5°C pathway, covering Scope 1, 2 and 3 emissions. We also recognise other frameworks meeting SBTi standards, such as the Carbon Trust's Route to Net Zero Standard (Advancing) and the SME Climate Commitment. Our methodology will continue to evolve to incorporate emerging SBTi-aligned certifications.

#### Our progress

In 2025, 42% of our suppliers in scope[1] (by GHG emissions) had set a science-based target, compared to 33% in 2024. The 9 percentage point increase from 2024 is because more suppliers have set targets, mainly in the legal and professional services sectors. Facilities management suppliers who took part in our Climate Accelerator Programme have also gone on to set their own targets. We are also seeing progress in the number of suppliers setting other types of climate targets or commitments.

#### Our actions

**Setting supplier expectations:** in 2025 we updated our supplier contractual obligations and Supplier Code of Conduct, where we require suppliers to comply with environmental regulations, measure and report GHG emissions, establish an emissions reduction plan and provide updates on their progress.

**Supplier insights:** we reviewed and updated supplier climate targets and maturity ratings based on public disclosures and science-aligned initiatives. This enables targeted engagement based on strategic importance, spend, emissions and climate maturity.

**Supplier engagement:** we continue to collaborate with suppliers through our Climate Accelerator Programme, which provides advisory support, online tools and workshops to help them develop and commit to science-based targets. All suppliers in our first cohort have formally submitted their targets to the SBTi. We have started to identify suppliers to join our second cohort, aiming to support them to set science-aligned targets.

1. Includes the following Scope 3 categories: 1 Purchased goods and services; 2 Capital goods; and 4 Upstream transportation and distribution.

## Beyond value chain mitigation

Our primary focus is on decarbonisation, prioritising actions and influence to reduce GHG emissions. As we transition to net zero we see a supplementary role for high-integrity carbon credits – used to neutralise unavoidable emissions during and after our transition. Since 2019, we have purchased carbon credits to mitigate impacts beyond our value chain. We have compensated for our Scope 1, 2 and all relevant operational Scope 3 emissions – excluding emissions associated with suppliers and our investments – using carbon credits. We believe this complements our science-based reduction strategy. More information is available at www.schroders.com/carbon-credits.

**Climate-related financial disclosures** continued

# Climate governance

## Board oversight

The Board is responsible for approving the Group's strategy, within which sustainability is embedded. It retains ultimate responsibility for overseeing sustainability-related matters, which are integrated into the Group's Governance and Enterprise Risk Management frameworks. Oversight is exercised through direct Board engagement, the work of its Committees, and delegation to the Group Chief Executive.

Each year, the Board receives a sustainability briefing. In 2025, the session covered external developments, including regulatory and political changes, and assessed the Group's strategic positioning and emerging areas of client interest. The Board also reviewed the Corporate Sustainability framework and received an update on progress against the Group's science-based targets. In addition to this annual update, the Group Chief Executive escalates relevant matters from the Group Sustainability and Impact (GSI) Committee to the Board throughout the year, as required.

The Audit and Risk Committee is the principal Board committee responsible for overseeing climate-related risks. It reviews the sustainability risk appetite statement annually and receives quarterly updates on risk exposures, climate-related performance indicators, and relevant legal and regulatory developments. Further detail on the Committee's role and activities during the year can be found on pages 53 to 60.

**Remuneration linked to sustainability**

The Remuneration Committee oversees the integration of sustainability measures within the Group's Remuneration framework. Sustainability-aligned metrics are included in the non-financial element of the annual bonus scorecard for executive Directors. Performance against sustainability goals is considered in the annual compensation review for individuals who have the ability to influence our investment and business operations, ensuring alignment with our commitment to responsible business practices. Further detail on the Committee's role and activities during the year can be found on page 61.

**Board induction and training**

To support effective oversight, new Directors receive briefings on sustainability matters as part of their induction programme. These cover the Group's sustainability commitments, progress against targets, and key initiatives. Sustainability is also reflected in the Board's skills matrix to help maintain the necessary expertise for overseeing climate-related risks and opportunities effectively. In addition, the Board receives an annual sustainability briefing to remain informed about emerging issues, regulatory developments, and evolving stakeholder expectations.

## Management's role

Board-level accountability for sustainability matters is assigned to the Group Chief Executive. In fulfilling these responsibilities, he is supported by the GSI Committee, which plays a central role in overseeing the Group's Sustainability framework. The Committee meets quarterly and monitors progress against key commitments and targets, including those related to climate, biodiversity and human rights, and manages the Group's external positioning on sustainability matters. It also monitors the obligations under the Group Climate Transition Action Plan.

During 2025, the Committee refined the Group's sustainability narrative and introduced a scorecard aligned with the Sustainability framework to enhance transparency and performance monitoring. The Committee reports to the Board through the Group Chief Executive.

Management-level accountability is held by the Global Heads of Corporate Sustainability and Sustainable Investment, both of whom are members of the GSI Committee. They are supported in their responsibilities by a number of advisory committees and working groups.

The Global Head of Corporate Sustainability is responsible for delivering the Group's sustainability objectives across its operations, supported by a team of subject matter experts. She oversees the collection, validation and reporting of environmental data, leads the implementation of carbon reduction initiatives, and embeds sustainability principles within organisational processes. She provides quarterly updates to the GSI Committee.

The Global Head of Sustainable Investment is responsible for developing and overseeing the Group's sustainable investment strategy. He is supported by the Sustainability Executive Committee (Sustainability ExCo), which typically meets monthly and includes senior representatives from Public Markets, Schroders Capital and Wealth Management. The Sustainability ExCo reviews regulatory developments, advises on the evolution of sustainability and impact investment frameworks, and monitors client engagement. It plays a key role in disseminating sustainability-related information across the business and provides quarterly reports to the GSI Committee.

Sustainable investment is further supported by dedicated teams and expert individuals embedded across the firm, including within investment teams and client-facing functions.

## Entity governance

Group entities required to publish their own TCFD reports have adopted the Group's overarching governance approach, as outlined in these disclosures. In addition to central governance structures, certain Schroders entities and investment teams maintain dedicated committees to oversee sustainable investment activities.

Within Asset Management, the Schroders Capital Sustainability and Impact Committee is responsible for developing, co-ordinating and implementing sustainability and impact initiatives across Schroders Capital. Schroder Real Estate Investment Management Limited (SREIM) has additional governance arrangements reflecting its focus on real estate assets. The SREIM board receives reports from the Head of Sustainability and Impact Investment, Real Estate which include updates to the Real Estate Sustainability Policy and progress towards climate targets.

Within Wealth Management, the Wealth Management Sustainable Investment Committee has responsibility for recommending Wealth Management's sustainability models, as well as providing investment strategy and direction for client portfolios that are linked to the sustainable models. The Wealth Management Sustainability Governance Forum oversees climate-related regulatory policies and commitments for the wealth business. The Wealth Management Executive Committee reviews new products and investment offerings for the Group's wealth management business, including those related to sustainability.

**Climate-related financial disclosures** continued

# Climate risk management

## Climate in strategic and financial planning

Sustainability, including climate change, is considered during our strategy and financial planning processes. Each year, we review the risks and opportunities that could materially affect the Group and assess whether changes to our business model are required over a five-year horizon. This review is led by the Group Chief Executive and Chief Financial Officer, working closely with management teams, and takes into account forecast AUM and the potential impact of changing client behaviour on future AUM and revenues. As part of this process, we subject our business plan to stress testing. Stress testing of the Group's business plan assesses the impact of key, new and emerging risks that could materially affect the Group over the five-year planning period. The severe but plausible stress scenarios applied include consideration of market stresses that reduce the value of our AUM, the crystallisation of climate risks earlier than expected, a material operational incident that damages our reputation and drives outflows, and a sustained decline in net operating revenue margins. In assessing the potential impact of climate change on our AUM across different future pathways, we consider the results of our climate scenario analysis (see page 192). The findings from this analysis feed into our viability statement (page 34) and into our assessment of climate-related risks and opportunities (pages 187 and 188).

## Climate in risk management

The Group's Risk Management framework (see page 25) explains how we manage risks (including "sustainability risk including climate change"). That section (pages 25 to 31) also describes our lines of defence, risk appetite and risk assessment processes.

### Risk management life cycle

The risk management life cycle is relevant to all aspects of the Group, including our business operations and our investment management business, regardless of product types or investment strategy.

**Identification**

- We have "top-down" and "bottom-up" approaches to identifying key risks across the Group.
- Line management are responsible for identifying detailed risks, including climate-related risks that impact their business areas. This includes risks within our investment activities and own operations.

**Assessment**

- Our key risks are assessed by our Group Risk function and discussed with senior management and subject matter experts across the Group.
- Each key risk is assessed against the risk appetite statement to determine whether it is within tolerance.
- Line management are responsible for assessing the risks within their business areas (for example, via research and analytics for investment activities).
- The assessments are presented to relevant governance bodies (for example, the Group Risk Committee).

**Management**

- Risks are managed, and resources assigned, in line with prioritisation by business areas.
- Progress is monitored by key committees, including the GSI Committee and the Sustainability ExCo.

An internal working group including senior representatives from Sustainable Investment, Corporate Sustainability, Finance and Legal conducted an exercise which identified, assessed and prioritised the Group's exposure to climate risks and opportunities, amongst other sustainability issues. This exercise informed the development of our climate risks and opportunities table on pages 187 and 188.

Our fund managers across Schroders integrate material climate risk considerations[1] within their investment process. We have developed proprietary frameworks and tools to support these assessments. For further detail please see pages 189 and 190.

Investment Risk independently oversees climate risk metrics (such as financed emissions and weighted average carbon intensity for Scope 1 and 2 emissions) at the investment desk level. Where appropriate, Investment Risk challenges how portfolios have taken account of or mitigated climate risks. Such issues would also be raised at the appropriate Asset Class Risk and Performance committees. Ongoing portfolio compliance with any binding commitments related to climate risk as described in investment policies and process documents is monitored on a pre- and post-trade basis. Investment Risk provides oversight over this monitoring process, ensuring any actual, or potential, breaches are appropriately escalated and appropriate remedial actions are undertaken. The Model Validation team within Investment Risk independently reviews the climate models and tools used by investment teams. On a quarterly basis, the portfolio temperature score of in-scope Group assets is calculated and our progress towards meeting our net zero targets is reviewed. This is reported to the Audit and Risk Committee and GSI Committee.

Legal provides advice and interpretation to help align our approach to managing climate risk with applicable laws, regulations and any applicable contractual obligations. It advises on various aspects of the legal exposures related to climate change, such as liability risks, disclosure requirements, and evolving regulatory frameworks. Legal also supports the interpretation of climate-related legislation and helps mitigate reputational and litigation risks.

Compliance provides advice to support adherence to external regulatory requirements and, in turn, internal policies related to climate risk. Compliance also plays a role in identifying gaps, escalating breaches and supporting the integration of climate risk into the firm's broader Sustainability framework.

Internal Audit provides independent challenge and assurance over risk management, control and governance arrangements implemented by management, including those pertaining to climate change.

Our Public Policy team actively engages with relevant regulators, industry trade associations and other bodies in our key markets of the UK and EU. This team also supports with regulatory horizon scanning and provides our responses to formal consultations, in order to provide insights to policymakers to influence the simplification, unification and streamlining of regulation, including climate-related regulation.

Facilities Management and Procurement manage our operational risks, including climate risks, with regard to our offices and third-party suppliers, with advice and support from the Corporate Sustainability team. We periodically conduct a strategic review of our offices, which includes a detailed assessment of the risks and opportunities associated with our existing locations. We are committed to certifying our largest offices to the ISO 14001 EMS standard, which contains several requirements relating to climate risk assessment and management. We assess the physical climate risk exposure of our owned and leased offices across various timeframes and scenarios. The outcome of these assessments informs our site-specific action plans. We also conduct an environmental assessment when reviewing new office building locations, including those resulting from an acquisition. If a physical climate event hinders our ability to operate, we have business continuity arrangements in place. Our key suppliers are also subject to ongoing monitoring, due diligence reviews and incident management response planning. Our Supplier Code of Conduct[2] summarises the standards we expect.

1. This is the process of identifying, analysing and incorporating relevant and material environmental, social or governance factors (including climate change) into investment decisions. Such factors may not be the primary factors that influence an investment decision.
2. www.schroders.com/supplier-code-of-conduct

**Climate-related financial disclosures** continued

## The impact of climate on our Group principal risks

"Sustainability risk, including climate change" is disclosed on page 27 as a principal risk to the Group. However climate change is a pervasive risk across many of our other principal risks and the following table details our other principal risks and the extent to which climate change impacts each of these. Climate change has a greater impact on some of our principal risks – business model disruption, people and conduct and regulatory risk, financial risk, investment performance risk – and these are reflected in our table on pages 187 and 188 using TCFD-recommended terminology.

| | |
|---|---|
| **Business model disruption** | Climate change may drive the evolution of financial products and changes in regulation, resulting in transition risks that may impact our business model. |
| **Financial risk** | Climate change may amplify market, credit, liquidity and capital risks by increasing the volatility and unpredictability of financial markets, affecting asset values, capital flows, and AUM, and may be exacerbated by challenges arising from heightened geopolitical and policy uncertainty. |
| **Information security and technology risk** | We do not envisage that all climate change risks will have a direct information security or technology impact; however, this depends on the availability of appropriate data sources along with the platforms that our analytical tools rely on. |
| **Investment performance risk** | Investment performance may be impacted if the focus on sustainability or climate change leads to poorer performance outcomes. In addition, there is a risk that portfolios do not meet their sustainability or climate-related objectives, which may have a detrimental effect on our ability to retain AUM. |
| **Operational process risk** | Operational processes are impacted by climate change risks to the extent that they are new or need to be adapted to facilitate investment analysis, product development and reporting, among others. |
| **People and conduct risk** | Employees may be harder to retain or attract if we do not actively address climate change risks. |
| **Regulatory risk** | Numerous climate-related regulatory requirements continue to be implemented across the jurisdictions we serve. Our failure to meet these requirements could result in regulatory censure or fines relating to sustainability, making it more difficult for us to operate effectively as an asset manager. Scrutiny of greenwashing risk remains high. |
| **Third party risk** | Climate-related events, for example extreme weather or regulatory change, can disrupt third parties that Schroders relies on, increasing the risk of service interruptions and supply chain issues. Failure to manage these risks effectively may compromise Schroders' ability to meet its strategic and regulatory obligations. |
| **Transformation risk** | Climate-related factors can increase transformation delivery risk by requiring changes to business models, processes and strategies, influencing the nature, pace and complexity of organisational change. Regulatory developments, evolving stakeholder expectations and operational dependencies driven by sustainability and climate change may introduce additional challenges and opportunities throughout the transformation programme. |

**Climate-related financial disclosures** continued

# Metrics and targets

Our climate targets, progress and actions are covered in pages 185 to 197 of these disclosures. We use a number of metrics to monitor our performance against our climate strategy to make sure we respond effectively to the climate-related risks and opportunities facing our business. This section outlines the metrics we report on and the methodologies used. These are aligned with the TCFD recommendations and the approved methodologies of the SBTi.

## How we invest

### Financed emissions data methodologies and approach

**Financed emissions methodology**

We report the emissions from our portfolio holdings (Scope 3, category 15: investments) in line with the recommendations made by the TCFD. We use methodologies and approaches for calculating financed emissions and setting targets that are appropriate for each asset class, and designed to mitigate what we perceive as investment risks.

- For our direct and indirect investments in equity, corporate bonds and sovereign bonds we use the Partnership for Carbon Accounting Financials (PCAF) methodology to inform our calculations for absolute emissions, carbon footprint and the weighted average carbon intensity (WACI) of our portfolios.
- For our directly managed real estate holdings, we use the PCAF's attribution guidance for real estate, whilst also aligning with our annual Global Real Estate Sustainability Benchmark (GRESB) product submissions methodology.
- For our infrastructure holdings within our Schroders Greencoat business, we use the GHG Protocol's guidance for our organisational boundary (the equity-share approach) and for calculating the emissions associated with our investments.

**Financed emissions scope**

We report data for a range of asset classes across our direct and indirect investments. This includes: listed equities, corporate bonds, real estate investment trusts (REITs) and exchange-traded funds (ETFs), sovereign bonds, directly managed real estate holdings, and infrastructure within our Schroders Greencoat business. For certain other asset classes, we can report financed emissions at product level but do not aggregate to the asset-class level to report. This largely relates to the reliability of the underlying data. This year, we have introduced additional metrics for some of our indirect investments, including carbon footprint and WACI, to enhance transparency and demonstrate our ongoing commitment to climate-related disclosures.

**SBTi-validated targets methodology**

Our science-based targets are set and validated against the SBTi's Financial Institutions Near-Term Criteria Version 1 (FINTCv1). This is aligned with our "net zero by 2050" commitment. We calculate portfolio temperature scores using the CDP-WWF temperature score methodology, as per SBTi criteria. This approach calculates the implied temperature pathway of our holdings based on the level of ambition to reduce GHG emissions set by our investee companies. The temperature scores are aggregated on an enterprise value including cash emissions weighted basis.

**SBTi-validated targets scope**

We report data for the asset classes that are within the mandatory scope of SBTi's criteria as per FINTCv1: listed equities, corporate bonds, REITs and ETFs (together known as "covered investments").

**Data quality score methodology**

We follow PCAF's methodology to determine the data quality score.

**Wealth Management (indirect investments) targets methodology**

We assess the extent to which external managers are integrating climate risk analysis within the investment process of the funds that we are invested in, via a (typically) annual questionnaire. We then use this to classify our strategies across our Net Zero Alignment framework.

**Wealth Management (indirect investments) targets scope**

We report data for discretionary indirect investments on our approved list only. Legacy assets – those that have either been transferred in specie to us when we take on new clients or those that are no longer approved but are still held by clients for various reasons (typically due to capital gains) – are out of scope.

## How we run our business

### Operational emissions data methodologies and approach

**Operational emissions methodology**

We use a number of metrics to measure and monitor our environmental impact, which help us establish our targets. Our global emissions inventory is reported using the GHG Protocol Corporate Standard, the GHG Protocol Corporate Value Chain (Scope 3) Standard, and the Global GHG Accounting and Reporting Standard for the Financial Services Industry.

**Operational targets methodology**

Our targets are set and validated against the SBTi's FINTCv1. We have set Scope 1 and 2 (location-based) emissions reduction targets, as these emissions derive from sources under our direct financial control. Our targets align with the guidance from the Intergovernmental Panel on Climate Change (IPCC) Special Report to limit global temperature rises to below 1.5°C by 2050.

**Emission factors**

We use a variety of emission factors, which are determined by the source of emissions and their location in order that the most accurate factor is applied. Sources include: Defra, the International Energy Agency, the US Environmental Protection Agency, the National Greenhouse Accounts and the Canada National Inventory Report.

**Emissions recalculation process:** The SBTi requires that targets be recalculated to reflect any material changes in climate science and business context. We review our GHG inventory annually and will restate our data or recalculate our targets as needed to reflect significant changes to our company structure, modifications in methodology or errors. We define a significant change as one that causes a cumulative increase or decrease in emissions for a particular Scope exceeding 10% of previously calculated figures. Any restatement or recalculation will be detailed in our annual reporting.

**Target review:** The SBTi also stipulates that targets must be reviewed and, if necessary, recalculated and revalidated at least every five years.

**Data limitations:** We acknowledge that emissions data often relies on estimates or proxy data, which means it can provide an imperfect view of portfolio exposures or risks. This data can change significantly from one year to the next as data quality improves and estimation methods evolve. We strive to make sure that the data we use is as accurate as possible; however, we emphasise that any outputs should be regarded as approximate rather than precise, and historical comparisons may not be representative as portfolio holdings change.

**Climate-related financial disclosures** continued

# How we invest

## Climate metrics and targets for our investment portfolios

### Science-based targets for covered investments, validated by SBTi (°C)

| SBTi portfolio temperature score targets progress | **2025** | 2024 | 2019 |
|---|---|---|---|
| Scope 1 and 2 temperature score target of 2.2°C by 2030 | **2.4** | 2.4 | 2.9 |
| Scope 1, 2 and 3 temperature score target of 1.5°C by 2040 | **2.7** | 2.8 | 3.2 |
| Implied linear reduction temperature score required for 2030 target | **2.5** | 2.6 | — |
| Implied linear reduction temperature score required for 2040 target | **2.7** | 2.7 | — |

### Financed emissions AUM coverage (%)

| Investment type | Asset class type | SBTi covered investment | % AUM |
|---|---|---|---|
| Direct investments | Listed equity, REITs and ETFs | Y | 42 % |
| | Corporate bonds | Y | 12 % |
| | Sovereign bonds[1] | N | 11 % |
| | Infrastructure (Schroders Greencoat) | N | 1 % |
| | Real estate | N | 3 % |
| Indirect investments | Externally managed investments in listed equity, corporate bonds, REITs and ETFs | N | 3 % |
| **Total AUM coverage[2]** | **(as a proportion of Schroders' total AUM excl. associates and joint ventures)** | | 72 % |

1. This reflects our exposure to bonds issued by sovereign national territories as defined in the PCAF standard.
2. The total AUM covered relates to the proportion of Schroders' total AUM excluding associates and joint ventures for which we are reporting financed emissions data indicated in the Absolute emissions and Carbon footprint tables below.

### Absolute emissions ($MtCO_2e$ unless otherwise indicated)

| Investment type | Asset class type | Scope | **2025** | 2024 | 2019 | Coverage | Data quality score |
|---|---|---|---|---|---|---|---|
| Direct investments | Listed equity, REITs and ETFs | Scope 1 and 2 | 14.4 | 13.0 | 28.7 | 100 % | 2.3 |
| | | Scope 3 | 108.3 | 105.0 | 177.2 | 100 % | 4.0 |
| | Corporate bonds | Scope 1 and 2 | 5.2 | 5.5 | 9.8 | 100 % | 2.8 |
| | | Scope 3 | 38.4 | 36.9 | 42.6 | 100 % | 4.1 |
| | Sovereign bonds[1] | Production emissions Scope 1 (inc. LULUCF[2]) | 14.6 | 13.4 | N/A | 100 % | 2.1 |
| | | Production emissions Scope 1 (exc. LULUCF[2]) | 14.6 | 13.7 | N/A | 100 % | 4.0 |
| | | Scope 2 and 3 absolute emissions | 7.6 | 6.3 | N/A | 100 % | 4.0 |
| | | | **2024** | 2023 | | | |
| | Infrastructure (Schroders Greencoat) ($ktCO_2e$) [3, 4, 5] | Scope 1 and 2 | 123.4 | 91.9 | | | |
| | | Scope 3 | 1,131.7 | 993.6 | | | |
| | Real estate ($ktCO_2e$) [3, 6, 7, 8, 9] | Scope 1 and 2 | 36.4 | 46.6 | | | |
| | | Scope 3 | 95.2 | 140.9 | | | |
| | | | **2025** | 2024 | 2019 | Coverage | Data quality score |
| Indirect investments | Externally managed investments in listed equity, corporate bonds, REITs and ETFs | Scope 1 and 2 | 1.3 | 1.3 | 1.5 | 100 % | 2.2 |
| | | Scope 3 | 9.9 | 9.3 | 8.6 | 100 % | 4.0 |

1. Not part of set targets, therefore no base year data available.
2. LULUCF – land use, land use change and forestry.
3. The data for our Schroders Capital businesses is provided on a one-year-lagged basis due to data availability and collation timeframes.
4. This data includes Infrastructure Asia-managed funds to which Schroders Greencoat provides advisory services.
5. Out-of scope emissions are the direct biogenic $CO_2$ emissions associated with the combustion of biomass and biofuels, and relate only to our bioenergy assets. Per GHG Protocol guidance, emissions for direct $CO_2$ emissions from biologically sequestered carbon are reported separately. The 2024 out-of-scope emissions figure was 1,219 $ktCO_2e$; 2023: 1,170 $ktCO_2e$.
6. Emissions data is aggregated from product-level GRESB submissions. No emissions data has been estimated via extrapolation or benchmarking.
7. Scope 1 and 2 absolute emissions represent direct investments only.
8. Scope 3 emissions relate to direct investments' downstream leased assets (tenant energy-related emissions) and indirect investments where data is available. This may not represent 100% of the total Scope 3 emissions for the portfolio and is impacted by our ability to obtain data from tenants.
9. Emissions data coverage represents 46% of real estate AUM in 2024 and 50% in 2023.

## **Climate-related financial disclosures** continued

### Carbon footprint ($tCO_2e$/$m invested unless otherwise indicated)

| | Asset class type | Scope | **2025** | 2024 | 2019 |
|---|---|---|---|---|---|
| Direct investments | Listed equity, REITs and ETFs | Scope 1 and 2 | **34.8** | 42.5 | 99.1 |
| | | Scope 3 | **262.3** | 342.5 | 618.8 |
| | Corporate bonds | Scope 1 and 2 | **44.9** | 55.0 | 94.3 |
| | | Scope 3 | **334.1** | 364.5 | 413.3 |
| | Sovereign bonds[1] | Production emissions Scope 1 (inc. LULUCF[2]) | **131.7** | 160.0 | N/A |
| | | Production emissions Scope 1 (exc. LULUCF[2]) | **131.3** | 163.6 | N/A |
| | | Scope 2 and 3 emissions | **68.8** | 75.2 | N/A |
| | | | 2024 | 2023 | |
| | Infrastructure (Schroders Greencoat) ($tCO_2e$/MWh) [3,4,5] | Scope 1 and 2 | 0.008 | 0.008 | |
| | | Scope 3 | 0.072 | 0.081 | |
| | Real estate ($kgCO_2e/m^2$)[3,6,7,8] | Scope 1 and 2 | 8.3 | 9.1 | |
| | | All scopes | 29.9 | 36.6 | |
| | | | **2025** | 2024 | 2019 |
| Indirect investments | Externally managed investments in listed equity, corporate bonds, REITs and ETFs | Scope 1 and 2 | **39.3** | 45.6 | 70.6 |
| | | Scope 3 | **289.5** | 326.7 | 423.2 |

1. Not part of set targets, therefore no base year data available.
2. LULUCF – land use, land use change and forestry.
3. The data for our Schroders Capital businesses is provided on a one-year-lagged basis due to data availability and collation timeframes.
4. This data includes Infrastructure Asia-managed funds to which Schroders Greencoat provides advisory services.
5. The base year is 2022.
6. Emissions data is aggregated from product-level GRESB submissions. No emissions data has been estimated via extrapolation or benchmarking.
7. Scope 1, 2 and 3 emissions intensity represent direct and indirect investments and reflects the combined emissions intensity status of the portfolio.
8. Emissions data coverage represents 46% of real estate AUM in 2024 and 50% in 2023.

### Weighted average carbon intensity (WACI, $tCO_2e$/$m revenue)[1]

| Investment type | Asset class type | Scope | **2025** | 2024 | 2019 |
|---|---|---|---|---|---|
| Direct investments | Listed equity, corporate bonds, REITs and ETFs | Scope 1 and 2 | **99.4** | 93.7 | 180.0 |
| Indirect investments | Externally managed investments in listed equity, corporate bonds, REITs and ETFs | Scope 1 and 2 | **106.0** | 108.3 | 138.4 |

1. Emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value) rather than the equity ownership approach.

### Infrastructure (Schroders Greencoat)[1]

| Additional metrics | Unit | 2024[5] | 2023 |
|---|---|---|---|
| Renewable energy generated[2] | GWh | 15,754 | 12,279 |
| Carbon avoided[3] | $MtCO_2e$ | 7.5 | 5.7 |
| Homes powered[4] | millions | 5.7 | 3.6 |

1. The data for our Schroders Capital businesses is provided on a one-year-lagged basis due to data availability and collation timeframes.
2. GWh generated reflects the total renewable electricity generated by the portfolio under management in the last 12 months to 31 December 2024.
3. Calculation assumes that renewable electricity generation replaced the marginal generator in the relevant country and applies the carbon intensity associated with the marginal generation asset ($tCO_2$/MWh).
4. Based on the average annual household energy or heat consumption for renewable electricity generation, using the latest reported figures and reflecting the fund's electricity and heat generation.
5. The 2024 metrics have been restated to incorporate additional data from Asia Infrastructure managed funds, which was not available at the time of publishing the Group's Climate Report 2024. Asia Infrastructure managed funds had not been included in prior reporting.

### Wealth Management (indirect investments): Net zero alignment of listed equity and credit funds by % of AUM[1, 2]

| | **2025** | 2024 | 2030T | 2040T | 2050T |
|---|---|---|---|---|---|
| Not aligned | **73 %** | 65 % | | | |
| Committed to aligning | **24 %** | 28 % | | | |
| Aligning to a net zero pathway | **1 %** | 1 % | 100 % | | |
| Aligned to a net zero pathway | **2 %** | 6 % | | 100 % | |
| Achieving net zero | **0 %** | 0 % | | | 100 % |

1. This table shows the percentages for 2024 and 2025 across the categories. For 2030 and beyond, the table shows the target percentages; the composition of the bars is illustrative and may be subject to change.
2. Refers to third-party and Schroders funds on our approved buy list, which Wealth Management's discretionary business selects from.

**Climate-related financial disclosures** continued

# How we run our business

## Operational climate metrics

### Our operational science-based targets

| Operational science-based targets (SBTs) progress | 2025 | 2024 | 2019 |
|---|---|---|---|
| Reduce absolute Scope 1 and 2 (location-based) emissions by 46% by 2030[1,2] | **41%** | 39% | N/A |
| Increase annual sourcing of renewable electricity to 100% by 2025[2,3] | **100%** | 100% | 50% |
| Reduce absolute Scope 3 business travel emissions by 50% by 2030[1,2] | **60%** | 39% | N/A |
| 67% of suppliers (by GHG emissions) to set science-based targets by 2026[1,2] | **42%** | 33% | 1% |

1. Target boundaries: 100% of emissions relevant to each Scope are included within the target boundary. All acquisitions are accounted for within this boundary as long as they fall under our financial control. The target boundaries align with our financial control reporting boundary, with no exclusions.
2. From a 2019 base year.
3. Our RE100 target boundary includes all properties owned or leased by Schroders, covering all Scope 2 electricity emissions within our financial control.

### Our operational GHG emissions[1]

| Greenhouse gas emissions ($tCO_2e$) | | 2025 | 2024 | 2019 |
|---|---|---|---|---|
| Total Scope 1 emissions | | **687** | 483 | 1,110 |
| Total Scope 2 emissions (location-based) | | **3,310** | 3,679 | 5,718 |
| Total Scope 2 emissions (market-based) | | **405** | 380 | 3,255 |
| Total Scope 1 and 2 emissions (location-based) | UK operations | **2,306** | 2,366 | 4,621 |
| | Outside UK operations | **1,691** | 1,796 | 2,207 |
| | Total | **3,997** | 4,162 | 6,828 |
| Total Scope 1 and 2 emissions (market-based) | UK operations | **711** | 494 | 2,408 |
| | Outside UK operations | **381** | 369 | 1,957 |
| | Total | **1,092** | 863 | 4,365 |
| Energy consumption (kWh) | UK operations | **12,158,568** | 12,036,727 | 18,495,195 |
| | Outside UK operations | **5,186,087** | 5,673,320 | 7,770,602 |
| | Total | **17,344,655** | 17,710,047 | 26,265,797 |

| Greenhouse gas emissions ($tCO_2e$) | | 2025 | 2024 | 2019 |
|---|---|---|---|---|
| Material Scope 3 operational emissions (covered by our science-based targets) | Supply chain (categories 1, 2 and 4) | **115,069** | 143,648 | 88,090 |
| | Business travel (category 6) | **8,648** | 13,386 | 21,852 |
| Other Scope 3 operational emissions[2] | | **4,594** | 4,914 | 5,106 |
| Total Scope 3 operational emissions | | **128,311** | 161,948 | 115,048 |
| Total operational emissions (location-based) | | **132,308** | 166,110 | 121,876 |

| Metrics | 2025 | 2024 | 2019 |
|---|---|---|---|
| Scope 1 and 2 $tCO_2e$ per employee[3] | **0.65** | 0.65 | 1.27 |
| Renewable electricity consumption (RE100) | **100%** | 100% | 50% |

1. Incendium Consulting Ltd assured all of our operational emissions and progress towards targets. This assurance was provided in accordance with AA1000AS v3 Type 2 moderate level assurance.
2. Scope 3, categories 3, 5, 7, 8 and 13.
3. The monthly average number of employees for our reporting period is as follows: 2025: 6,110; 2024: 6,385; and 2019: 5,359.

Governing our non-financial information

# Governing our non-financial information

The table below outlines Schroders' policies across certain key non-financial areas, with links to where further information on these topics can be found in this report.

| | Description of policies and policy outcomes[1] |
|---|---|
| **Climate and environment** Further information on pages 20 to 22 and 185 to 201. | We have made a number of climate and nature-related commitments to support achieving net zero by 2050, or sooner. Our Group Climate Change Position Statement and Group Nature and Biodiversity Position Statement outline our position in relation to environmental management, and on nature and biodiversity, for the investments we manage and our operations. |
| **Our people** Further information on pages 23 to 24, 52 and 61 to 71 | We seek to cultivate a purpose-led, high-performing culture that is inclusive and empowers all to have the opportunities to grow. Our Values, and policy on Board diversity serve to achieve this outcome.<br>Our Directors' Remuneration Policy outlines our approach for setting Directors' remuneration.<br>Furthermore, our Group Whistleblowing Policy outlines the process for employees and third parties to report any concerns, in confidence and anonymously.<br>We have a number of internal policies and standards that are not published externally. These policies cover our commitment to provide equal opportunities in employment and to prevent all forms of discrimination and sexual harassment, as well as to encourage appropriate conduct and regulatory compliance. |
| **Social matters** Further information on pages 23 to 24 and 32 to 33. | Community investment is a core part of our culture. We have an internal policy that sets out a framework for volunteering, offering paid time for employees to use their skills and time to support good causes. |
| **Human rights** Further information on pages 20 to 24 and 32 to 33 | Schroders is committed to upholding human rights. Our Group Human Rights Position Statement outlines our stance on respecting human rights.<br>Our Modern Slavery Statement includes details of the policies, processes and measures we have in place to assess and manage modern slavery risks across our business. |
| **Anti-bribery and anti-corruption** Further information on pages 25 to 31 and 53 to 60. | We maintain a strict policy of zero tolerance towards acts of bribery and corruption. Our utmost priority is to safeguard the interests of our clients, shareholders, employees, third-party vendors and the wider community from any form of financial crime.<br>To reinforce this commitment, we have implemented a comprehensive set of internal policies, covering aspects such as financial crime (including bribery and corruption, inducements, money laundering, terrorist financing, tax evasion, proliferation financing, fraud and sanctions), gifts and entertainment, and conflicts of interest, all of which unequivocally prohibit any individual associated with our organisation from engaging in activities that promote, endorse or facilitate financial crime.<br>Group tax strategy: We aim to comply with both the spirit and letter of the law and are committed to conducting our tax affairs in an open and transparent way. Our tax strategy, available at www.schroders.com/tax-strategy, sets out our approach to tax matters across the Group more generally. This strategy is reviewed and approved annually by the Audit and Risk Committee. We disclose our total tax contribution, which shows the total amount of tax we pay and collect each year, at www.schroders.com/tax-contribution. |

The following policies and statements apply to multiple categories noted above:

Our Group Sustainable Investment Policy establishes our overall approach to sustainable investing. It outlines the governance structure for managing sustainable investment activities in line with our guiding principles. The policy applies across our Public Markets, Schroders Capital and Wealth Management businesses and covers themes such as climate and environment (including nature and biodiversity) and human rights.

Our Engagement Blueprints outline our principles for engaging with investee companies and key stakeholders. They include measures relating to climate and environment (including nature and biodiversity), human rights, employees and corporate governance.

Our Supplier Code of Conduct outlines the standards and behaviours we expect from our suppliers, including on climate and environment, employees, human rights and anti-bribery and anti-corruption.

Our Statement of Compliance with the UN Principles for Responsible Investment further demonstrates our commitment to environmental, social and governance factors.

1. Across Schroders, policies and statements of intent are in place to foster consistent governance on a range of issues. For the purposes of the non-financial information statement, these include, but are not limited to, the policies and statements detailed in this report.

# Glossary

## About our capabilities and business channels

### Public Markets

Comprises equities, fixed income, multi-asset and core solutions asset classes. Core solutions represent strategies designed to deliver outcome-based solutions for clients including Liability Driven Investment (LDI), Fiduciary Management and Outsourced Chief Investment Officer (OCIO) services.

### Schroders Capital

Provides clients access to opportunities in private markets, such as private debt and credit alternatives, real estate, private equity and infrastructure.

### Wealth Management

Provides wealth management and financial planning for ultra-high-net-worth, high-net-worth and affluent individuals and charity clients as well as family offices and advisers.

### Institutional channel

Represents assets managed on behalf of clients such as pension funds, insurance companies and government funds including sovereign wealth funds, with distribution direct to the sponsor and through consultants.

### Intermediary channel

Comprises assets within branded products that are distributed through intermediaries including banks, platforms and independent financial advisors (IFAs) and which share similar economic characteristics in their relationship with the Group.

## Alternative Performance Measures

An alternative performance measure (APM) is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The Group's APMs are defined below.

### Adjusted cost to income ratio

Adjusted operating expenses as a ratio of adjusted net operating income (see notes 1(b) and 3(a)).

### Adjusted operating profit

Adjusted operating profit is the profit measure used by management in assessing the operational performance of the business. It excludes acquisition costs and related items, transformation costs and portfolio restructuring items (see note 1(b)).

### Adjusted operating earnings per share

Adjusted operating profit after tax excluding non-controlling adjusted operating earnings divided by the relevant weighted average number of shares (see note 5).

### Payout ratio

The total dividend per share in respect of the year (see note 6) divided by the basic adjusted operating earnings per share.

### Active management

The management of investments based on active decision-making rather than with the objective of replicating the return of an index.

### Annualised net new revenue

The net fee income that would be earned over a one-year timeframe if the net new business was all transacted on the same day and there were no market movements or other changes to assets under management or fee rates over that year. It is calculated as gross new funds from clients multiplied by the applicable net fee margin for each flow, less gross funds withdrawn multiplied by the applicable net fee margin for each flow. This measure provides additional information to assess more accurately the impact of net new business on the Group's net operating revenue. Performance fees, carried interest and transactional fees are not included.

### Assets under management (AUM)

AUM represents the aggregate value of client assets managed, advised or otherwise contracted, from which the Group, including joint ventures and associates, earns operating revenue.

Asset Management AUM includes investment management, OCIO, fiduciary management and liability management services. For Schroders Capital Private Equity, the aggregate value of assets managed includes client commitments on which we earn fees. This is changed to the lower of committed funds and net asset value, typically after seven years from the initial investment, in line with the fee basis.

Wealth Management AUM comprises the aggregate value of assets where Schroders provides advice or discretionary management (Advised AUM), platform services (Platform AUM) and investment management services (Managed AUM). Advised AUM comprises assets where Schroders provides discretionary or advisory management services, including assets where the client independently makes investment decisions. Platform AUM represents the value of assets on the platform that enables financial advisers to administer and manage their clients' accounts by providing dealing and settlement services, valuation statements and custody services through a third party. Managed AUM includes assets where the client invests in Schroders' funds.

### Basis point (bps)

One one-hundredth of a percentage point (0.01%).

### Carried interest

Carried interest is similar to the performance fees we may earn in our Public Markets business, but is part of Schroders Capital fee structures.

### CDP

CDP is a global non-profit that runs an environmental disclosure system for companies, capital markets, cities, states and regions to manage their environmental impacts.

### Client duration

Client duration is an estimation of how long we hold clients' assets on average. It is calculated by dividing annual gross redemptions by the beginning of period AUM. It helps us understand how our client retention efforts are progressing.

### Client Group

The Client Group brings together our key client-facing functions, including Sales, Client Servicing, Product and Marketing.

## Glossary continued

### Client investment performance

Client investment performance is a measure of how investments are performing relative to a benchmark or other comparator. As an active asset manager, we prioritise consistently delivering positive investment outcomes for our clients, which is why our three-year investment performance is a key performance indicator for the Group. It is calculated internally by Schroders to give shareholders and financial analysts general guidance on how our invested assets are performing. The data is aggregated and is intended to provide information for comparison with prior reporting periods only. It is not intended for clients or potential clients investing in our products. Calculations for investment performance are made gross of fees, with the exception of those for which the stated comparator is a net-of-fees competitor ranking. When a product's investment performance is disclosed in product or client documentation, it is specific to the strategy or product. Performance will either be shown net of fees at the relevant fund share-class level or it will be shown gross of fees with a fee schedule for the strategy supplied.

The calculation includes applicable assets under management that have a complete track record over the one-year, three-year and five-year reporting periods, respectively.

Applicable assets under management does not include our joint ventures and associates and excludes £92.2 billion of assets, principally comprising: those managed by third parties or held on an execution-only basis, the majority of assets managed by Schroders Capital Real Estate Hotels, non-discretionary assets and assets held on a custody-only basis, and Wealth Management platform assets on the Benchmark Fusion platform.

Performance is calculated relative to the relevant comparator for each investment strategy, as summarised below. These fall into one of four categories, the percentages for each of which refer to the three-year calculation:

- For 71% of assets included in the calculation, the comparator is the relevant benchmark.
- If the relevant comparator is to competitor rankings, the relative position of the fund to its peer group on a like-for-like basis is used to calculate performance. This applies to 12% of assets in the calculation.
- Assets for which the relevant comparator is an absolute return target are measured against that absolute target. This applies to 12% of assets in the calculation.
- Assets with no specific outperformance objective, including those with a "buy and maintain" objective, are measured against a cash alternative, if applicable. This applies to 5% of assets in the calculation.

### Climate adaptation

In human systems, the process of adjustment to actual or expected climate and its effects, in order to moderate harm or exploit beneficial opportunities. In natural systems, the process of adjustment to actual climate and its effects; human intervention may facilitate adjustment to expected climate and its effects.

### Climate mitigation

A human intervention to reduce emissions or enhance the sinks of greenhouse gases.

### CONTEXT™

A proprietary tool developed and used to support the analysis of companies' and issuers' management of the environmental, social and governance trends, challenges and opportunities that Schroders believes to be most relevant to that company's or issuer's industry. It provides access to a wide range of data sources chosen by Schroders. Any views or conclusions integrated into Schroders' investment decision-making or research by fund managers or analysts through the use of CONTEXT™ will reflect their judgement of the sustainability of one or more aspects of the relevant company's or issuer's business model rather than a systematic and data-driven score of the company or issuer in question.

### Defined benefit (DB) pension scheme

A pension scheme where the employer has an obligation to provide participating employees with pension payments that represent a specified percentage of their salary for each year of service.

### Defined contribution (DC) pension scheme

A pension scheme where the employer's contribution to an employee's pension is measured as, and limited to, a specified amount, usually a percentage of salary. The value of the "pension pot" can go up or down depending on how the investments perform.

### Digital Assets Centre of Excellence (CoE)

The CoE brings together a dedicated team of digital asset specialists based in Singapore, driving thought leadership and the development of best practice through policymaker engagement and industry collaboration globally across Schroders and the broader asset management industry.

### Dry powder and non-fee-earning dry powder

Within Schroders Capital, fundraising comprises new funds invested into our products and contractual commitments from clients to invest their capital in the future. These commitments are called upon once relevant investments have been identified and the capital is to be deployed. Uncalled commitments are referred to as dry powder. Depending on the applicable fee arrangements, dry powder may or may not attract management fees. Uncalled commitments that do not attract fees are referred to as non-fee-earning dry powder.

### Employee benefit trust

A type of discretionary trust established to hold cash or other assets for the benefit of employees, such as to satisfy share awards.

### Enterprise leadership

Enterprise leadership means leading the organisation as a single, cohesive unit, looking beyond individual functions to focus on the common good. It involves connecting different parts of the business, encouraging collaboration, and making decisions that benefit the whole organisation, not just what is immediately visible.

### EPS

Earnings per share.

### ESG

Environmental, social and governance.

## Glossary continued

### Fiduciary management

A form of investing where pension scheme trustees delegate some or all of the investment decisions to a third-party "fiduciary manager". This reduces the day-to-day governance burden on trustees. Fiduciary management offerings will often include investment advice and a portfolio which consists of a growth solution and a liability-driven investment (LDI) solution.

### Financed emissions

Absolute carbon emissions that banks and investors finance through their loans and investments. Schroders' in-scope financed emissions include all mandatory asset classes required by the Science Based Targets initiative (SBTi), which consist of our listed equity, corporate bond, real estate investment trust and exchange-traded fund exposure.

### Fundraising

This is a term used in Schroders Capital to denote new funds invested into our products and contractual commitments from clients to invest their capital in the future.

### Greenhouse gas (GHG)

A gas that absorbs and emits radiation in the atmosphere, contributing to the greenhouse effect. The seven gases covered by the United Nations Framework Convention on Climate Change (UNFCCC) are carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride ($SF_6$), and nitrogen trifluoride ($NF_3$). These gases trap heat close to the surface of the earth and are a key cause of climate change.

### Greenhouse Gas Protocol

Comprehensive global standardised framework to measure and manage GHG emissions from private and public sector operations, value chains and mitigation actions. The GHG Protocol supplies the world's most widely used GHG accounting standards.

### GRESB

GRESB is an internationally recognised benchmark assessing the ESG performance of property.

### GRC

Group Risk Committee.

### Group Executive Committee (Group ExCo)

The Group ExCo comprises senior Schroders management, who have primary responsibility for the delivery and execution of the Group's strategy, and for operational performance. It is an advisory committee to the Group Chief Executive.

### Highly rated employees

Employees who have received an "exceptional" rating in their annual performance review, being the highest rating on our four point scale.

### ICAAP

Internal Capital Adequacy Assessment Process.

### IFRS

International Financial Reporting Standards.

### ILAAP

Internal Liquidity Adequacy Assessment Process.

### In-scope assets

Current in-scope asset classes for SBTi include directly managed listed equities, corporate bonds, real estate investment trusts and exchange-traded funds.

### Investee companies

The companies we invest in on behalf of our clients.

### Investment returns

The increase in AUM attributable to investment performance, market movements and foreign exchange.

### ISO 14001 Environmental Management (EMS) certification

ISO 14001 is the international standard for EMS and the most widely used EMS in the world.

### Liability-driven investment (LDI)

A form of investing where the main goal is to gain and maintain sufficient assets to meet known liabilities, both current and future. This form of investment is most prominent for defined benefit pension schemes.

### Life Company

Schroder Pension Management Limited, a wholly owned subsidiary, which provides investment products through a life assurance wrapper.

### Longevity

The indicative period, expressed in years, that a client invests their assets with us. This is calculated annually as the average AUM divided by gross outflows for the year. We typically present a three-year rolling average in order to allow for short-term fluctuations.

### MSCI Climate Value-at-Risk model

The Morgan Stanley Capital International Climate Value-at-Risk (Climate VaR) model is designed to provide a forward-looking and return-based valuation assessment to measure climate-related risks and opportunities in an investment portfolio. The fully quantitative model offers insights into how climate change could affect company valuations.

### MSCI ESG rating

The Morgan Stanley Capital International ESG rating is designed to measure a company's resilience to long-term, industry-material ESG risks.

### Net new business (NNB)

New funds from clients less funds withdrawn by clients in accordance with Schroders policy. This is also described as net inflows (when positive) or net outflows (when negative).

### Net operating income

A sub-total comprising net operating revenue, share of profit of associates and joint ventures, net gains on financial instruments and other income.

### Net operating revenue

A sub-total consisting of revenue less cost of sales as defined in note 2 to the financial statements.

### Net operating revenue margins

Net operating revenue excluding performance fees and net carried interest divided by the relevant average AUM.

### Network for Greening the Financial System (NGFS) scenarios

NGFS scenarios are six different scenarios to assess transition and physical risks. The scenarios share similar socio-economic assumptions. They assume a continuation of current economic and population trends, though accounting for a Covid-19 type shock.

### Net zero

A state of balance between greenhouse gas emissions produced and greenhouse gas emission removals. According to the SBTi, achieving net zero refers to reducing emissions by a minimum of 90% by 2050 and neutralising any remaining emissions through carbon removals.

### Operating profit

Operating profit includes the profits from associates and joint ventures, total operating expenses including acquisition costs and related items, transformation costs, and portfolio restructuring items. It includes gains and losses on seed investments and co-investments but excludes interest and gains and losses on other investments.

## Glossary continued

### Partnership for Carbon Accounting Financials (PCAF)

The PCAF is an industry GHG accounting standard used by SBTi which provides asset-class methodologies and data resources for the quantification of financed emissions from loans and investments.

### Performance-based revenues

Includes fee types such as performance fees and net carried interest income. Performance fees are earned when contractually agreed performance levels are exceeded.

### Physical risks

Reflect the risks associated with long-term changes in the climate and with more extreme weather events which may impact future business activities. In particular, they include: the impacts on the value of investments held on behalf of clients, caused by direct or indirect physical climate changes and events; risk to our businesses and property assets; and risk to our suppliers and other partners caused by climate events.

### Pillars 1, 2 and 3

Pillar 1 sets rule-based minimum capital standards. Pillar 2 establishes the approach to supervisory review and the setting of individual capital requirements, taking into consideration the firm's own assessment of how much capital is required to support the business. Pillar 3 sets disclosure requirements, which aim to promote market discipline by enabling market participants to access information relating to regulatory capital and risk exposures. See www.schroders.com/pillar3.

### Platforms

Platforms in the UK savings market offer a range of investment products, such as unit trusts, individual saving accounts (ISAs), unit-linked life and pension bonds and self-invested personal pensions (SIPPs) to facilitate investment in many funds from different managers through one portal.

### Portfolio temperature score

The method of interpreting an asset's or portfolio's exposure to abstract climate risk, and communicating it as an intuitive implied temperature score, measured in degrees Celsius. The temperature score is calculated in accordance with the CDP-WWF temperature rating methodology based on the carbon emissions reduction targets set by the companies in our portfolios, and is intended to serve as an indication of our portfolio's alignment to different levels of global warming.

### Principal Shareholder Group

The Principal Shareholder Group is comprised of a number of private trustee companies (and investment companies controlled by those trustee companies), a number of private investment companies, a number of Schroder family individuals, and a Schroder family charity, which, directly or indirectly, are shareholders of the Company. The Principal Shareholder Group currently holds 713,021,408 ordinary shares (44.27%) of the issued ordinary shares excluding treasury shares) in the Company.

### Renewable energy

Energy collected from resources that are naturally replenished, such as sunlight, wind, water and geothermal heat.

### Return on tangible equity

Profit after tax attributable to equity holders of Schroders plc, excluding amortisation and impairment on goodwill and acquired intangible assets, divided by average tangible equity. Tangible equity is defined as equity attributable to equity holders of Schroders plc, excluding goodwill and acquired intangible assets.

### Science-based target

A science-based target provides a clearly defined pathway for companies to reduce their greenhouse gas emissions. The target is considered "science-based" if it is in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

### Science Based Targets initiative (SBTi)

The Science Based Targets initiative defines and promotes best practice in science-based target setting. Offering a range of target-setting resources and guidance, the SBTi independently assesses and approves companies' targets in line with this criteria.

### Scope 1 / Scope 2 / Scope 3

See GHG. Scope 1 is direct greenhouse gas emissions from sources owned or controlled by the company, such as emissions from gas, oil and company vehicles. Scope 2 is indirect greenhouse gas emissions from sources owned or controlled by the company, such as emissions from consumption of purchased electricity, heat or steam. Scope 3 is indirect greenhouse gas emissions from sources not owned or controlled by the company, such as emissions from business travel or investments.

### Seed investments and co-investments

Seed investments comprises initial investment put into a fund or strategy to allow it to develop a performance track record before it is marketed to potential clients. Co-investments comprise investments made alongside our clients in private assets.

### Senior management

Senior management includes members of the Group ExCo, the direct reports of the Group ExCo (ExCo-1) and the direct reports one level below that (ExCo-2), in each case excluding administrative and other ancillary roles.

### Sustainability-focused mandates

These are portfolios which are categorised as either Sustainable Driven, Sustainable Thematic or Impact using our Sustainability and Impact Product framework.

### Sustainability-related engagement

Sustainability-related engagement is the process by which we gain insights into our investee companies' sustainability risks and opportunities and how they are managed. We seek to influence our investee companies by engaging with management teams to encourage and support them in areas where improvement may be required to deliver long-term value.

### SustainEx™

Schroders' proprietary tool used to estimate the net social and environmental "cost" or "benefit" of an investment portfolio, having regard to certain sustainability measures, in comparison to a product's benchmark where relevant. The aim of the model is to enable our investors to assess the investments they may make, having regard to such measures, and the risks those issuers potentially face if the social and environmental "costs" they create were to be reflected in their own financial costs.

### $tCO_2e$

Tonnes of carbon dioxide ($CO_2$) equivalent. A unit of measurement that is used to standardise the climate effects of various greenhouse gases on the basis of their global warming potential.

## Glossary continued

### ThemEx™

A proprietary model which analyses the thematic alignment of individual companies and portfolios to the UN Sustainable Development Goals (SDGs). The alignment score is derived from proprietary qualitative analysis across themes, sectors, regions and stocks. The mapping of business activities to SDGs utilises third-party categorisation of companies' divisional revenues. The ThemEx™ alignment score for a given company is limited by the granularity of the underlying data and that company's market capitalisation, sector or region.

### Total capital requirement

The requirement to hold the sum of Pillar 1 and Pillar 2A capital requirements. Pillar 2A capital requirements are supplementary requirements for those risk categories not captured by Pillar 1, depending on specific circumstances of a company, as set out by the Prudential Regulation Authority.

### Total dividend per share

Unless otherwise stated, this is the total dividend in respect of the year, comprising the interim dividend and the proposed final dividend. This differs from the IFRS dividend, which comprises the prior-year final and current-year interim dividends declared and paid during the year.

### Transition risks

Reflect the risks stemming from changes in the economy that will be required to limit long-run temperature rises, including higher or lower rates of demand growth, costs or risk profiles, to companies, sectors or asset classes. These may include new or enhanced corporate climate change laws and regulations, changes in investor demand for climate-focused products, and more volatility in financial markets as asset prices adjust to reflect the increasing regulation of carbon emissions.


### Morgan Stanley Capital International (MSCI) data

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