Annual Report and Accounts 2024

Schroders

Creating prosperity together

For over two centuries, we have navigated social and economic change, delivering excellent long-term investment outcomes. Our clients' needs shape our search for innovative and relevant solutions in a complex world.

We work with institutions, intermediaries and individuals around the world to create prosperity for them and their clients. The success of these partnerships depends on clients' trust in our investment, advisory and wealth management capabilities. Clients rely on our leadership in long-term active management across public and private markets, and we are committed to acting in their best interests.

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

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 2024 reporting suite
Visit our 2024 online reporting site to watch and read more: www.schroders.com/investors

Strategic report

Governance

Financial statements

Shareholder and sustainability information

Our Annual General Meeting (AGM) will be held at 1 London Wall Place, London, EC2Y 5AU and electronically via a live broadcast on 1 May 2025 at 11:30am.

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.

Net operating income (£m)

Our objective

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

How we performed

£2,426.8m

Net operating income increased £7.8 million from 2023 to £2,426.8 million. Increases resulting from investment performance and market gains were partly offset by FX movements and net outflows.

Basic operating earnings per share (p)

Our objective

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

How we performed

30.1p

In 2024, basic operating earnings per share was 30.1 pence, a decrease of 7% on 2023.

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

£778.7bn

At the end of 2024, AUM stood at £778.7 billion, an increase of 4% on 2023. Investment performance increased AUM by £38.3 billion, offset by in-year currency movements of £(7.9) billion. Net new business decreased total AUM by £4.7 billion.

Net new business (£bn)

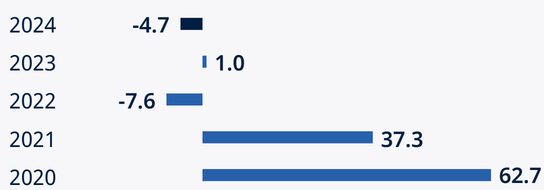
Our objective

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

How we performed

£(4.7)bn

Net new business, excluding our joint ventures and associates, was £(10.8) billion in 2024. Net new business, including joint ventures and associates, was £(4.7) billion.



Client investment performance (%)

Our objective

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

How we performed

58%

In 2024, 58% of assets outperformed their relevant comparator over three years. Over one and five years, performance was strong, with 70% and 76% of assets outperforming, respectively. In 2022 and 2023, some strategies with interest rate or cash benchmarks faced higher hurdles as rates rose. This is reflected in the three-year performance figure.

More details on our performance reporting can be found on page 186.

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 fell to 2.4°C at the end of 2024. This is ahead of the linear pace of reduction required to meet our target.

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

94%

Our highly rated employees retention rate remained high at 94%. This represents a committed and engaged workforce, aligned with our values.

Dividend per share (p)

Our objective

Our policy is to provide shareholders with a progressive and sustainable dividend, targeting a payout ratio of around 50%.

How we performed

21.5p

The Board has recommended a final dividend of 15.0 pence per share, bringing the total dividend for the year to 21.5 pence per share. This represents a payout ratio of 71%.

What makes us different

Creating prosperity together with our clients depends on core strengths and capabilities that we have built over many years. Active investment management is at the heart of this because it enables us to respond to changing dynamics and capture opportunities in an increasingly complex world. Trust in our brand, our ability to innovate and the quality of our people are all key to fulfilling our purpose.

1 Active investment expertise

We see resilient and healthy demand for active management. This expertise allows us to seek out opportunities for our clients where markets are inefficient and where risk and complexity are on the rise.

Outperformance across key active strategies

Our market-leading global equities strategies reached £56.6 billion. Client investment performance over five years showed 86% of assets outperforming their relevant comparator, with 74% and 65% outperforming over one and three years respectively (excludes holdings allocated from multi-asset portfolios).

Managing complexity

Key mandates, such as the £3.8 billion equity protection strategy we implemented for a UK local government pension fund, and our ability to access specialist areas of private markets, are examples of how we deliver large-scale specialist solutions for our clients' unique needs.

16 SDR fund labels

Adoption of the UK regulator's Sustainable Disclosure Requirements (SDR) labels reflects client demand for active investment management targeting sustainability outcomes.

2 Trust in our brand

Clients entrust us with the task of creating future prosperity together through active investment decisions. Our respected brand gives us a distinct edge in the market.

Top 5 global asset management brand

Fifth overall out of 2,600 asset managers in an independent global asset management brand study by NMG Consulting. The top four are US firms. We have ranked fifth since 2018.

MSCI ESG rating, AAA

The highest rating possible for our resilience to long-term, financially relevant environmental, social and governance (ESG) risks. This puts us in the top 11% of our sector.

A+ Fitch rating

Long-term issuer default rating. We have maintained an A+/Stable rating since September 2000.

3

Client-focused innovation

We aim to uphold the trust of our clients by developing products that are relevant and delivering excellent service. We focus on technology-led innovation and client outcomes.

Launched Future Growth Capital

We have formed a new private markets investment manager, in partnership with Phoenix Group, allowing pension savers to access the diversification and return opportunities in private markets.

Innovative client solutions

We worked collaboratively with the trustees of a UK supermarket's pension scheme for an £11.9 billion Outsourced Chief Investment Officer (OCIO) mandate to implement a bespoke portfolio design aligned to the scheme's investment return needs and their responsible investment goals.

AI for active investment

We used AI to accelerate alpha search for clients, providing around 300 investment professionals with access to Enterprise ChatGPT and a proprietary sustainability research tool that completes tasks in under 30 minutes instead of 8+ hours.

4

Our people and culture

The performance of our people is key to active management, client trust and successful innovation. A culture of excellence and inclusion enables us to attract and retain outstanding talent.

94%

Our retention of highly rated employees. By nurturing a high-performing and engaged workforce we aim to deliver stability and long-term value for clients.

Proud to work for Schroders

In our pulse survey, 87% of employees said they are proud to work here. We have seen strong engagement since we began reporting this metric in 2015.

68% of employees are shareholders

A significant proportion of our people have a direct financial stake in the performance of the business through a number of share plans, creating strong alignment for stakeholders.

Working together with focus and clarity of purpose

Dame Elizabeth Corley
Chair

"

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

2024 has been a particularly notable year in our 220-year history. In the spring, we announced that after eight years at the helm, Peter Harrison, our Group Chief Executive, would be retiring. This marked the end of one chapter but the start of another for our organisation, culminating in the appointment of Peter's successor in early autumn, followed by the appointments of our Group Chief Investment Officer and our new Chief Financial Officer to the Board in January.

Following an extensive search process and from a pool of exceptionally qualified candidates, we were delighted to announce in September the appointment of Richard Oldfield as our new Group Chief Executive, taking over from Peter on 8 November 2024. Shortly after, we announced that Meagen Burnett would replace Richard as Chief Financial Officer (CFO). Alongside Meagen, Johanna Kyrklund was elevated to the Board as Group Chief Investment Officer (CIO). The new leadership team has already begun to make a significant impact, bringing fresh insights and innovative ideas.

Richard joined Schroders in 2023 as CFO, and in that role I witnessed first-hand his natural ability to lead client-focused and people-centric businesses. Prior to that he served as Network Vice Chairman and Global Markets Leader at PwC, where he was responsible for building teams to grow their client-facing businesses profitably, while advising global clients on their most complex and challenging issues. He possesses a global perspective, a strategic mindset, and a respected track record, with personal values closely aligned with the culture at Schroders. He is authentic, wholeheartedly dedicated to his work, and passionate about both the delivery of excellent client outcomes and the development of talent.

Meagen joined Schroders in January 2023 as Group Chief Operating Officer, with more than 25 years' experience in financial services, including 15 years in asset management. As Chief Financial Officer, she takes direct responsibility for financial management, capital and treasury, with oversight of operations and technology. She has shown incredible rigour in her role as Group Chief Operating Officer, and I know she will do the same as CFO in shaping our commercial decision-making, driving change and transformation delivery in our business processes, and leveraging our investment in technology.

Johanna joined Schroders in 2007 as Head of Multi-Asset Investments. Over the course of nearly two decades, she has grown our Multi-Asset business into a global franchise from £22 billion of assets under management when she joined to £192.8 billion at 31 December 2024. Since 2019 she has served as Group CIO. Johanna's elevation to the Board underscores the importance of active investment expertise and performance to the business and our clients.

Meagen and Johanna both bring significant experience, international mindsets and leadership across a wide range of disciplines, including operations, finance, technology, investment and client relations. Their skill sets will complement the capabilities we have in Richard, providing us with strong leadership to drive the Group forward.

The Board and I were particularly pleased with the calibre of our internal candidates for Board positions, all of whom were assessed against world-class external alternatives.

Detailed information about the succession planning and appointments process can be found in the Nomination and Governance Committee report, on page 50.

I extend my gratitude to both Peter and Richard for their collaboration during the leadership transition, as well as to our colleagues across the business, who have demonstrated professionalism and adaptability throughout this time of change.

On behalf of the Board, I would also like to thank Peter for his leadership and dedicated service. He has led the business through a transformative period over the past eight years. His strategic vision to diversify our capabilities in both Private and Public Markets, and to achieve sustained growth in Wealth Management have created a strong business platform for the future.

In addition to leadership changes, we have continued to strengthen our Board with relevant skills and experience for the future. We welcomed two non-executive Directors, Iain Mackay and Frederic Wakeman. Their global experience across sectors, including pharmaceuticals, banking and private equity investing, provides fresh perspectives to complement our current non-executives. Iain succeeded Rhian Davies as Chair of the Audit and Risk Committee. Rhian, having served almost nine years, decided not to seek re-election. We are deeply indebted to her for the contribution she made throughout her tenure.

Sadly, our next AGM will see the departure of Deborah Waterhouse, who, having served as a non-executive Director for six years, has decided to stand down from the Board in order to concentrate on the demands of her role at GSK plc. Deborah's insights and challenge have been of huge benefit to the Board and I would like to thank her for the contribution she has made to the Board, and also as a member of both the Audit and Risk, and Remuneration Committees.

I would also like to extend my thanks to Ian King for his unwavering support for me in his role as Senior Independent Director. Whilst Ian is remaining on the Board, as he enters his ninth year of service, Ian has decided that now is the right time to transition the role of Senior Independent Director. Ian will be succeeded as Senior Independent Director by Iain Mackay at the conclusion of the 2025 AGM.

While this year has seen notable successes, particularly in the growth of our global equity and fixed income strategies, and our Schroders Capital and Wealth Management businesses, we have also encountered a challenging operating environment, which has affected our financial performance and our private market flows.

Notwithstanding these challenges, our assets under management grew to a record £778.7 billion. Positive new business in the higher margin areas of Wealth Management, Schroders Capital and Mutual Funds is a source of optimism, even though this was offset by redemptions from Solutions and Institutional mandates. We were encouraged that client investment performance over one year showed 70% of assets outperforming their benchmark, although, with a strong 2021 rolling out of the three-year performance for 2024, client outperformance reduced to 58% for that period. Five-year performance remained very strong with 76% of assets outperforming.

This year, the Board is recommending a final dividend of 15.0 pence per share (2023: 15.0 pence per share). This brings the full-year dividend to 21.5 pence per share (2023: 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, the final dividend will be paid on 8 May 2025 to shareholders on the register on 28 March 2025.

The strengths of the business are deep rooted, but the Board and I acknowledge that there are clear opportunities and areas of further improvement we must capture with pace. We will continue to encourage and support the new leadership team as they set out their strategic focus.

The fresh perspectives of new leadership have prompted us to re-evaluate our statement of purpose, as Richard Oldfield explains in his section of the report. Our clients remain central to our mission, but it is clear that the business must evolve to scale effectively and profitably. A key focus will be on simplification of the business with cost efficiencies contributing to a targeted reduction in the adjusted cost:income ratio to below 70% by 2027. This will not be at the expense of client focus. Our commitment is to serving clients, simplifying and scaling the business and returning Schroders to operating profit growth.

With optimism and a renewed sense of purpose, we remain committed to addressing our clients' needs in a rapidly changing world. We will do so with a focus on creating prosperity for all our stakeholders and sustainable shareholder value.

In what has been a year of change, I would like to extend my sincere thanks to all our colleagues for their dedication and hard work. They are the driving force behind our successes. Colleagues play critically important roles, and their contributions are deeply appreciated. Together, we can continue to build a successful, long-term future for Schroders.

Dame Elizabeth Corley
Chair

5 March 2025

To make the most of our capabilities we need to simplify

Richard Oldfield
Group Chief Executive

> We must capitalise on our areas of excellence and continue to work with clients to understand and solve their problems.

I took on the role of Group Chief Executive in the final months of what has proved to be a year of change.

From the start I made it a priority to meet clients to understand what they wanted from Schroders – and in my first 100 days I saw more than that number of clients.

There was a recurrent theme in those conversations which I find encouraging: in a world of constant change and uncertainty, our clients want sound advice from a source they can trust. What we are in the business of providing is still, at its core, very much in demand.

That said, the product mix that clients seek is changing. This is part of the structural shift across our industry, which has seen a surge in the use of passives and rapid growth in private markets and wealth management, among other trends.

These changes, which Schroders has been preparing for, account for increased margin pressure in parts of our business, leading to a divergence between assets under management (AUM) and operating income that is apparent in our results for 2024. This divergence reflects the fact that we are responding to client demand and providing more of the services they want.

Our AUM has grown significantly in the past decade, but profit has not kept pace. This reflects our investment over recent years to reposition the firm. However, we have also added cost and complexity. How we are addressing this is explained in "Further transformation" on page 9.

The strategy built over the last decade puts us in a sound position today from which to expand earnings. There is more to be done to build operational efficiency, but we have developed complementary capabilities across our Public Markets, Schroders Capital and Wealth Management businesses. Together they make Schroders a world-class specialist in active management – an attribute that both differentiates us and offers unique value to clients.

These building blocks form our opportunity to win in the years ahead, but to capture the opportunity we need to evolve rapidly. That change is a necessity, as well as something that comes naturally to a firm with the resilience and longevity of Schroders.

Better together: strengthening client relationships

Markets are volatile, and macro external factors – fragmenting global trade alliances, a new wave of AI technology disruption, the decarbonisation of our energy systems and more – mean clients face great uncertainty.

The policy and regulatory environments in which they operate add further complexity. So, while the investment marketplace is changing, one thing remains absolutely unchanged: our clients' need for advice and investment solutions. It is our role to respond to shifting external factors and to decode them in order to continue delivering what clients want.

We have tasked the entire business to bring ever greater focus on understanding and serving clients. One outcome of this is a restructured Client Group, better able to assess clients' needs, respond at speed and measure delivery; it is also manifest in a specific requirement that sales professionals spend more time with clients. I see on average one client every day, and value that contact for the insights it provides: better knowledge of clients is how we will capitalise on the complementary nature of our cross-market services.

This is why we have evolved our statement of purpose, simplifying it into just three words that sum up the alignment of our own interests with those of our clients: *creating prosperity together*. This is a small but important step, giving clarity about what we stand for to our clients and our people.

In Public Markets: delivering the benefits of active management for clients

Active management of equities and bonds traded on the world's public markets remains a point of excellence within Schroders.

As our Group CIO Johanna Kyrklund has pointed out to clients and in the press, we see risk in the increased index concentration that became such a feature of markets in 2023 and 2024. Many clients agree. They believe that an active approach, perhaps used alongside passive holdings, is the best way to capture the opportunities of the mega-trends of our age, such as decarbonisation. They also see the downsides of passive: that there is no challenge and no room for a contrarian view.

As the global economy becomes more disrupted by factors such as geopolitical change or new technologies, the risk posed by passive strategies, which have limited ability to flex, may become even clearer.

In our Global Investor Insights Survey 2024, which samples investor attitudes far beyond our own client base, while 52% of investors recognised the advantages of passive in large and efficient markets, 74% cited active management as "better for specialist approaches".

We remain resolutely committed to active management, and our Public Markets business will evolve, with a simplification of products and continued focus on clients' needs.

In Schroders Capital: growing where we can offer clients best-in-class

Schroders Capital has scale and prominence in specialist areas where we choose to compete. Our aim is to be the stand-out provider in these sectors.

In private equity, our specialism is small- and mid-cap buy-outs and early stage venture capital, where we are harnessing opportunities for high-growth businesses arising from AI and other technology trends. In infrastructure our specialism is energy transition, via Schroders Greencoat, with capabilities spanning a wide range of technologies and return opportunities. In real estate we are leaders where we specialise: in the hospitality, industrial and logistics sectors. In private debt and credit alternatives our strength is in income solutions derived from a broad range of underlying assets straddling public and private markets.

These capabilities enable us to offer new products through vehicles such as European Long-Term Investment Funds and the UK equivalent, Long-Term Asset Funds: vehicles which provide access to the benefits of private asset ownership for more pension savers and private investors.

In 2024 we announced the formation of Future Growth Capital with partner Phoenix Group, a major UK long-term savings business. This partnership seeks to deploy in excess of £10 billion between now and 2034 into UK and global private market assets.

To drive growth and capitalise fully on our areas of strength, we are establishing a specialist sales force in Schroders Capital with new sector-specific hires. Clients have developed their own in-house expertise around private asset classes and we wish to enable specialist-to-specialist conversations.

In Wealth Management: building on client satisfaction

Our Wealth Management division has grown to become a significant part of the overall Group.

Organic growth is especially strong in our UK charity and high-net-worth business, Cazenove Capital, where we have established long-term relationships of trust with clients, often spanning multiple generations. This has resulted in continued additions to their portfolios as well as introductions from them and their advisors to new clients. This trust rests on the quality and experience of our people and their deep understanding of our clients' needs, coupled with superb investment expertise and a deep technical knowledge in financial planning, philanthropy and values-based investing, among other fields.

One of the major attractions to these clients is the stability provided by our ownership structure, with the important ongoing role of the founding family. This, combined with the risk discipline and investment intelligence of a major global asset manager, are important differentiators that have allowed Cazenove Capital to gain significant market share at the top-end of the UK wealth bracket, as well as with charities, where we are the largest UK manager.

This compatibility between Cazenove Capital and our wider investment business also applies to our international subsidiaries, as it does to our UK affluent businesses, Benchmark and Schroders Personal Wealth – our joint venture with Lloyds Banking Group. In the latter two cases, our investment team provides its core investment solutions.

Strategic partnerships: winning access to new client groups

We have a long record of operating successfully with partners around the world, helping them serve their clients.

Long-standing partnerships include those with Hartford Funds in the US, Axis in India, Bank of Communications (BOCOM) in China, Nippon Life in Japan and Lloyds Banking Group in the UK.

These partnerships are precious. In my former role at PwC, working with complex, global financial services firms, I saw again and again the benefits of partnerships in bringing profitable growth. It's not about the one company asking "how can I create value?", it's about both taking a collective view of "how can we create value together?"

Further transformation to support growth

We will apply rigorous discipline to deploying capital and to cost management. We have set a three-year savings target to deliver £150 million of net cost run-rate savings, with a view to reducing our adjusted cost:income ratio to below 70% from its current level of 75%. This sits alongside our clear plan to drive revenue growth while maintaining client service.

In April we announced that we had successfully priced £250 million of Tier 2 debt. The issuance was positively received in the market. The proceeds will give us additional flexibility to support the ongoing strategic transformation of the business, further strengthening our capital and liquidity positions.

We are driving efficiencies in a range of ways. In our management structure, a smaller Executive Committee will enable quicker decision-making. Across the firm, a new benchmarking process will assign clear accountability to colleagues and better measure their progress. However, we will not lose sight of our greatest attributes and advantages: our standards of client service, our people and our reputation. In 2024, we retained our position as one of the top five global asset management brands, in the NMG survey.

Schroders' people – not just today's colleagues but the generations before them – have built this wealth of reputation with their talent and commitment. It is a privilege to be asked to safeguard it for my period in this office, and to be charged with helping drive the business to even greater success.

Richard Oldfield
Group Chief Executive

5 March 2025

Capabilities for client partnership

We have two segments: Asset Management and Wealth Management. Three distinct businesses – Public Markets, Schroders Capital and Wealth Management – provide diverse capabilities and a global reach enabling us to remain relevant to our clients and serve their needs in an increasingly complex world.

Asset Management

Active investment management across public and private markets through funds and institutional mandates.

£535.0bn AUM

Public Markets

We help meet clients' investment needs throughout various phases of the economic and market cycle in public markets. Retail clients can access our mutual funds through intermediaries and investment platforms. Model portfolio services allow wealth managers to benefit from our investment expertise while retaining control of their clients' assets. Our solutions business helps institutional clients address their most complex investment challenges at scale. We have also developed innovative new services for institutional clients, such as a Managed Indices service that tracks the general movements of an index while allowing us to modify their portfolios and seek enhanced returns or risk reduction through active management.

Schroders Capital

Schroders Capital offer investors the opportunity for diversification and the potential for additional sources of returns in assets that are not available through public markets. Private equity, private debt and credit alternatives, real estate and infrastructure investments – the four pillars of our private markets business – have historically only been available to institutional investors and ultra-high-net-worth clients. We have a differentiated private markets offering, such as in private equity where we specialise in buyouts of small and medium sized enterprises and in real estate where we are recognised for operation of hotels across Europe. Through new strategic partnerships and collective investment vehicles we are making investment opportunities in private markets available to a wider range of clients.

Associates and joint ventures

£101.2bn AUM

We partner with other leading firms, including BOCOM in China, Nippon Life in Japan, Axis in India and Phoenix Group in the UK, with whom we recently launched Future Growth Capital. These partnerships provide access or greater reach in markets with high potential.

Wealth Management

Investment, advisory and platform services across the wealth spectrum.

£126.8bn AUM

Wealth Management

Four wealth management businesses – Cazenove Capital, Schroders Wealth Management, Benchmark and Schroders Personal Wealth (see Associates and joint ventures) – position us to meet the needs of a wide spectrum of clients. Cazenove Capital serves high- and ultra-high-net-worth clients, family offices and charities in the UK. Schroders Wealth Management serves these client segments in the Channel Islands, Switzerland and Singapore. Benchmark Capital offers financial planning and advice to a broad range of clients and provides an investment platform used by financial advisers across the UK to help them meet the needs of their clients. Wealth clients benefit from the core investment expertise in public and private markets from our Asset Management segment.

Associates and joint ventures

£15.7bn AUM

Our joint venture with Lloyds Banking Group, Schroders Personal Wealth, offers financial advice and discretionary management for clients.

Corporate functions

Delivery of our services across Asset Management and Wealth Management is made possible by our robust and scalable operating platform, which includes key corporate teams, such as Global Technology, Operations, Finance, Risk and Compliance, People and Culture, Legal and Governance, Internal Audit and Tax.

Our investment strategies include:

- Equities
- Fixed income
- Infrastructure
- Multi-asset
- Private debt and credit alternatives
- Private equity
- Real estate
- Risk mitigation

How our business works

We aim to achieve our purpose by combining investment expertise with extensive market knowledge and data to actively manage clients' investment capital, with the goal of creating prosperity together. To do this, we need to attract and develop talented employees and maintain a robust, scalable operating platform.
By serving clients' needs, we aim to deliver positive outcomes for all stakeholders.

Understand our clients' needs

We develop a clear view of clients' evolving needs by focusing our resources around key client segments. This supports our goal 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 and goals. By combining client insights with market knowledge, data and our strong investment capabilities, we can design distinctive products and solutions.

These are designed to fit our clients' risk and return profiles, and any sustainability preferences. They are rigorously tested 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 the investments of individuals, families, charities and foundations based on careful consideration of their circumstances and priorities. We also focus on the needs of current and future generations through our wealth planning and platform services.

How we earn money

Our services are designed to deliver our clients' investment goals. We charge them fees as a percentage of the assets we manage, as well as for the use of our platform or advisory services. We may also earn performance-based revenues and transaction fees.

How we create value over the long term

Growing people's savings and pensions

We strive to create a brighter future for our clients, investors and society as a whole.

It is imperative that we never lose sight of the individuals who entrust us with their savings, which is why clients are at the heart of everything we do.

Client investment performance (5-year)

76%

Shareholder returns

Creating shareholder value goes hand in hand with our core aim of providing excellent performance to clients. Being able to service clients' needs, while thoughtfully allocating capital to higher growth areas, allows us to generate shareholder value and returns over the long term.

Dividend per share

21.5p

Active stewards of assets

We are responsible stewards of £778.7 billion of assets. We believe our active approach to investment will be increasingly important to meet our clients' expectations. Active stewardship and management generates opportunities while helping businesses in their transition to a more sustainable model.

Meetings with companies across a range of topics

>9,000

We focus on opportunity...

Our long-term strategic goal has been to unlock future growth by recognising the changing needs of clients and wider macroeconomic and industry trends. We have deliberately built capabilities to capture these opportunities.

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 excellent investment outcomes.

Addressing clients' needs through active management

Our active management approach, our expertise as a provider of tailored solutions and our experience through market cycles allow us to focus on addressing clients' goals in a complex world. Our scalable operating platform is designed to address their needs efficiently.

Delivering for clients across...

Public Markets

Identifying listed assets with potential for excess returns remains a key client need. Our core range of actively managed global products helps investors seek risk-adjusted returns, in a changing world. Strategic partnerships provide opportunities for profitable growth and access to some of the world's largest markets, including the US, China and India.

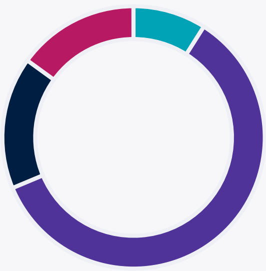
Schroders Capital

We have developed a differentiated offering across the four pillars of our Schroders Capital business, allowing us to serve clients who want access to the growth, income and diversification opportunities they present. Expansion of private markets, their importance to wealth and institutional clients and innovations in how they can be accessed by individual investors make this an important growth opportunity.

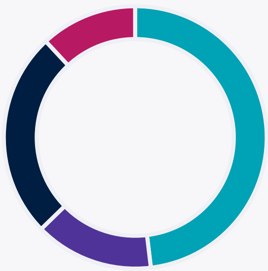
Wealth Management

Getting closer to investors and building longer-lasting relationships allows us to deliver more relevant and tailored investment, advisory and platform services for a range of investors. Expanding our Wealth Management business creates opportunities to deepen client relationships and offer differentiated services that add value.

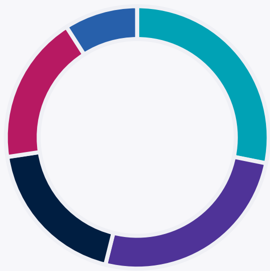
A business diversified across capabilities, regions and products (AUM)



Businesses	
Public Markets	60%
Schroders Capital	9%
Wealth Management	16%
JVs and associates	15%



Regions	
UK	48%
EMEA	15%
Asia Pacific	25%
Americas	12%



Products	
Equities	28%
Multi-asset	26%
Fixed Income	19%
Wealth Management	18%
Private Assets & Alternatives	9%

...in a changing world

Global themes

Democracy
In 2024, more than 4 billion people, representing over half of the global population, had the opportunity to vote in elections held across more than 50 countries.[1] The changing policies of governments globally will have a significant impact on the economies and markets in which we operate.

Disruptive technologies
The pace of development in generative AI highlights how unpredictable the impact will be on industries and economies. Significant and rapid technological progress and efficiency gains are possible, but there are also potential challenges for regulation, intellectual property, data management, and public trust in sources of information.

Debt
Growing public debt around the world continues to shape the market backdrop and government fiscal policies. Governments are adopting more proactive fiscal policies and higher interest rates than in the last decade and seeking to balance between stimulating growth through spending and maintaining debt sustainability.

Decarbonisation
We believe the need for investment to transform global energy systems will remain a long-term theme, despite changing political priorities. To reach net zero by 2050, annual clean energy investment worldwide will more than need to triple by 2030 to around $4 trillion.[2] China's substantial investments in clean energy mean its market will play a key role in global efforts to meet emissions targets.

Demographics
Ageing populations and migration are driving increasing need for healthcare and pension spending in wealthier countries. At the same time, debt and low growth continue to constrain economies.

Deglobalisation
Conflict and geopolitical tensions continued in 2024, motivating governments and industries to rethink supply chains and allocation of capital. Despite this, and despite the risk of tariffs between the US and other trading blocs, we anticipate global growth in 2025.

Opportunities and trends

Search for income, returns and resilience
Recent investment flows have concentrated money in fewer large companies and markets. In today's environment of fiscal, geopolitical and environmental complexities, investors seeking income, returns and portfolio resilience may have to look beyond benchmarks and recent winners. This presents an opportunity for us to demonstrate the role of active management in offering differentiation and diversification.

Growth and change in pensions and savings
Personal financial assets in the Asia-Pacific region are expected to grow by an average of 8% annually over the next five years, surpassing the global average of 5%.[3] Globally, the changing economic outlook is prompting investors to consider saving more, spending less and adjusting their investment strategies. In the UK, government pension policy aims to create larger pools of investable capital.

Expansion of private markets
The share of global asset management revenues derived from private markets is expected to reach 55% by 2027.[4] More individual investors are seeing private assets as a new potential source of performance, risk mitigation and sustainability. At the same time, technological developments and new types of fund are widening the opportunities for private investors to access different private market asset classes.

Climate and sustainability
Builders of global energy infrastructure and renewable energy generators require capital investment to drive the transformation of global energy systems, and some investors continue to look for the opportunities that this provides for returns and to decarbonise their own portfolios. While the political focus on climate change may vary over time, we remain focused on investment opportunity and outcomes for clients.

Technology and data
Developments in technology and generative AI are creating opportunities to personalise investments and improve customer experience. We also see potential to improve the efficiency of the delivery of investment products and increase access to a greater range of assets and markets.

1. Why 2024 is a record year for elections | World Economic Forum.
2. Net Zero by 2050 - Analysis | International Energy Agency.
3. Fortunes Rising Fast in Asia-Pacific | BCG.
4. BCG Global Asset Management | BCG.

Strategic journey in 2024

We continued to deliver against our long-term strategic priorities, while improving operational efficiency. We continued to focus on clients during a year of leadership transition and the implementation of our Client Group structure and strategic client framework.

Delivering for clients across...	Progress in 2024
Public Markets	– Our mutual funds business returned to positive flows for the first calendar year since 2021. – There were four main considerations for clients' portfolios in public markets: global equity diversification; income in an era of higher interest rates and inflation; decarbonisation; and outsourcing investment management services to address clients' needs to navigate complexity. – We developed a multi-billion Euro fundamental global equity solution with a sustainability lens for a European pension fund who moved to an active strategy from their existing passive approach. – In the UK, we announced plans to adopt the Financial Conduct Authority's (FCA) Sustainability Disclosure Requirements (SDR) labels across ten funds in 2024, and for a further six by the time of publication of this report.
Schroders Capital	– Our revenue from new business in Schroders Capital almost doubled. – We launched our Private Markets for Private Clients campaign focused on individual investors who are looking to grow their exposure to private assets through evergreen and semi-liquid solutions. – We launched a new UK investment manager, Future Growth Capital (FGC) in partnership with Phoenix Group, which will enable pension savers to access alternative sources of returns and diversification in private markets. – We strengthened Client Group teams in Schroders Capital, notably focusing on private markets for wealth clients.
Wealth Management	– Strong financial performance in Wealth Management was a key driver of our stable underlying revenues. – We strengthened key teams in Wealth Management to meet the growing demand for wealth planning among charities and family offices in the UK. We are the largest manager of charitable assets in the UK. – In June, the charity-focused Sustainable Multi-Asset Fund reached £2 billion in client investments, making it the fastest growing charity fund in the UK over the past five years. – We announced the acquisition of Whitley Asset Management, extending our family office capability and signalling our continued commitment to Cazenove Capital's leading franchise with UK ultra-high-net worth clients, and recognising the importance of trusted relationships in this business.

Our strategy has been shaped by our strategic risks. Please see pages 29 – 31 for more details about those risks.

Future focus

Focus and invest in areas where we excel in Public Markets

- We will focus on, and invest in, core strategies where we have differentiated capabilities and a strong, long-term track record of alpha generation.
- By realising synergy in our best-in-class research and portfolio construction, we will drive efficiency and enhance our operational capabilities.
- Through our global network we will match our areas of strength with client demand.
- We are committed to being the active manager of choice, recognised for the sophisticated investment solutions we offer and our holistic approach to client service.

Drive flows into differentiated, specialist capabilities in Schroders Capital

- We will build a specialist sales team and accelerate gross flows into our differentiated private market products.
- We will look to build further strategic partnerships and high-potential investment propositions to enable growth.
- Building on the strengths of the Group, we aim to capitalise on trends such as the expansion of private assets into wealth management and growing demand from insurance and pension funds.

Sustain and build our successful track record in Wealth Management

- In Cazenove Capital, we will maintain our focus on exceptional client service and strong investment outcomes. We will target further growth by expanding our team of senior wealth managers and through culturally-aligned, bolt-on acquisitions in the UK – and internationally, through Schroders Wealth Management.
- In Schroders Personal Wealth, we will continue to drive scale and profitability improvements.
- In Benchmark, we will focus on driving continued organic growth, particularly in our award-winning model portfolio solutions offering.

Accelerate transformation and deploy capital effectively

- We will implement transformation initiatives, focusing on simplification of the business to remove duplication and overlap of processes.
- We aim to deliver earnings growth through cost efficiency and targeted investment, while maintaining our focus on clients and leveraging previous investment in technology.

Addressing clients' needs

Understand our clients' needs

Investment research plus the tools and operations that support alpha generation and our experience through market cycles enable us to understand complex client needs.

Create innovative products and solutions

We invest in AI and technology, apply public policy expertise and engage with regulators to develop client-focused products and services for the future.

Actively manage investments

We have more than 49 investment teams globally. They collaborate with clients across our three businesses and use our engagement framework to manage our clients' investments actively.

Our people: committed to purpose and impact

Our strengths lie in active management, trust in our brand, client-focused innovation, and our commitment to our people and communities. We nurture these strengths because they allow us to deliver investment solutions that address the evolving needs of our clients.

Our values

Excellence

Our commitment to excellence fuels our drive to create value for all stakeholders and a thriving long-term future for our business.

Innovation and teamwork

We disrupt the status quo, anticipate future opportunities, and embrace the transformative power of teamwork. We aim to deliver value by appreciating individual contributions and by harnessing the power of collaboration and technology.

Passion and integrity

We are determined in our ambition and pragmatic in delivery. We carry out our responsibilities with great care, energy and determination. This is complemented by a culture of transparency and accountability.

Our people

The commitment, drive and innovation of our people enable us to deliver our vision successfully.

We aim to attract people with the skills and passion to help us achieve our purpose.

This means creating a high-performing culture that is inclusive and provides employees with opportunities to grow.

To maintain our position as an employer of choice, we aspire to offer:

- pride and purpose
- fair pay for performance
- an empowering, supportive and inclusive environment
- quality work and skills development

Pride and purpose

At Schroders, our employees are essential to our purpose of partnering with clients to provide trusted advice and invest in assets that build future prosperity. 87% of employees express pride in our workplace, exceeding external benchmarks. This reflects our ongoing commitment to fostering a purpose-driven and inclusive culture. We strengthen engagement through transparent communication methods, such as personalised vlogs and "Inside Schroders Lite" sessions, connecting leadership with staff and reinforcing our shared sense of purpose.

Our Global Employee Forum (GEF) plays a crucial role in amplifying employee voices to our Group Executive Committee (Group ExCo) and Board. It fosters collaborative dialogue that supports our staff, strengthens our business operations, and enhances the client experience through informed and representative decision-making.

Fair pay for performance

We aim to recognise and reward employees through a combination of compensation and benefits.

Salary and bonus decisions are governed by our Fair Pay for Performance framework, meaning each decision takes into account:

- annual performance: Group-wide, team and individual performance, including behaviours and conduct
- market context: reviewing pay levels and outlook among relevant comparators, as well as wider economic conditions
- relativities: validation and challenge of compensation proposals to ensure fairness versus peers and markets
- individual context: considering the skills, experience and potential of each employee

Carefully balancing all these factors allows annual pay outcomes to be fair and drive high performance.

We aim to provide competitive benefits and support to our employees in line with local market norms. Our flexible offering empowers people to choose options that suit them.

An empowering, supportive and inclusive environment

We empower our people with autonomy and flexibility in a supportive environment. At the heart of our inclusive culture is our global Flexible Working Charter, which helps us attract and retain talent.

We have voluntarily published our gender pay gap since 2017 and our UK ethnicity pay gap since 2023. For further details on our workforce diversity aspirations and representation, see page 86.

In keeping with our Equal Opportunities Policy, we give full and fair consideration to all employment applications, including those from disabled people, considering their aptitudes, skills, behaviours and abilities. If employees experience a disability, we continue to employ them wherever possible, with retraining if necessary to enable continued career development.

Our Wellbeing framework is dedicated to fostering a healthy culture and our Wellbeing Community is among the largest voluntary groups within the firm. The way employees feel about our efforts is reflected in our 83% favourable employee engagement score to the statement "Schroders cares about my health and wellbeing".

Our comprehensive approach to wellbeing is delivered through educational events and initiatives from the People and Culture team, addressing both mental and physical health risks with equal emphasis. By utilising data-driven insights and employee feedback, we customise our benefits and support systems to effectively meet the diverse needs of our employees and promote healthy behaviours. Furthermore, our global Employee Assistance Programme (EAP) offers confidential support. Complementing this, our progressive wellbeing policies, including those related to mental health and menopause, ensure necessary workplace adaptations. Through vigilant monitoring of absences and benefits utilisation, we continuously refine our strategies, ensuring a supportive and thriving work environment for all.

Quality work and skills development

We support employee development and career aspirations through training and opportunities aligned with business growth. By investing in our employees' development, we strengthen our capability to meet client needs and uphold service standards.

Regular feedback allows us to prioritise initiatives for attracting and retaining top talent.

In 2024 we rolled out the AI Academy on our learning and development platform for all employees. The content includes the "AI Fundamentals Pathway" for beginners through to an engineering pathway to support more advanced development. By adopting AI tools throughout the business, we aim to enhance productivity. These tools enable employees to automate routine tasks, streamline their workflows, and develop a future-fit workforce.

Retention of highly rated employees

94%

This highlights our commitment to fostering a supportive and engaging work environment. This reflects the strength of our initiatives in maintaining employee satisfaction and nurturing top talent.

Our commitment to inclusion

89%

Employees who agree that we are committed to fostering an inclusive and diverse culture in the workplace. An increase from 87% in 2023 to 89% in 2024 underscores that our people feel valued and respected.

People at Schroders trust and respect each other

87%

The percentage of employees affirming a culture of trust and respect. An increase from 85% in 2023 to 87% in 2024 highlights our commitment to fostering healthy relationships and a collaborative environment, aligning with our values of integrity and teamwork.

Community

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 approach is overseen by our Global Charity Committee, which reports to our Group Sustainability and Impact Committee. Regional committees, champions and employee resource groups help to co-ordinate and mobilise local activities for collective action.

Corporate giving

In 2024, we committed £5.9 million[1] to charitable causes around the world (2023: £5.4 million), £1.2 million of which was outside the UK (2023: £1.4 million).

Charity partnerships

Our charity partnerships focus on improving equality and protecting the planet. They provide our employees with opportunities to make a difference by supporting mental health, promoting equity and social mobility, promoting entrepreneurship, innovation and leadership in young people, supporting financial education for disadvantaged children, and protecting the environment.

Employee giving

We encourage employees to contribute their time and develop their skills by providing 16 hours of paid volunteer time each year. We promote a variety of opportunities to suit different skills and time commitments. Our employees registered more than 6,600 hours of volunteering during office hours in 2024, representing a 24% increase from 2023. This equates to a monetary value of nearly £600,000[2].

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

Donations committed to charitable causes[1]

£5.9 million

2023: £5.4 million

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

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 26 to 31
Leadership in active management	Pages 22 to 23
Governing our non-financial information	Page 184
Climate and environment: Climate-related financial disclosures, prepared in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022	Pages 24 to 25 and 177 to 183
Employees	Pages 16 to 17, 53, 62 to 72
Social matters	Pages 16 to 17 and 32 to 33
Human rights	Pages 32 to 33
Anti-bribery and anti-corruption	Pages 28 to 29 and 54 to 61

Opportunities to drive profitable growth

Meagen Burnett
Chief Financial Officer

"

We are simplifying and scaling our operating platform to focus on where we excel for clients and, in turn, drive profitable growth and enhance shareholder value.

Understanding the drivers of our financial results

Client demand for Schroders' investment expertise remained strong in increasingly complex market conditions, with gross client inflows in 2024 (excluding joint ventures and associates) totalling £129.7 billion (2023: £126.1 billion). We saw demand from clients across a broad range of investment styles and mandates, particularly global equities, corporate bonds, solutions such as fiduciary management, liability driven investment and risk-controlled growth, and securitised credit within Schroders Capital. Wealth Management flow momentum remained strong.

Overall, however, we saw a total net outflow excluding joint ventures and associates of £10.8 billion. The main driver of this, beyond typical levels of client redemptions, was the result of two Scottish Widows mandate changes. We maintain a strong and broad strategic relationship with Lloyds Banking Group.

We continue to invest in our operating platform to innovate, scale and improve delivery for clients. In 2024, we started to realise the benefits of the migration of our Wealth Management operations from Zurich to Horsham, UK. We launched innovative products through our tokenised insurance linked securities (ILS) capability and we are actively integrating AI into the way we do business.

Public Markets: supporting clients with active management

Our Public Markets business has addressed four key themes in clients' portfolios over the last couple of years:

- Global: while clients want to share in the growth seen in the US, they increasingly want to manage the concentration risk associated with very narrow markets. This has led to strong inflows into our global equity strategies.
- Income: in an era of higher interest rates and inflation, clients' capital needs to work harder. We launched a new multi-asset income fund with HSBC Global Private Banking to address this need.
- Decarbonisation: over two thirds of our strategic clients have net zero commitments. We see strong demand for our active portfolio decarbonisation solutions across client segments.
- Insurance and outsourced CIO: these represent large and growing addressable markets, with higher asset longevity. Our operating platform, investment breadth across asset classes and advisory expertise enable us to build scale in these channels.

Only by taking an active approach can we provide solutions that address these themes. In 2024, for example, we developed a multi-billion fundamental global equity solution with a sustainability lens for a European pension fund who moved to an active strategy from their existing passive approach.

By business area, Mutual Funds finished the year with £1.3 billion of net inflows despite the headwinds to active flows around the time of the US election. In the Institutional business area, net outflows were £6.3 billion, impacted by a net rotation out of regional equity strategies. In the Solutions business area, we saw net outflows of £16.6 billion, largely driven by outflows from Scottish Widows. This masked pension fund inflows, including a substantial cash flow matching mandate.

At an asset class level across Public Markets, fixed income strategies drew £1.4 billion of net inflows, while equities saw £18.2 billion of net outflows.

Schroders Capital: delivering for clients in our chosen specialisms

Our specialised private markets business, Schroders Capital, continues to benefit from our focused approach. We are competing in specialisms where we have deep knowledge of the markets, together with the networks needed to access restricted opportunities.

Gross fundraising increased to £10.8 billion and we delivered positive NNB of £4.5 billion. We recorded positive NNB across all regions and in each of our pillars: private equity, private debt and credit alternatives, infrastructure, and real estate.

Wealth Management: strength of our client proposition

The strength of our Wealth Management business has been a key driver of our resilient results for 2024. Amidst macroeconomic uncertainties including electoral change and the Autumn Budget in the UK, our teams partnered with clients through the provision of advice and/or investment management. As a result of our regional strategy to extend our Cazenove Capital offering to business owners and high-net-worth individuals, we are supporting new clients across the UK market, for example as we partner with entrepreneurs as they complete liquidity events.

We generated NNB of £6.3 billion in the Wealth Management business last year, with Cazenove Capital contributing £4.0 billion. In October, we announced the acquisition of Whitley Asset Management, signalling our continued commitment to extending Cazenove Capital's leading franchise with UK ultra-high-net-worth families, successful business owners and charities.

Enhancing outcomes for shareholders

Q. What did you learn in your previous role as Chief Operating Officer (COO) that will influence your priorities as CFO?

In my role as COO, I had accountability for operations, technology, change and transformation across the Group. My teams developed and implemented an operating strategy designed to maximise our investments in technology and data. This approach aimed to create an efficient, effective and resilient platform, underpinning the performance outcomes our investors deliver for our clients. Understanding how the business fits together from front to back enabled me to recognise the drivers of value and return on equity. I learned the importance of finding balance. In my new role, this will by a key factor in decision making, such as how to achieve scale while delivering bespoke client outcomes, and balancing investing for growth and maintaining cost-efficiency.

Q. How do clients' needs shape the strategic decisions Schroders makes?

Clients' needs are paramount. We work closely with our clients to build their future prosperity, and only by providing excellent solutions to their investment challenges can we continue to remain relevant.

Innovation is crucial: as our clients' desired outcomes evolve, so must our offering. This may be evolving the solutions we can offer clients, or the way they are structured. We are looking to harness innovation to improve client access to our capabilities, such as launching active ETFs in Europe.

Q. What are the key drivers to improve shareholder returns at Schroders?

For me, improving shareholder outcomes starts with a disciplined and focused approach to capital investment and resource management. You can read more about this and our future focus on page 9. We are focusing our investment in areas where we can excel for clients, and in turn, drive profitable growth and enhance shareholder value. By streamlining operations, we boost efficiency and can reinvest in high-potential growth areas.

Reviewing how we publicly report our financial performance is another priority that aims to improve shareholder outcomes. In 2025, we will redefine the structure of our income statement and associated performance measures, enhancing the transparency of our reporting.

Joint ventures and associates: accessing global markets through collaboration

We leverage global partnerships to deliver our world-class investment capabilities and broaden our client reach. These businesses are typically more cyclical, and we achieved NNB of £6.1 billion from joint ventures and associates in 2024. We saw positive, albeit volatile, flows into our China ventures where we operate with our long-standing partner, Bank of Communications China. The reduced profitability from these ventures impacted our total share of profit from joint ventures and associates. Pleasingly, our associate in India, Axis Asset Management, and our joint venture in the UK, Schroders Personal Wealth, both saw good momentum, with our share of profits after tax rising to £15.1 million and £9.9 million, respectively.

Cost: disciplined management of our controllable cost base

In 2024, we saw a modest 2% year-on-year increase in operating expenses. This was achieved by limiting non-compensation cost growth to 3% and keeping compensation cost growth to 1%. A portion of our non-compensation costs are related to services where fees are charged as a percentage of the AUM we manage. Our considerable effort to limit cost inflation on our controllable cost base, in part due to the cost measures we undertook in 2023, enabled us to keep cost growth lower than AUM growth in 2024.

Balance sheet: optimising and strengthening our capital position

Last year, we successfully issued our inaugural £250 million Tier 2 debt. This strategic move enhanced the efficiency of our capital stack, reduced our weighted average cost of capital, and further strengthened the Group's overall capital and liquidity positions.

Meagan Burnett
Chief Financial Officer

5 March 2025

£ billion	Schroders Capital	Public Markets: Solutions	Public Markets: Mutual Funds	Public Markets: Institutional	Asset Management	Wealth Management	Total (excl JVs and associates)	Joint ventures and associates	Group Total
Opening AUM	**66.2**	**228.3**	**103.5**	**134.2**	**532.2**	**110.2**	**642.4**	**108.2**	**750.6**
Transfers	(0.2)	0.2	–	–	–	–	–	–	–
Gross inflows	10.5	34.6	35.3	28.5	108.9	20.8	129.7	448.8	578.5
Gross outflows	(6.0)	(51.2)	(34.0)	(34.8)	(126.0)	(14.5)	(140.5)	(442.7)	(583.2)
Net new business	**4.5**	**(16.6)**	**1.3**	**(6.3)**	**(17.1)**	**6.3**	**(10.8)**	**6.1**	**(4.7)**
Acquisitions	–	–	–	–	–	2.4	2.4	–	2.4
Investment returns[1]	(0.4)	1.6	6.0	12.7	19.9	7.9	27.8	2.6	30.4
Closing AUM	**70.1**	**213.5**	**110.8**	**140.6**	**535.0**	**126.8**	**661.8**	**116.9**	**778.7**

1. Includes markets, foreign exchange and investment performance. Foreign exchange decreased AUM including joint ventures and associates by around £7.9 billion (2023: decrease of £25.8 billion) and decreased AUM excluding joint ventures and associates by £6.9 billion (2023: decrease of £18.6 billion).

Financial performance

AUM including joint ventures and associates reached £778.7 billion, buoyed by positive markets and investment performance.

Markets generally performed strongly, most notably in the US, supported by positive economic data and lower interest rates. Markets and investment returns contributed £38.3 billion including joint ventures and associates, while the appreciation of sterling reduced AUM by £7.9 billion. Net outflows of £4.7 billion were driven by withdrawals from a small number of clients, most significantly Scottish Widows.

Average AUM excluding joint ventures and associates increased 5% year-on-year, driven by positive investment returns, net of foreign exchange movements. The benefit of this was, however, dampened due to the composition of our NNB, with inflows continuing to be weighted towards lower-margin products, which resulted in lower average fee margins in our Public Markets business. This, coupled with lower performance fees and net carried interest of £63.4 million (2023: £84.2 million), resulted in net operating revenue of £2,357.7 million, up 1% year-on-year (2023: £2,334.4 million).

Our share of profits from joint ventures and associates reduced to £47.6 million (2023: £51.1 million), mainly due to lower profits from our long-standing venture with Bank of Communications in China. This was partly the result of market-wide fee caps that were introduced in China in July 2023, as well as continuing market volatility in the region. Net operating income for the year was £2,426.8 million (2023: £2,419.0 million).

Total operating expenses of £1,786.3 million (2023: £1,758.0 million) were up 2% year-on-year. Within this, operating compensation costs were £1,123.3 million (2023: £1,112.4 million), representing a stable compensation ratio of 46% (2023: 46%). Non-compensation costs were £663.0 million (2023: £645.6 million), principally due to higher platform costs as a result of the increase in average AUM, with favourable foreign exchange movements largely mitigating other inflationary pressures.

Following the impact of both lower performance fees and reduced returns from our joint ventures and associates, operating profit was £640.5 million (2023: £661.0 million). Statutory profit before tax ended the period at £558.1 million (2023: £487.6 million), supported by the non-recurrence of restructuring charges.

The Board has proposed a final dividend of 15.0 pence per share (2023: 15.0 pence per share).

Asset Management segment

Asset Management net operating income for the year was £1,929.1 million (2023: £1,982.2 million). The benefit on income of higher average AUM was partially offset by a softening in the average fee margin as a result of the shift in our asset class composition, as well as lower performance fees and reduced returns from joint ventures and associates.

Operating expenses in Asset Management decreased 1% to £1,461.2 million (2023: £1,471.7 million), reflecting our continued focus on cost control.

Overall, these movements resulted in operating profit of £467.9 million (2023: £510.5 million) for the Asset Management segment.

Public Markets

Mutual Funds saw positive net flows over the period, with total NNB amounting to £1.3 billion (2023: net outflows of £4.2 billion). AUM in Mutual Funds finished the period at £110.8 billion (2023: £103.5 billion), with net operating revenue of £710.5 million (2023: £720.5 million). The net operating revenue margin excluding performance fees reduced by 3 basis points to 66 basis points (2023: 69 basis points), principally due to NNB mix, reflecting a shift in demand in equities from regional to global as well as a rotation into fixed income.

Our Institutional business area saw net outflows of £6.3 billion (2023: £9.2 billion), as a result of withdrawals from a small number of clients. This was more than offset by positive markets and investment performance, resulting in Institutional AUM increasing to £140.6 billion (2023: £134.2 billion). Institutional net operating revenue was £489.1 million (2023: £499.4 million), while the net operating revenue margin excluding performance fees reduced by 1 basis point to 34 basis points (2023: 35 basis points).

Solutions saw net outflows of £16.6 billion (2023: net inflows of £12.0 billion), predominantly driven by withdrawals from Scottish Widows, which accounted for £13.5 billion. A further £4.9 billion was the result of successful buyout activity for pension fund clients looking to derisk. AUM closed at £213.5 billion (2023: £228.3 billion). Solutions net operating revenue was £252.7 million (2023: £268.5 million). The net operating revenue margin excluding performance fees reduced to 11 basis points (2023: 12 basis points).

Schroders Capital

Our private markets business, Schroders Capital, generated gross fundraising of £10.8 billion (2023: £9.3 billion). Just over half of this was generated by the private debt and credit alternatives pillar, with strong fundraising in our Junior Infrastructure Debt Europe III fund. The remainder was diversified across the other three asset class pillars. Non-fee-earning dry powder stood at £4.2 billion at the end of the year (2023: £4.0 billion).

Schroders Capital NNB was £4.5 billion (2023: £4.5 billion), helping increase AUM to £70.1 billion (2023: £66.2 billion). Net operating revenue including performance fees and carried interest grew to £426.7 million (2023: £422.8 million). The net operating revenue margin excluding performance fees and carried interest remained at 57 basis points (2023: 57 basis points).

Asset Management joint ventures and associates

Our total share of profits from Asset Management joint ventures and associates was £37.1 million (2023: £48.7 million), reflecting volatility from our interests in China. Asset Management joint ventures and associates gathered NNB of £5.7 billion, helping increase AUM by 8%, which finished the period at £101.2 billion (2023: £93.9 billion).

Wealth Management segment

Our Wealth Management business continued to perform strongly in 2024. Total NNB was £6.3 billion (2023: £6.6 billion), including £0.4 billion from Schroders Personal Wealth (SPW), our joint venture with Lloyds Banking Group. Total NNB for the segment equates to an annualised growth rate of 5.4% of opening AUM, in line with our target of 5–7% NNB per annum.

Wealth Management AUM excluding joint ventures and associates ended the period at £126.8 billion (2023: £110.2 billion), while AUM including joint ventures and associates ended the period at £142.5 billion (2023: £124.5 billion), up 14%. Net operating revenue increased by 13% to £478.7 million (2023: £423.2 million).

Our share of profits from Wealth Management joint ventures and associates contributed £10.5 million (2023: £2.4 million), with the increase principally driven by SPW. Wealth Management net operating income increased 14% to £497.7 million (2023: £436.8 million), driven by continued strong NNB and higher transaction fees. The net operating revenue margin excluding performance fees reduced to 40 basis points (2023: 41 basis points), mainly because of lower interest rates and flows into gilts.

Operating expenses increased to £325.1 million (2023: £286.3 million). The increase in the year principally reflects our continued investment in the business, both through strategic hires and enhancements to our IT. Despite increased expenses, operating profit for the segment increased by 15% to £172.6 million (2023: £150.5 million). In light of the overall market environment, this represents very strong performance.

Financial strength and liquidity

Our year-end capital position remains strong, with a regulatory capital surplus of £919 million (2023: £630 million). During the year we took advantage of favourable market conditions and issued £250 million Tier 2 notes, to strengthen and diversify the Group's sources of capital and liquidity further. The Group's net assets were £4.5 billion (2023: £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 Pensions 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 £2.0 billion (2023: £1.7 billion) and other assets of £4.2 billion (2023: £4.1 billion).

Financial assets include seed investments and co-investments. During 2024, seed investments decreased to £297 million (2023: £314 million) and co-investments increased to £155 million (2023: £148 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. In 2024, the Group's provisions increased to reflect required building repairs. Given the associated insurance recoverable, this did not have a material impact on the Group's net assets.

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 (2023: unutilised).

Investing for clients in a changing world

Our active management approach is focused on addressing clients' long-term goals in a world of complexity and change. The research, tools and operations we have developed are all directed towards positive investment outcomes for them.

In a world of concentrated and volatile public markets, clients need an investment approach that balances risk and reward, that is agile, and that is future-focused. They rely on us more than ever to guide them through the complexities of protecting and growing their capital. This is the role of active management.

Trust in our investment, advisory and wealth management capabilities is essential as clients increasingly turn to us for our leadership in long-term, active management across both public and private markets.

As social and environmental challenges become more acute, fundamental insights in those areas are increasingly important for investors.

Our active approach

The structural forces shaping economies, industries and investment portfolios are becoming more diverse, complex, intense and fast-moving. Financial markets reflect the economic and business activity that drives the underlying economy. Issues that dominate media headlines – including artificial intelligence (AI), climate change, societal trends or geopolitical tensions – are intrinsically tied to the value of the assets we invest in. Understanding the connection and the implications for the returns we deliver to our clients is critical to delivering the outcomes they expect.

For example, AI adoption in the US is running at about twice the pace of internet penetration in its early years, or five times the rate of PC use. The physical damage caused by climate change was over 50% higher in the last decade than the previous ten years, and the global cost of carbon penalties has grown more than three times faster than inflation over the last decade. That kaleidoscope of changes is reshaping profit pools and value, and will continue to do so. As a result, the status quo in many industries is being disrupted more frequently and the leadership of historically successful companies undermined.

The winning companies, regions and asset classes of tomorrow will look different from the leaders of yesterday. The answers to successful investment cannot be found by applying simple formulae. Active management is the application of the insights, analysis and forward-looking judgement that are critical in allowing us to capitalise on underlying opportunities.

In practice, this means:

- using new sources of information to inform investment decisions, including leveraging alternative data sets and AI to harness new sources of insight;
- understanding and harnessing changing performance drivers, including the growing impact of social and environmental trends on many industries, and the importance of the influence we can bring to unlock value through active ownership; and
- reconsidering the investment outcomes we seek to achieve where our clients' objectives change, including a focus for some clients on sustainability outcomes as a goal alongside investment returns.

The strength of our investment capabilities across the firm are as important to our success as the scale or breadth of our exposure to different asset classes or strategies. Evolving and enhancing our investment processes to deliver the outcomes our clients expect is therefore critical to the investment success we have delivered and are committed to delivering in the future.

The questions we ask and the analysis we apply in investment decisions are changing. Passive strategies may provide low cost exposure to companies that have been successful in the past, but active management is vital to identifying the winners of the future.

Key components of our active approach

Research into companies

>10,000

Reports written by 900 analysts and portfolio managers globally.

Active management expertise

49

Number of investment teams globally

>9,000

meetings with company's across a range of topics

Understanding our clients' investment needs

The proprietary research insights and tools we have built are integrated into investment decisions across the investments we manage for clients. We continue to invest in these tools with a keen eye towards emerging trends and their implications.

New data and information sources are becoming more important to investment decisions. The proliferation of online data sources – such as review sites, news analysis or government databases – are opening up new sources of information. AI is proving to be a step change, creating new ways to examine huge volumes of information quickly, allowing us to focus on interpretation and assessment of that information.

In 2024:

- We integrated AI into proprietary analysis and tools to support analysts and portfolio managers in gathering information on companies' sustainability practices.
- 49 investment teams reported their approaches to examining and integrating sustainability factors into investment decisions through our annual firm-wide assessment of sustainability integration.
- 90% of the strategies we manage and which we are able to assess using SustainEX™ (our proprietary model which estimates the potential effect of externalities on companies and issuers), achieved stronger scores than their benchmarks.

Creating innovative products and solutions

The outcomes our clients expect are also changing. Investment returns are foremost, but many of our clients seek to deliver those returns alongside social or environmental objectives. For example, adoption of the UK regulator's Sustainable Requirements (SDR) labels reflects client demand for active management targeting sustainability outcomes. We were the first asset manager to announce our intention to adopt all four of the SDR labels.

In 2024:

- We launched 8 sustainable or thematic funds and now manage £38.6 billion in funds we classify as sustainable or thematic. The assets we manage in those funds have grown at 30% annually over the last five years, with many more strategies managed for individual clients with specific criteria or objectives.
- We announced our intention to adopt SDR sustainability labels for 10 strategies.

Actively managing investments

We expect the influence we can bring to management teams to encourage them to adapt and change will become more important as external pressures intensify. The value we can bring as active managers extends beyond the companies and assets we select, and includes the value we can add to those investments through our ownership and the influence and support we can bring to encourage them to transition towards healthier, more sustainable business models.

Deep understanding and relationships with companies have long been an important part of our active management approach. We have over two decades of recorded engagement experience, the scale of which has grown significantly since the first engagement was logged in our database in 2002.

As a global leader in asset management, we have lent our voice and experience to industry groups and policy makers. We have been vocal about the need for markets and the financial services industry to reform to remain competitive.

In 2024:

- We had over 9,000 meetings in 2024 with management teams across a wide range of topics
- We engaged with over 3,500 companies on sustainability-focused topics.
- We published research into the effectiveness of our sustainability-focused engagement in driving change and shareholder returns, leveraging our long experience to strengthen our approach.
- We participated in the UK's Capital Markets Industry Taskforce, a body seeking to maximise the impact of capital market reforms, and globally responded to 24 policy consultations directly while working with relevant trade associations on other consultations.

Active investing for clients' with sustainability goals

Disruption from AI and technology, emerging economic or social trends and corporate leadership can all have an impact on investment performance. The political focus on environmental, social and governance issues may vary over time, but businesses that are managed sustainably are finding rewards. They may also avoid costs from the financial penalties that are today attached to one-quarter of global carbon emissions. Forward-looking active management is also key to understanding and managing the way that technological disruption may impact the future value of investments. The World Economic Forum estimates that AI has the potential to unlock over $4 trillion of value across the global economy.

Meeting climate commitments

We consider climate change to present significant risks to global economies, industries and investment portfolios, but it also offers opportunities. Countries representing nearly 90% of global economic output have set targets to meet the Paris Agreement goals of limiting global temperature rise to well below 2°C and to achieving net zero. Transition may slow in coming years as a result of the changing political context, however we expect that growing evidence of the physical and economic costs of inaction will ultimately drive change. Our understanding of how the impacts of climate change will affect assets and investments helps us create resilient investment strategies and deliver the investment outcomes our clients expect.

Our climate strategy

Our climate strategy covers both the investments we manage for our clients and our own operations, leveraging four key capabilities: our insights, our influence, our innovation and our ability to inspire others. It builds on years of research, risk analysis, proprietary tool development, and action to understand and manage the risks and opportunities posed by climate change. We focus on creating an objective assessment of future risks. Our analysis evaluates investment exposures to these risks and opportunities. We actively manage these risks and opportunities through engagement and stewardship while developing strategies that provide specific climate exposures to meet client demands.

We have established climate-related targets to reflect and support our climate change strategy. This includes our targets, validated by the Science Based Targets initiative (SBTi), confirming that our Scope 1 and 2 targets[1] align with a 1.5°C trajectory and that our relevant AUM[1] are targeted to be fully aligned with a 1.5°C pathway by 2040.

Reporting on climate matters

Our climate-related financial disclosures, prepared in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022, can be found on pages 24 to 25 and on pages 177 to 183 in "Shareholder and sustainability information". We have also produced a supplemental detailed Climate Report to provide a more comprehensive view for our stakeholders in accordance with the FCA UK Listing Rule 6.6.6R(8).

Our Climate Report (which can be found on our website[2]) is our response to, and is consistent with, all the recommendations and relevant recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD). These disclosures describe how we incorporate climate-related risks and opportunities into governance, strategy, risk management, metrics and targets, and how we are responding to the expectations of our stakeholders.

1. Includes all in-scope asset classes covered by our SBTi targets: directly managed listed equity, corporate bonds, real estate investment trusts, and exchange-traded funds.
2. www.schroders.com/tcfd

2024 key metrics

The investments we manage

18.5 $MtCO_2e$
Financed emissions (Scope 1 and 2)[1]
(2023: 22.4 $MtCO_2e$)

43.4 tCO_2e/\$m invested
Carbon footprint (Scope 1 and 2)[1]
(2023: 53.9 tCO_2e/\$m)

2.4°C
Portfolio temperature score (Scope 1 and 2)[1]
(2023: 2.5°C)

Our own operations

4,162 tCO_2e
Scope 1 and 2 location-based GHG emissions
(2023: 4,409 tCO_2e)

100%
Percentage of global renewable electricity consumption
(2023: 98%)

13,386 tCO_2e
Scope 3 business travel GHG emissions
(2023: 13,265 tCO_2e)

33%
Percentage of suppliers (by GHG emissions) with a science-based target
(2023: 23%)

Strategy	Key pillars of action	Near-term targets and 2024 progress (for science-based targets)	Long-term targets and 2024 progress (for science-based target)

Transitioning the investments we manage to deliver value over the longer term

1 Insights
Measure and manage exposure in our clients' investment portfolios

2 Influence
Encourage and support companies to act sustainably

3 Innovate
Develop investment products and innovative solutions to meet clients' needs

Near-term targets and 2024 progress:

- **2.4°C** ● Align in-scope[1] portfolios to a 2.2°C pathway by 2030
- Reduce Scope 1 and 2 emissions intensity of Schroders Greencoat assets by 50% by 2030[3]
- Reduce carbon intensity of Scope 1, 2 and 3 (tenant energy consumption) in Schroders Capital Real Estate by 16% by 2025 and 36% by 2030[4,5]
- All listed equity and credit funds in Wealth Management to have stated a net zero ambition by 2030[6]

Long-term targets and 2024 progress:

- **2.8°C** ● Align in-scope[2] portfolios to a 1.5°C pathway by 2040
- All funds in Wealth Management to have achieved net zero or be on a net zero aligned pathway by 2040[6]

Transitioning our operations to lead the way and have impact

4 Inspire
Lead by example in our own corporate actions

Near-term targets and 2024 progress:

- **39%** ● Reduce Scope 1 and 2 emissions by 46% by 2030[5]
- **100%** ● Achieve 100% renewable electricity by 2025
- **39%** ● Reduce business travel emissions by 50% by 2030[5]
- **33%** ● Encourage our suppliers to set science-based targets so that 67%[7] have done so by 2026

1.5°C
science-based pathway
Net zero
by 2050 or sooner

● Validated science-based targets.
1. Includes Scope 1 and 2 financed emissions for Schroders direct listed equity, corporate bonds, real estate investment trusts (REITs) and exchange-traded funds (ETFs).
2. Includes Scope 1, 2 and 3 financed emissions for Schroders direct listed equity, corporate bonds, REITs and ETFs.
3. From a 2022 base year.
4. A proportion of Schroders Capital Real Estate directly invested in UK and European discretionary mandates.
5. From a 2019 base year.
6. Refers to third-party funds and Schroders funds on our approved buy list, which Wealth Management selects within its discretionary business.
7. By greenhouse gas emissions.

Target end dates are 31 December in all target years.

Our Risk Management framework

We are exposed to a variety of risks as a result of our global business activities and are committed to operating within a strong system of internal control. Our Risk Management framework enables management to identify, manage and escalate risks so that we can pursue our business strategy and deliver strong investment performance without exposing the Group to significant regulatory breaches, losses or reputational damage.

Managing risks

The Board is accountable for the maintenance of a prudent and effective system of internal control and risk management. It assesses the most significant risks facing the business, and also uses 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 process 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 fulfil their obligations 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.

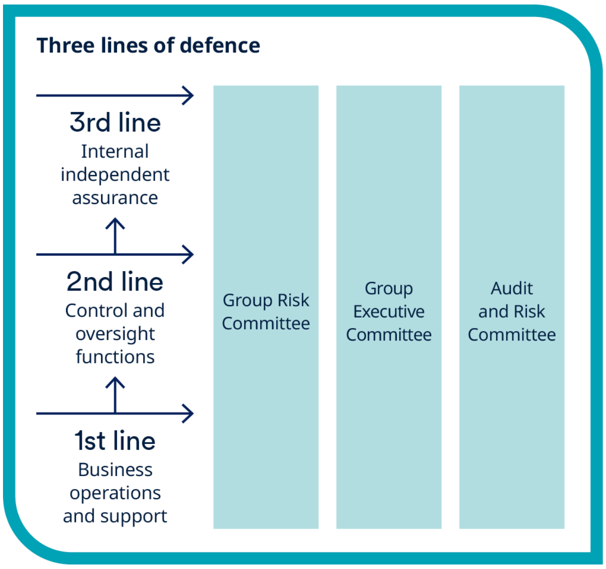
Lines of defence

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 potential risks and implementing and maintaining appropriate controls to manage these risks. They do this by applying our Risk and Control Assessment (RCA) process.

Line management is supplemented by oversight functions, including Risk and Compliance, Legal and Governance, Finance, Tax, and People and Culture. These constitute the second line of defence. The compliance assurance programme reviews the effective operation of relevant key processes against regulatory requirements.

Internal Audit provides retrospective, independent assurance over the operation of controls, and forms the third line of defence. The internal audit programme includes reviews of risk management processes and recommendations to improve the control environment. 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.



Risk appetite

Our risk appetite statements articulate the levels of risk the Board is willing to take in pursuit of the Group's strategy. They are reviewed and approved annually. They cover all our key risks (excluding strategic risks, as these occur due to the environment we operate in, and the Board adjusts our business strategy to respond to these risks). 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.

Organisational change

We are committed to maintaining stability in the organisation and for our clients during periods of transition by effectively managing the risks associated with organisational change. We have completed the transition to the new Group Chief Executive and Group ExCo and their plans are being implemented. As we make efficiency savings by implementing changes to our workforce, we focus on prioritising control activities to prevent and detect fraud, and reducing the reliance on individual expertise through cross-training and documentation of key procedures. Supporting our clients while retaining regulatory compliance is a key priority.

We are mindful of the impact organisational change can have on employee morale. We manage this through regular check-ins between employees and line managers, by prioritising workload carefully, and by supporting employees who are taking on new or expanded roles.

Clients and other stakeholders are at the heart of our strategy and drive any decisions we make to change what we do. We focus on maintaining strong client communications, addressing client questions and fully understanding their requirements. By managing our risks in this way, we aim to minimise any disruption to our business activities. Going forward we anticipate increased use of technology, efficiency gains and improved workflows will reduce operational risk.

Areas of focus for risk management

Supporting our three businesses: Public Markets, Schroders Capital and Wealth Management

Our Risk and Compliance function continues to provide effective oversight of our three businesses.

Within Schroders Capital, a new Asset Class Risk and Performance Committee has been established and is dedicated to the oversight of private debt and credit alternatives. Within Wealth Management, a new internal tool has been developed to enhance our liquidity oversight. In Solutions, which is part of Public Markets, our risk oversight has been enhanced with automated risk reporting via the creation of new risk dashboards. We also enhanced the data and configuration within our core investment management system to enable a broader set of risk measures to be monitored for liability driven investments.

Investment and credit risk

Despite strong performance during previous periods of stress, we have continued to enhance our readiness for future potential disruption. Initiatives included upgrading our fund liquidity crisis management plans, rehearsing steps to be taken in the event of a counterparty default, and creating a playbook to guide decisions for an event of client non-payment for fund subscriptions.

Increased automation of processes has continued to enable the replacement of certain manual tasks, allowing risk managers to focus on other value-add initiatives, and reducing operational risk. As an example, we have further enhanced our robotic tools which check that controls and limits across a wide range of portfolios are implemented and documented accurately.

To support the growing importance of technology in our investment and operational processes, we have continued to invest in our governance and controls. We rolled out a new internal system to monitor user-built tools and control the risks presented by these. Our Model Governance team, which reports to the Chief Risk Officer and is independent of the business, continues to undertake validations of models used in the investment process to verify their robustness.

Cyber risk

The Board receives regular information from management on key technology projects and cyber security trends. The Information Security Risk Oversight Committee oversees the management of cyber risk. We have continued to make good progress in delivering the Group-wide multi-year programme 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. In 2024 we ran a crisis management team simulation to assess the impacts of a ransomware attack on the organisation and test our responses to it.

Operational resilience

We continue to progress our operational resilience initiative and are on track to comply with the UK regulations. Our resilience capabilities are being further enhanced by a programme to comply with the European equivalent, the Digital Operational Resilience Act (DORA). Our work is focused on how we would respond and recover in the event of a severe disruption to a critical third party and how we would recover from a severe cyber attack (as described in the “Cyber risk” section). For the former, we have undertaken joint scenario tests with critical third parties. These tests involved table-top exercises where both parties were presented with a severely disruptive scenario, and together we worked through how we would respond and recover.

Sustainability

Under the UK FCA’s Sustainability Disclosure Requirements (SDR), certain types of funds can adopt a sustainability label based on their investment objectives and characteristics. All of Schroders’ in-scope funds seeking a sustainability label have received FCA approval for related prospectus updates (where relevant), and will have applied those labels ahead of the 2 April 2025 deadline. Adopting these labels will help to differentiate our sustainable product range, making it easier for clients who are seeking sustainable outcomes to identify opportunities to invest.

Governance of AI

We are embracing generative AI (GenAI) to enhance productivity and decision-making. Our internal AI assistant, Genie, is now used by over 3,000 employees each week and we are already achieving benefits through a number of targeted use cases across different parts of our business. Recognising both the opportunities and the inherent risks, Schroders has prioritised governance and responsible use since the beginning of its GenAI efforts. Our Responsible AI Working Group brings together senior representatives from Legal, Risk and Compliance, Information Security, Data Governance, People and Culture, and Policy teams to provide guidance and oversight of our use of the technology. We have expanded our model governance framework to cover GenAI models influencing business decisions, to help mitigate the model risk of these solutions. Our Model Governance team is developing tools to test and assess the outputs of GenAI tools.

Globally, regulatory bodies are starting to address the impact of AI, with regulations such as the EU AI Act, in force from August 2024, which has a phased implementation over the following three years. We expect further legislative developments in other jurisdictions. We are actively participating in taskforces and consultations where appropriate.

The Board has received regular updates on our AI strategy as it has been progressing.

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 at the Asset Class Risk and Performance committees). Those relevant to specific entities are discussed at entity Boards and those affecting the Schroder 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.

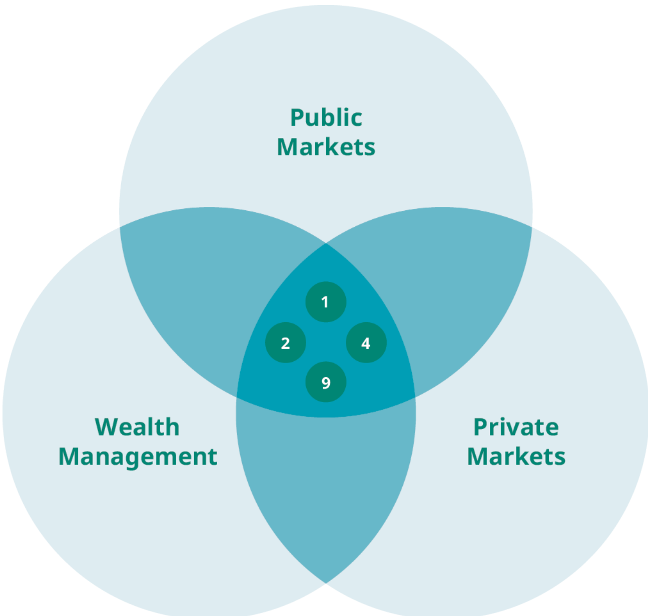
The results of these assessments are used to inform our key risks, which are presented to the GRC prior to the Audit and Risk Committee and Board.

We have reviewed the list of key risks and identified a sub-set that represent the Group's principal risks. This is not an exhaustive list, but these are the principal risks most likely to impact our strategy, business model, external reputation and future performance. 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 below to show our assessment of how our risk profile has changed since last year. Commentary to explain the changes can be found on pages 29-31.

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

The strategic risks we have identified have helped to shape our strategy



	Principal risks	2024	2023
1	Business model disruption	↔	↑
2	Changing investor requirements	↔	↔
3	Conduct and regulatory risk	↔	↔
4	Fee attrition	↔	↔
5	Financial crime risk	↔	↔
6	Financial instrument risk	↔	↔
7	Information security and technology	↔	↔
8	Investment performance risk	↔	↔
9	Market returns*	↑	↔
10	Operational process risk	↔	↔
11	People and employment practices*	↑	↔
12	Product strategy and management	↔	↔
13	Reputational risk	↔	↑
14	Sustainability including climate change	↔	↔
15	Transformation risk*	↑	n/a

*In 2024 these risks remained at the same level as the prior year. Since 31 December 2024, these risks have increased, which is reflected in the trend arrows above. Explanations for the increases can be found on pages 29 to 31.

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

	Description	How we manage this
1	**Business model disruption** Our business model could be disrupted by a range of external factors, including technology advancements such as AI, product evolution and market participants as well as protectionism and deglobalisation. Geopolitical turmoil, including sanctions and conflict, could impact our domestic business activities. For example, heightened tension between China and the West could affect the value of Chinese assets in which we invest on behalf of our clients. The opportunities and potential risks from AI are also recognised. This risk has stabilised at the higher level reported last year.	We continue to invest in our technology platform to support our business and embrace new technologies such as AI with an appropriate governance framework, including a dedicated AI Steering Committee, training and awareness. 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. Dedicated financial crime and compliance teams are in place to deal with potential executive orders or sanctions.
2	**Changing investor requirements** Client requirements are evolving rapidly. Failing to adapt or evolve our business model and product range to reflect these changes could lead to a decrease in AUM. Sustainability is a significant part of many of our clients' considerations and we expect climate risks to continue to feature in future investment requirements and offerings. Demand for many wealth management products continues to persist. There is a risk we do not grow and evolve to respond to this demand and retain and attract the right people to serve our wealth management clients.	We have established a clear structure with Public Markets, Schroders Capital and Wealth Management to serve different types of investor demands efficiently. We continue to focus on developing our investment capabilities, expanding into new investment types and specific areas of expertise, and commit seed capital to support product innovation for future growth.
3	**Conduct and regulatory risk** Client detriment may arise from inappropriate conduct of our staff or those of counterparties, suppliers and other third parties we engage, including failure to meet regulatory requirements (for example with respect to conflicts), poor behaviour, or failing to meet appropriately our clients' expectations. In 2024, we saw more clarity from certain regulators on their sustainability expectations, but there continue to be varying approaches, and scrutiny of greenwashing risk remains high.	We promote a strong compliance culture and seek to maintain good relationships with our regulators, engaging with them openly and regularly to keep them abreast of our thinking and plans. We also encourage appropriate conduct and regulatory compliance via our conduct risk framework, supported by training and compliance assurance programmes. To reinforce our commitment to integrity further, we have a robust whistleblowing process that empowers employees and external parties to anonymously report concerns without fear of retaliation, ensuring that all voices are heard and issues are investigated and addressed promptly.
4	**Fee attrition** Fee attrition may be caused by increased price competition in active management resulting from operational efficiency improvements implemented by peers; reduction in the costs of passive products (which puts downward pressure on the cost of active management); clients allocating more of their assets to passive products and increased cyclical demand for lower-margin strategies such as fixed income. This has resulted in downward pressure on traditional active management fees and therefore this risk remains at the elevated level reported in prior years. We are also exposed to the risk of intermediaries taking a greater share of revenue streams.	We have increased client access to private markets, for example through Future Growth Capital. We continue to focus on wealth management which provides diversified fee income, and this year extended our family office capability by acquiring Whitley Asset Management.
5	**Financial crime risk** Financial crime risks include bribery, corruption, fraud (including cyber crime), money laundering, sanctions evasion, tax evasion, as well as proliferation and terrorist financing. Financial crime can lead to significant financial losses, reputational damage, and legal penalties for both individuals and the organisation. Financial crime can also impact our clients, and undermine market integrity and consumer confidence. In addition, the fraudulent impersonation of Schroders can indirectly impact our reputation if members of the public are affected. Financial crime takes many forms and includes both external and internal threats. In 2024 there has been an increase in the number of fraudulent attempts potentially impacting either our clients, members of the public, our employees, or our business. These are increasingly sophisticated, including the use of impersonation and AI. The top fraudulent attempts include brand (email hacks and investment product frauds) and staff impersonation. The residual risk and impact for Schroders remains low, hence the trend remains stable.	We are fully committed to mitigating financial crime risks to protect our clients, working relationships, our business and the wider global economy. Risk-based client take-on and review processes are among our key controls to address the risks of money laundering and other financial crimes. Trading is subject to clear policies and to transaction surveillance processes. Financial crime oversight is provided by dedicated financial crime compliance officers and anti-money-laundering reporting officers, and is overseen by the Group Financial Crime Committee.
6	**Financial instrument risk** We face market, credit, liquidity and capital risks from movements in the financial markets in which we operate, arising from holding investments as principal. Heightened geopolitical uncertainty is the primary risk to forward-looking volatility. Of particular note are tensions in the Middle East and uncertainty around global government policies. On the positive side, falling inflation in major economies is facilitating reductions in central bank base rates. Failure to manage market, credit and liquidity risks arising from managing AUM on behalf of clients would be considered an operational process risk.	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 capital 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, bank lending portfolios and in our client assets.

	Description	How we manage this
7	**Information security and technology** 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 relates to the failure to deliver scalability, privacy, security, 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 progress continue to provide insight into the areas we should focus on to enhance our cyber defence capabilities. 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. The move of the service centre from Zurich to Horsham has improved the integration of the Wealth Management technology into Group technology. 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. 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. We operate a Global Technology Risk Committee to oversee operational risk associated with IT services across the organisation. A Responsible AI Working Group has been established to provide guidance and oversight of our use of the technology. Our data loss prevention controls seek to prevent the loss of sensitive information and intellectual property. We monitor staff closely and act decisively in closing down system access when roles change, or when staff are at risk of redundancy or leave the firm.
8	**Investment performance risk** There is a risk that portfolios may not meet their investment 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. The higher interest rate environment can impact clients' performance expectations and our ability to meet them and may require adjustments within strategies. Strong investment performance is critical to the success of Schroders. In 2024, while our three-year investment outperformance fell below our target of 60%, our one- and five-year investment outperformance was strong, hence this risk is at the same level as reported last year. Additionally, in the latter part of 2024, private markets continued to revert to pre-pandemic levels in terms of fundraising, and recovered in terms of investment activity and valuations, creating a favourable capital demand/supply balance for new investments.	We have clearly defined investment processes designed to meet investment targets within stated parameters, which are subject to independent review and challenge. Oversight of both risk and performance is embedded in our business processes and governance. In 2024, 58% of client assets outperformed benchmarks over three years and 76% outperformed benchmarks over five years.
9	**Market returns** Our income is mainly derived from the value of the assets we manage. Falling markets reduce our AUM and therefore impact revenues. They also impact our ability to deploy cash within private market funds and to raise new money for these funds. Global economic uncertainty and geopolitical risks, for example in response to the situations in Ukraine and the Middle East, make markets unpredictable for active management. Foreign exchange rates are a key factor in our financial performance as we are sterling denominated with earnings in other currencies. This risk has increased in 2025 due to uncertainty over future changes to global government policies, and rapid reactions, by other countries, to these potential changes.	We have diversified income streams across a range of markets to mitigate a considerable fall in any one area. Excluding associates and joint ventures, AUM from Private Markets and Wealth Management was £197 billion in 2024. 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.
10	**Operational process risk** The risk of failure of significant business processes, such as compliance with fund or mandate restrictions, fund pricing, trade execution for investment portfolios, whether these occur within Schroders or appointed third parties. It includes operational integration of acquisitions as there may be some risks while newly acquired firms are operating on different platforms, and before they are fully aligned to Schroders' policies. It also includes the ineffective management of joint ventures and associates.	Our key business processes are reviewed regularly and the risks assessed through the RCA process. Operational risk events are reviewed to identify root causes and implement control improvements. When we undertake change, such as acquisitions, we assess new processes that may arise. We work with acquired firms to move them onto our platforms (where appropriate) and to align our policies. 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.
11	**People and employment practices** People and employment practices risk may arise from an inability to attract or retain key employees to support business activities or strategic initiatives; non-compliance with legislation; failure to manage employee performance and morale; and risk of disputes with employees. As at 31 December 2024, the morale of the workforce generally remained strong, as evidenced by our pulse survey results. However, we are mindful of the impact organisational change and a tighter cost environment can have on morale and employee productivity, as well as increasing the likelihood of employee disputes. Continued 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 performance of each business area. We have policies and procedures to manage employee issues appropriately, handling them fairly and in compliance with local legislation. For more details of how we are mitigating risks relating to organisational change see 'Transformation risk' on page 31 and 'Organisational Change' on page 26.

	Description	How we manage this
12	**Product strategy and management** There is a risk that our product or service offering does not provide access to strategies that will help investors to meet their objectives. There is also the risk that products are not accurately described, do not perform in alignment with their investment objectives for a sustained period, or that product liquidity is not consistent with the product description or the redemption requirements of investors. The growing offering of Schroder products investing in private markets that offer elements of liquidity under different terms highlights the importance of having a good Liquidity Risk Management framework. In 2024 we continued to identify products which fell below their minimum viable size from a complexity and sales perspective. Continuing to offer these products would impact the efficiency and scalability of our business. As a result, in 2025 we plan to simplify our product range.	Risks are managed within our product frameworks, which include our Commerical Assessment Forum, regional Product Development Committees and Product Governance Committee. Ongoing performance is overseen by the Asset Class Risk and Performance Committees. We have a Liquidity Risk Management framework and monitor the liquidity of our products on an ongoing basis. There is a process to raise awareness of funds identified as having more challenging liquidity profiles so that any changes to client sentiment (or potential redemptions) would be notified to relevant teams rapidly, to reduce potential liquidity risk issues. Where we make changes to our product range these changes will be fully explained to clients and their advisers and we will work with them to identify suitable alternatives.
13	**Reputational risk** This may arise from poor conduct, judgement or risk events due to weaknesses in systems and controls and may lead to loss of assets or inability to win new business. In recent years we have extended our business through a number of acquisitions. Reputational issues in joint ventures and associates where we have limited control of the outcome could adversely impact the Group. The rise of AI provides opportunities for efficiency but also gives rise to potential reputational risk. Social media exacerbates reputational risk due to the pace at which information or disinformation can be spread, and how the information may be perceived by different stakeholders. It has also increased the complexity of Schroders brand impersonations, making them more onerous for us to take down.	We consider reputational risk when initiating changes to our strategy or operating model and focus on maintaining high standards of conduct. We have a number of controls and frameworks to address other risks that could affect our reputation, including: financial crime, investment risk, client take-on, client communications, conduct risk, whistleblowing and product development. Our Schroders appointed Board members oversee the activities of joint ventures and associates, supported where necessary by oversight committees. We have established a greater awareness of reputational risk across the Group, and at the Group ExCo, enabling us to be better equipped to respond to reputational risk issues as and when they occur. Potential reputational risk arising from our use of AI is being managed through our AI framework.
14	**Sustainability risk including climate change** Failure to understand, accurately assess and manage investment risk associated with sustainability factors within assets and portfolios, and to appropriately articulate the risks, and our commitments in relation to them, to clients and stakeholders. This may lead to poor investment decisions, and a failure to offer appropriate sustainable products or to meet our clients' expectations, impacting our performance, brand and reputation. A failure to meet corporate climate change targets may have a similar impact. In 2024, as political and social attitudes towards sustainable and climate investment have diverged, with critical voices becoming louder, our action and conviction in their importance presents regulatory and demand risks to our business in some markets. There is a risk that clients that are critical of sustainability 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, in the UK the opportunity to apply for a sustainability label under SDR will enable us to differentiate our product range, which will be attractive for some clients. Therefore this risk remains as the same level as reported previously. The regulatory aspects of this risk are captured within "Conduct and regulatory risk" above. The impact of climate on each of our principal risks is set out in our Climate Report.	We have developed a range of proprietary tools to understand better the potential effects of sustainability risks, including climate change, on the portfolios we manage. We use ESG 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 ESG factors into our investment desks' processes and re-accredit them on an annual basis. Regarding climate specifically, we have developed a Net Zero Dashboard, which enables our investment teams and central risk function to monitor the temperature alignment of portfolios and track our progress against our business-wide net zero commitment. All of Schroders' in-scope funds seeking a sustainability label have received FCA approval for related prospectus updates (where relevant).
15	**Transformation risk** Failure to manage and/or deliver transformation effectively across the firm could impact our ability to achieve our strategic objectives.	Our focus is on identifying areas where we can be more efficient while enabling the business to continue to grow. Our transformation plans are being carefully designed with a long-term outlook and clients at the centre of our decisions. We have established a Group Transformation Planning Office to ensure that all initiatives are effectively coordinated 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.

Our stakeholders

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

Clients

Building our clients' future prosperity

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.

How do we engage with them and consider their interests?

In 2024, our commitment to engaging with clients and understanding their interests has continued to evolve through our focus on four global client segments. This strategic approach enables us to gain deeper insights into the specific needs and challenges our clients face, allowing us to combine complementary capabilities across the firm to deliver tailored solutions.

Our Client Group remains central to our efforts, with client service teams playing a crucial role in delivering exceptional experiences. Global segment specialists collaborate with regional client teams to ensure that our services are locally relevant while harnessing segment expertise to resonate with clients.

Our Client Insights Unit is a cornerstone of our data-driven approach, facilitating the analysis of internal and external data. Segment knowledge and regional insights ensure our messages are relevant and impactful. We foster ongoing dialogue through our thought leadership initiatives, global events, and targeted client feedback initiatives.

Outcomes

An independent global study on asset management found that Schroders ranked 5th in brand awareness across more than 2,600 managers. Our strategic client review results show positive sentiment regarding assurance and trust in Schroders, along with the empathy of client teams. We continued to embed our Client Group structure, extending our insights into clients and their needs. This has influenced the expansion of our product range and offerings in public and private markets.

Shareholders

Delivering long-term sustainable value for our shareholders

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.

How do we engage with them and consider their interests?

The Board actively engages with shareholders, using various channels to facilitate communication, and receives regular updates on these interactions.

Our AGM serves as a key platform for engagement, offering both in-person and virtual participation. We also arrange roadshows that follow our results announcements to update shareholders.

Throughout the year, we keep our shareholders informed of progress through meetings hosted by either the Investor Relations team or senior management. In the last quarter of 2024, both Richard Oldfield and Meagen Burnett met with our largest shareholders to continue these key relationships.

Outcomes

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. Engaging with shareholders helps us understand their needs and has been a key consideration in the development of the Group's strategy. We tailored our Q3 2024 results announcement in response to feedback from shareholders and the wider market.

Our people

Fostering a purpose-led, inclusive and high-performing culture

Our people are vital for delivering strong investment performance and driving positive change. We attract and develop talented individuals while fostering an inclusive, purpose-driven and high-performing culture. Schroders values diverse perspectives and provides growth opportunities for all employees.

This commitment enhances our clients' experience by offering diverse insights and innovative solutions.

How do we engage with them and consider their interests?

We engage with our people through in-person events and digital channels, including videos, an internal magazine, and the annual People and Culture calendar. Our Group Chief Executive and Group Executive Committee (Group ExCo) members share insights through personalised video blogs and respond directly to colleague questions in global town hall meetings. Additionally, we organise "Pulse Points", which feature discussions with the Group ExCo.

The Group Chief Executive meets with smaller groups for updates and questions during "Inside Schroders Lite" sessions held in London and globally throughout the year.

Our Global Employee Forum offers an open platform for employees to share concerns and ensures regular feedback to the Board.

To understand employee needs, we conduct pulse surveys, host Q&A events, and collaborate with Employee Resource Groups (ERG) for insights.

Outcomes

In our pulse survey, 87% of employees expressed pride in working for Schroders, exceeding external benchmarks and indicating strong engagement. We are committed to transparency and consulting with ERGs, employee-led networks, to achieve our 2030 inclusion aspirations (taking into account requirements in the local markets in which we operate).

Section 172 statement

This section forms our Section 172 disclosure, describing how the directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Board is committed to promoting the Company's success while considering the interests of other stakeholders. Examples of how the Board has considered the interests of the Group's stakeholders appear throughout this report. Specific examples of how the Board considered their interests in relation to its principal decisions made during the year are set out on page 47.

For further information please refer to our KPIs on pages 2 to 3, People and community on pages 16 to 17, Leadership in active management on pages 22 to 23, and our Climate-related disclosures on pages 24 to 25 and 177 to 183.

Wider society

Supporting our communities and the environment

As a responsible steward of assets, we have developed strategies which aim to deliver positive financial returns to our investors while making a measurable positive contribution to society and the environment. These strategies are in keeping with client mandates.

How do we engage with them and consider their interests?

Our Investment teams engage investee companies in their transition to sustainable business practices. Our Engagement Blueprint outlines our principles for engaging with these companies, where we consider issues important or potentially important to their long-term performance, including establishing targets, focusing on material sustainable risks and opportunities, monitoring progress and voting in accordance with our active ownership principles.

We benefit communities worldwide through fundraising and volunteering. Our Schroders Giving partnerships amplify our societal impact, and our employees help select the causes we support.

Respecting human rights and preventing violations, such as modern slavery, remains a priority.

Outcomes

In 2024, we met with over 9,000 management teams on a wide range of topics, and engaged with over 3,500 companies on sustainability-focused topics. A solar farm installation was unveiled at the Horsham campus, marking a significant milestone in the Group's sustainability journey. We committed £5.9 million to charitable causes, and continued our Global Volunteer Recognition Scheme. Modern slavery training was provided to all employees, detailing the scale and complexity of these issues.

External suppliers

Working with trusted partners

Our global network of external service partners and suppliers are essential to delivering our corporate strategy. We are committed to the principles of the Prompt Payment Code and aim to treat suppliers fairly and consistently. They supplement our infrastructure, provide expertise and specialised skills which helps us operate our business effectively.

How do we engage with them and consider their interests?

Our Procurement Policy governs the sourcing, selection, onboarding, management, oversight, and reporting of suppliers. It outlines the roles and responsibilities required to effectively manage our supplier relationships.

Our Supplier Code of Conduct establishes clear standards for ourselves and our suppliers regarding human rights, ethical sourcing, financial crime, health and safety, and the environment.

Day to day oversight and engagement is conducted by our Procurement team and relevant business units. Material issues are escalated where necessary.

Throughout 2024 we have been actively reviewing our global supply chain to rationalise supplier numbers and enable a more focused and targeted engagement.

Outcomes

We are dedicated to ensuring fair treatment of suppliers, recognising them as essential stakeholders. We ensure fair payment practices by making timely payments to our suppliers in accordance with agreed terms. Our annual Modern Slavery Statement will be approved by the Board and published later in 2025. This details our risk assessment and due diligence processes for suppliers regarding modern slavery.

Regulators

Building respectful relationships

As a global business, we are committed to collaborating and engaging with key regulatory stakeholders, including local and regional regulators, exchanges, non-governmental organisations, and trade associations. Through our participation, we share insights, support policy development, share best practices, and advocate for better-functioning markets.

How do we engage with them and consider their interests?

In addition to our compliance and risk teams who directly liaise with regulators, we have a dedicated public policy presence in the UK and in Brussels for the EU. This team works closely with colleagues globally, leveraging their knowledge and market expertise.

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.

Through our engagements, we aim to comply with current requirements, shape future ones, and ultimately provide better service to our clients, while contributing to a competitive and resilient financial system.

Outcomes

In 2024, our Public Policy team addressed key topics, including UK primary markets, pensions reforms, and European developments related to sustainability disclosures and naming requirements. Ongoing engagement with supervisory teams covered topics such as operational resilience, Consumer Duty, sustainability, and liquidity risk. We also participated in the Bank of England's system-wide exploratory scenario (SWES) to enhance understanding of firm behaviour in stressed financial market conditions.

1. www.schroders.com/policymakers/

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 2029 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 2025. 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 are 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 28 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
- An increase in the ratio of total operating expenses to net operating income

The Group also assesses the impact of regulatory stress scenarios published by the Prudential Regulation Authority. 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 may 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 geographically diversified business. 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 5 March 2025 and signed on its behalf by:

Richard Oldfield
Group Chief Executive

5 March 2025

Governance

Leading a world-class business

Collectively responsible for the management, direction and performance of the Company

N Nomination and Governance Committee
AR Audit and Risk Committee
R Remuneration Committee
Chair

	Skills, experience and contribution	Principal current external appointments
 **Dame Elizabeth Corley** Chair N	Elizabeth was appointed as an independent non-executive Director in September 2021 and became Chair at the conclusion of the 2022 Annual General Meeting. Elizabeth is a non-executive Director of BAE Systems 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. and Pearson plc. Elizabeth is a leading figure in financial services with over 45 years' experience. Elizabeth 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 BAE Systems plc – Chair Emerita of the Impact Investing Institute – 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. 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. Richard brings a deep capability in leading an international business, combined with technical and strategic capabilities. His global perspective and his experience in advising large multinational financial services organisations will help us to continue to deliver our strategy.	– Trustee and Finance and Property Committee Chair of The Duke of Edinburgh's International Award Foundation – Member of the FCA Practitioner Panel
 **Meagen Burnett** Chief Financial Officer	Meagen joined Schroders in January 2023 as Chief Operating Officer. On 1 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. Prior to joining Schroders, Meagen spent 11 years at M&G plc, leading a comprehensive transformational change programme, and held various transformation, operational, audit, risk and IT control roles at J.P. Morgan, Goldman Sachs and KPMG. With more than 25 years spent in financial services, Meagen is an experienced leader in delivering organisational change. She brings commerciality to resource and capital allocation and drives innovation and efficiencies in our business processes.	– None
 **Johanna Kyrklund** Group Chief Investment Officer	Johanna joined Schroders in 2007 and was appointed Group Chief Investment Officer in September 2019 and as an executive Director on 1 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. 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. Johanna's extensive investment experience will help to ensure that the client outcome remains at the heart of how we invest. Her elevated role underlines the strategic importance of investment at Schroders.	– Member of Christ Church Investment Committee

	Skills, experience and contribution	Principal current external appointments

Ian King
Senior Independent Director[1]

N R

Ian was appointed to the Board as an independent non-executive Director in January 2017, and was appointed as Senior Independent Director in April 2018.

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.

Having held a number of leadership positions in major multinational companies, and having capital markets experience both as an executive and non-executive Director, Ian brings strong global leadership experience, which is of great value to the Group as we continue to grow our business internationally.

1. Ian will step down from the role of Senior Independent Director with effect from the conclusion of the AGM on 1 May 2025, remaining on the Board as an independent non-executive Director.

Principal current external appointments:
- Senior Adviser to the board of Gleacher Shacklock LLP
- Chairman of Senior plc
- Director of High Speed Two (HS2) Limited and lead non-executive Director for the Department for Transport

Claire Fitzalan Howard
Non-executive Director

N

Claire was appointed as a non-executive Director in April 2020.

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.

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.

Principal current external appointments:
- Non-executive Director of Caledonia Investments plc
- Director and Trustee of the Schroder Charity Trust
- Trustee of a number of charitable foundations

Rakhi Goss-Custard
Independent non-executive Director

N AR

Rakhi was appointed as an independent non-executive Director in January 2017.

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 and Rightmove plc.

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 has an increasingly important impact on the asset management industry.

Principal current external appointments:
- Non-executive Director of Trainline plc and Chair of the Remuneration Committee
- Non-executive Director of Kingfisher plc and Chair of the Remuneration Committee

Iain Mackay
Independent non-executive Director[2]

N AR

Iain was appointed as an independent non-executive Director on 1 January 2024.

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.

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 operate.

2. Iain will succeed Ian King as Senior Independent Director with effect from the conclusion of the AGM on 1 May 2025.

Principal current external appointments:
- Non-executive Director and Chair of the Audit and Risk Committee of National Grid plc
- Non-executive Director of UK Government Investments

	Skills, experience and contribution	Current external appointments
 **Leonie Schroder** Non-executive Director N	Leonie was appointed as a non-executive Director in March 2019. Leonie is currently a Director and Trustee of the Schroder Charity Trust and has held a number of roles in the charity sector. 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 – Director of a number of private limited companies
 **Annette Thomas** Independent non-executive Director N R	Annette was appointed as an independent non-executive Director in September 2023. 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. Annette brings her experience in leading global publishing and data analytics businesses with her digital, data and analytics expertise, which is of great benefit to the Group as we continue to invest in these important areas.	– Non-executive Director of Pearson plc – Non-executive Director of EcoVadis – Non-executive Director of OpenClassrooms – Senior Adviser to General Atlantic
 **Frederic Wakeman** Independent non-executive Director N AR R	Fred was appointed as an independent non-executive Director on 1 January 2024. Fred was Managing Partner and Head of TMT at Advent International, a leading global private equity investor. During his 23-year career, Fred managed Advent's London and New York offices and served on both their European and North American Investment Advisory Committees. Fred 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.	– Founder of Blue Endeavor Ventures – Co-founder of Scale-Up Fund
 **Deborah Waterhouse** Independent non-executive Director[3] N AR	Deborah was appointed as an independent non-executive Director in March 2019. Deborah is the CEO of ViiV Healthcare, a leading global company, majority owned by GSK and focused on advancing science into HIV treatment, prevention and care. Deborah is also a member of the GSK Corporate Executive Team. Deborah brings her experience as chief executive of a major international business operating in many of the markets we are active in, which is of great benefit as we continue to grow our business internationally. 3. Deborah will be stepping down from the Board with effect from the conclusion of the Annual General Meeting on 1 May 2025.	– CEO of ViiV Healthcare – Member of the GSK Corporate Executive Team

	Skills, experience and contribution	Current external appointments
 **Matthew Westerman** Independent non-executive Director N 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. Matthew started his career in 1986 at Credit Suisse First Boston. He subsequently worked at Rothschild & Co, where he became Managing Director and Joint Chief Executive of ABN AMRO Rothschild. He joined Goldman Sachs in 2000 and became a partner in 2002. During his tenure, he led substantial businesses within the Investment Banking Division. He left Goldman Sachs in 2016 to become Co-Head of Global Banking at HSBC. Matthew brings significant experience of global financial markets after a distinguished career in investment banking.	– Director of MW&L Capital Partners – Foundation Fellow of Balliol College, Oxford – Trustee of the UK Holocaust Memorial Foundation
 **Kate Graham** Group Company Secretary	Kate was appointed as Group Company Secretary on 1 May 2024. Kate was previously Deputy Group Secretary at Aviva, leading the global Governance team, and Partner at PwC, where she led the Listed and Financial Services Governance practice. Kate is responsible for the Group's Governance framework and is the principal adviser on all governance matters. 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

Composition of the Board at 5 March 2025

Board composition

Executive Directors	23%
Non-independent non-executive Directors	15%
Independent non-executive Directors	62%

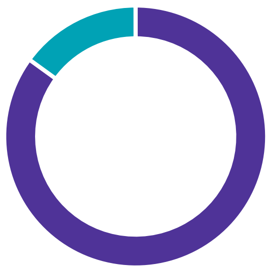
Non-executive Directors' tenure

0–3 years	30%
3–6 years	50%
6–9 years	20%

Board gender diversity

Male	38%
Female	62%

Board ethnic diversity



White	85%
Ethnically diverse	15%

Clarity and leadership in a year of transition

Dame Elizabeth Corley
Chair

I am pleased to present our governance report for 2024. The following pages discuss the operation of the Board and its Committees during the year, how we discharged our responsibilities, and the governance arrangements supporting the Board and the business.

Succession planning and leadership transition

In my last report, I said the Board was focusing on developing strategy for the long term and that strategy would remain one of our major priorities in 2024. This proved to be the case, and strategic leadership was a key consideration throughout our executive Director succession planning process during the year.

As shareholders will be aware, in April 2024, Peter Harrison informed the Board of his intention to retire after 11 years with Schroders and 8 years as Group Chief Executive. Following Peter's decision, the Nomination and Governance Committee spent time considering the future skill set, experience and aptitudes required of the senior leadership team that would deliver the Group's priorities going forward and led the process that resulted in the appointment of Richard Oldfield as Group Chief Executive. With Richard Oldfield in position since 8 November 2024, and the appointment of Meagen Burnett and Johanna Kyrklund to the Board on 1 January 2025, as Chief Financial Officer and Group Chief Investment Officer, respectively, we have exceptional international mindsets, experience and leadership across a wide range of disciplines. The appointments are a great reflection of the talent we have within the Group. Since the announcement of these appointments, I have met shareholders, at their request, to describe our process, and Richard, Meagen and Johanna have held introductory meetings with major shareholders.

Full details of our succession planning and the search, selection and appointment process can be found in the Nomination and Governance Committee report on pages 50 to 53.

In May 2024, the Board appointed a new Group Company Secretary, Kate Graham, succeeding Graham Staples. I would like to thank Graham for his enormous contribution to the Board over his 20 years in the role. I would also like to thank Rhian Davies, who stood down as an independent non-executive Director at the AGM in 2024, for her dedication, especially during her tenure as Chair of the Audit and Risk Committee.

Strategy, performance and clients

As a Board we continue to oversee and test the Company's strategy. The development and delivery of that strategy falls to the executive leadership team, and in November 2024, our new Group ExCo was established, and now consists of of the Chief Executives of our three businesses – Public Markets, Schroders Capital and Wealth Management – the Group Head of Strategy and Investor Engagement, the Head of Client Group, our Chief People Officer, and our Group General Counsel, alongside the Group Chief Executive and our Chief Financial Officer. This focused team is responsible for delivering operational and financial performance.

In addition, clients and our people remained key areas of focus for the Board throughout the year. In May 2024 the Board travelled to Paris to spend time with colleagues and clients. We consider these international visits as important opportunities to understand how well the culture we see clearly in London has travelled in our global business.

Our people

The Board focused on ensuring clear communication during the leadership transition to maintain stability for our people and our clients. Our people are critical to the success of our business. During the year consideration was given to the culture of the Group and the strength of the employee value proposition. You can read more about how we maintain our high-performing culture in the "People and community" section on page 16.

Looking ahead

The Board will continue to maintain high standards in the way it works. As part of our process for self-evaluation and improvement, we conducted our annual review of the effectiveness of the Board. The review was undertaken internally this year and the findings can be found on page 49. My focus now is on embedding the new executive Directors within our Board while maintaining an effective and productive Board dynamic. As our industry will continue to change rapidly, we will keep the composition of our Board under active review to ensure that we evolve and adapt appropriately. I am confident we have the right senior leadership team to execute the delivery of our strategy and that the Board will continue to oversee the performance of our strategy for the long-term benefit of clients, shareholders and other stakeholders.

Dame Elizabeth Corley
Chair

5 March 2025

2024 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. Meagen Burnett and Johanna Kyrklund were appointed to the Board on 1 January 2025, and therefore do not feature in the table.

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	Audit and Risk Committee	Remuneration Committee[2]
Chair				
Dame Elizabeth Corley	11/11	6/6		
Executive Directors				
Peter Harrison[3]	8/8			
Richard Oldfield[4]	9/9			
Non-executive Directors				
Ian King[5]	11/11	6/6		6/7
Rhian Davies [6]	2/2	1/1	1/1	2/2
Claire Fitzalan Howard	11/11	6/6		
Rakhi Goss-Custard[7]	10/11	5/6	5/5	
Iain Mackay[7]	9/11	6/6	5/5	
Leonie Schroder	11/11	6/6		
Annette Thomas[7]	10/11	5/6		7/7
Deborah Waterhouse[7, 8]	9/11	5/6	5/5	3/3
Frederic Wakeman[9]	11/11	6/6	5/5	4/4
Matthew Westerman[7]	10/11	5/6	5/5	7/7

1. There were six scheduled Board meetings held during the year and five ad hoc meetings to consider Board appointments, strategy updates and the Q3 results.
2. There were five scheduled Remuneration Committee meetings held during the year and two ad hoc meetings to consider the remuneration arrangements for the new Group Chief Executive and other executive Director appointments.
3. Peter Harrison stepped down from the Board on 8 November 2024 and was succeeded as Group Chief Executive by Richard Oldfield from that date. Peter was recused from two meetings of the Board that discussed the Group Chief Executive's succession.
4. Richard Oldfield was recused from two meetings of the Board that discussed the Group Chief Executive's succession.
5. Ian King was unable to attend one meeting of the Remuneration Committee due to prior commitments overseas.
6. Rhian Davies retired from the Board on 25 April 2024.
7. The meetings not attended by Rakhi Goss-Custard, Iain Mackay, Annette Thomas, Deborah Waterhouse and Matthew Westerman identified above, were all ad hoc meetings called at short notice. All meetings were quorate at all times.
8. Deborah Waterhouse stepped down as a member of the Remuneration Committee on 31 May 2024.
9. Frederic Wakeman was appointed as a member of the Remuneration Committee on 1 August 2024.

The Board and its Committees

The Board has collective responsibility for the management, direction and performance of the Company. It is accountable to shareholders 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, employees, external service providers, regulators and wider society. 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 are contained in the Schedule of Matters Reserved to the Board, which can be found on the Company's website[1] 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[2].

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.

1. www.schroders.com/board-matters
2. www.schroders.com/board-committees

Governance framework

Board

The Board is collectively responsible for the management, direction 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	Risk management framework, risk appetite and tolerance limits Board and Committee composition, succession planning and Committee terms of reference	Corporate governance arrangements, including Board conflicts of interest Maintenance of an effective system of internal controls and risk management Remuneration strategy

The full Schedule of Matters Reserved to the Board can be found on the Company's website, 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, GSI and the GRC.

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 if needed. The current SID, Ian King, is the designated non-executive Director responsible for engagement with the workforce.

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

Nomination and Governance Committee

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

Chair: Dame Elizabeth Corley

Audit and Risk Committee

Responsible for overseeing financial and non-financial reporting, risk management and internal controls, 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

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 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.

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 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.

Independence

The Board remains committed to its stated policy regarding the benefits of an absolute majority of 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 continues to add value to the Board and the Group. The Board has therefore recommended their re-election at the 2025 Annual General Meeting (AGM).

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, Meagen Burnett and Johanna Kyrklund will offer themselves for election at the AGM on 1 May 2025. All other Directors are required to seek re-election on an annual basis unless they are retiring from the Board. Deborah Waterhouse will not be seeking re-election as a Director and will stand down at the conclusion of the 2025 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 62.

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 them with a deeper understanding of the Group. The Chair and Group Company Secretary discuss briefing topics annually and agree what these should cover.

During 2024, a briefing was provided on the geopolitical outlook and how it affects Schroders. Our Global Head of Sustainable Investment also held a briefing session on our sustainability approach and our strategy and priorities in light of the external environment and industry trends.

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.

Following the appointments of Iain Mackay and Frederic Wakeman in January 2024, and Meagen Burnett and Johanna Kyrklund in January 2025, comprehensive and tailored induction programmes were provided and are ongoing, further information on which can be found on page 52.

The induction processes involve:

- 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.

Role of Group ExCo

Upon his appointment as Group Chief Executive in November, Richard Oldfield launched a new Group ExCo focused on executing the Group's business strategy and driving growth. Demonstrating the strength and depth of our talent, eight of the nine Group ExCo roles were filled by existing internal executives.

The Group ExCo's primary role will be to advise the Group Chief Executive on matters of strategy, operational performance, finance and capital, risk and internal controls, and people. Day-to-day management of the various businesses and functions within the Group will be the individual responsibility of the relevant Committee members.

You can read the biographies of each of our Group ExCo members on our website at www.schroders.com/exco

Compliance with the 2018 UK Corporate Governance Code (2018 Code)[1]

During 2024, the Board complied with the 2018 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 2018 Code compliance.

In preparation for compliance with the 2024 UK Corporate Governance Code (2024 Code), during the year we undertook a detailed review to evaluate the impact that the 2024 Code will have on our governance and risk management arrangements. We will report on our compliance with the 2024 Code in our next Annual Report.

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 long-term sustainable success of the Company. The Board ensures that due regard is paid to the interests of our stakeholders, who include our clients, shareholders, employees, external service providers, regulators and wider society. See "Key areas of focus during the year" on page 46.
B	**Our purpose, values and strategy**	The Board has collective responsibility for the management, direction and performance of the Company. Certain decisions can only be taken by the Board, including decisions on the Group's overall strategy, significant new business activities and the strategy for management of the Group's capital. See "Stakeholder interests and engagement" on page 47.
C	**Resources and controls**	The Board reviews the financial performance of the Group at each scheduled meeting and is ultimately responsible for the Group's control framework. The Audit and Risk Committee carries out an annual assessment of the effectiveness of the system of internal control on behalf of the Board. See the Audit and Risk Committee report on pages 54 to 61.
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. See page 47.
E	**Workforce engagement**	Each year, the Board receives an update on Schroders' people and culture. Ian King is our designated non-executive Director responsible for gathering workforce feedback and he chairs the Global Employee Forum. See page 46.

Division of responsibilities

F	**The role of the Chair**	The roles of the Chair and 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. Elizabeth Corley became Chair at the conclusion of the 2022 AGM and was considered independent on appointment. Job descriptions for the Chair and Chief Executive can be found at www.schroders.com/board-matters.
G	**Board composition**	The Board is committed to its stated policy of having an absolute majority of independent Directors. The Board believes that it operates most effectively with an appropriate balance of executive Directors, independent non-executive Directors and Directors who have a connection with the Company's Principal Shareholder Group. No individual or group of individuals is in a position to dominate the Board's decision-making. Towards the end of 2024, we launched a succession planning project focused on reviewing the composition of the Board over the short, medium and long term. See page 39.
H	**Role of the non-executive Directors**	Non-executive Directors are expected to provide independent oversight and constructive challenge. They also help develop proposals on strategy, performance and resources, including key appointments and standards of conduct.
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 arrange to receive additional briefings on the business, external development and professional advice, independent of the Company, at the Company's expense.

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. See the Nomination and Governance Committee report on pages 50 to 53.
K	**Skills, experience and knowledge of the Board**	In 2021, the Nomination and Governance Committee carried out a full analysis of the Board to identify the skills and experience required by future appointments. This analysis has been updated, and the results informed the role profiles used in the appointment process for the Group Chief Executive and Chief Financial Officer. At the end of 2024, the Committee initiated a longer-term succession planning process for the Board, to ensure the composition, skill set and experience on the Board remains appropriate for the medium term. See the Nomination and Governance Committee report on pages 50 to 53.
L	**Board evaluation**	The 2024 Board evaluation was conducted internally. As part of this process, interviews were held by the Group Company Secretary with each Director. Independent Board Evaluation (IBE) facilitated an external Board evaluation in 2022 in accordance with the Code requirement. An external Board performance review will be conducted in 2025. See 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. The Group Head of Internal Audit reports directly to the Chair of the Audit and Risk Committee. See the Audit and Risk Committee report on pages 54 to 61.
N	**Fair, balanced and understandable assessment**	The Audit and Risk Committee reviews the Company's financial reporting in detail and recommends to the Board that the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable. See the Audit and Risk Committee report on pages 54 to 61.
O	**Risk management and internal control framework**	The Audit and Risk Committee carries out an annual assessment of the effectiveness of the system of internal controls and considers the adequacy of risk management arrangements in the context of the business and strategy. The Committee also considers the principal risks, alongside emerging and thematic risks, that may have an impact on the Group. See the Audit and Risk Committee report on pages 54 to 61.

Remuneration

P	**Policies and practices**	Executive remuneration is designed to align with our purpose. Our Remuneration policy was approved at the 2023 AGM, following engagement with shareholders, and is expected to apply for three years. See the Remuneration report on pages 62 to 83. A summary of our Remuneration policy can be found at www.schroders.com/rp.
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 policy approved by shareholders. No Director is involved in discussions relating to their own remuneration. See the Remuneration report on pages 62 to 83. A summary of our Remuneration policy can be found at www.schroders.com/rp.
R	**Exercising independent judgement and discretion**	We pay for performance in a simple and transparent way, clearly aligned to shareholder and client interests, to the financial performance of the Group, and the progress made towards our strategic goals. See the Remuneration report on pages 62 to 83.

1. The 2018 Code is available at www.frc.org.uk

Key areas of focus during the year

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; the Group Company Secretary on governance developments; and, where relevant, a report from each of the Board Committees.

Set out below are the key topics considered by the Board during 2024, taking into account the views of key stakeholders while continuing to promote the Group's long-term success. Throughout the year, the Board considered workforce welfare, external markets, our clients, the Group's capital position, business performance and operations, and the need to keep the market updated on key developments.

Strategy

- The Board continued to focus on the development and delivery of our overall strategy. In the first half of the year, the Board reviewed the Group's overall strategy and future strategic direction. Following the appointment of our new Group Chief Executive, the Board held a strategy off-site. A review of the Group's five-year forecast was also considered.
- At each scheduled meeting, the Board received strategic updates from the business. During 2024, these included Wealth Management, Schroders Capital, Public Markets and Client Group, as well as post-acquisition reviews, and updates on our strategic partnerships and alliances, our AI strategy and corporate development.
- The Board considered and approved key strategic projects, including our partnership with Phoenix Group, the issuance of Tier 2 debt and the acquisition of Whitley Asset Management, all of which are discussed in more detail on the next page.
- A number of additional Board calls were arranged throughout the year to supplement the discussions on strategy and to consider the appointments of the new Group Chief Executive, Chief Financial Officer and the appointment of the Group Chief Investment Officer to the Board.

Financial performance and risk management

- The Board reviews the Group's financial performance at each scheduled Board meeting. In February, the Board reviewed the 2023 Annual Report and Accounts and final dividend proposal. In July, the Board reviewed the 2024 half-year results and approved an interim dividend of 6.5 pence per share.
- The five-year forecast was discussed by the Board in November to support the Board's strategic considerations.
- During the year, the Board approved the Group's operational resilience self-assessment, ICAAP, ILAAP, recovery plan, resolution process and wind-down plan following their review by the Audit and Risk Committee (including risk appetite statements).
- The Board also approved the Group's Climate Report 2023 to provide our shareholders, clients and other stakeholders with a better understanding of our exposure to climate-related risks.

People and culture

- The Board considers our people to be central to delivering the Group's strategic priorities and considers our culture to be one of our assets.
- The Board engaged with employees throughout the year through regular pulse surveys. In addition, Ian King, our designated non-executive Director responsible for workforce engagement, chairs the Global Employee Forum to hear directly from employees on issues that concern them. Ian provided feedback to the Board on the key issues raised at forum meetings. In July, the Board and senior leaders hosted a summer reception with key representatives from our employee resource groups from around the business.
- In September, the Board received a people and culture update. This provided a timely opportunity to reflect on the aspects of our employee value proposition that we need to retain and amplify, as well as those elements we are seeking to change.
- The Board welcomes the opportunity to engage with our people and will continue to do so in 2025 and beyond.

Shareholder engagement

- The Board engaged with shareholders throughout the year. The primary means of communicating with shareholders is through the AGM, the Annual Report and Accounts, full-year and half-year results and related presentations.
- The Investor Relations programme has continued our engagement with our major shareholders. During the year, we engaged with shareholders via investor calls and roadshows that follow our results announcements. Outside of the UK, we hosted an East Coast Roadshow in New York, Boston and Toronto, as well as investor meetings in Frankfurt. In April, a three-day roadshow was held with potential debt investors, culminating in a successful issuance of Tier 2 Notes.
- Since the announcement of our new Board appointments, the Chair has met investors on request to describe the appointment process and the executive Directors have held introductory meetings with major shareholders.

Key stakeholders

Clients
Our people
External suppliers
Shareholders
Society and environment
Regulators

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

Stakeholder interests and engagement

In discharging their section 172 duties, the Directors have regard to the factors set out on pages 32 to 33 and any other factors considered relevant to the decision being made, such as the interests of employees and the views of regulators. 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 appointments of Richard Oldfield as our new Group Chief Executive, and of Meagen Burnett and Johanna Kyrklund to the Board, are discussed in the Nomination and Governance Committee report on pages 50 to 53.

The examples provided below show how the Board considered the matters set out in section 172 in respect of some of the key decisions made during 2024.

Partnership with Phoenix Group

A key Board consideration during the year was the launch of Future Growth Capital (FGC), our partnership with Phoenix Group. FGC is a private market investment manager established to promote the objectives of the Mansion House Compact.

FGC aims to enhance outcomes for long-term pension savers in the UK by providing efficient access to private market investments. Private markets offer pension and other long-term savers diversification and the potential for increased investment returns to boost their retirement incomes. Longer lifetimes and low savings rates mean that not all UK defined contribution savers are currently on track to meet the Pensions and Lifetime Savings Association's minimum retirement living standard[1].

The Board began discussions regarding the partnership in 2023 and approved Schroders' participation in early 2024. During these discussions, the Board considered the interests of several stakeholders. The interests of customers was a key consideration, with a primary objective of FGC being the provision of access to private asset investment and diversification opportunities to millions of new pension savers.

Other stakeholders considered by the Board were wider society and the government, which aims to boost pensions and investment in British business, and Phoenix as our partners, who aim to provide pension savers with higher investment returns and fulfil their commitments under the Mansion House Compact. The business will be regulated by the Financial Conduct Authority (FCA) and we will continue to engage with the regulator as the business is being established.

Tier 2 debt issuance

In 2024, the Board approved the issuance of £250 million Subordinated Tier 2 Notes (Notes) to help support the Group's strategic growth agenda by providing financial flexibility.

Prior to the issuance, Schroders had no existing listed debt; therefore, the Board considered the interests of its stakeholders among several factors. The Prudential Regulation Authority (PRA) and FCA were notified in advance of the issuance and were engaged in the review of the prospectus.

A crucial factor was the appetite of investors for the debt issuance. To assess market conditions, the Board worked with the joint lead managers to determine if the public bond markets were favourable and if there would be adequate demand from investors.

Additionally, the executive Directors hosted a three-day roadshow, engaging with prospective debt investors. This proactive approach led to the successful issuance of the Notes. The Notes are classed as Tier 2 regulatory capital; therefore, they have strengthened Schroders' capital and liquidity positions.

Acquisition of Whitley Asset Management Limited

The Board believes that investing for growth benefits all stakeholders; therefore, it continues to explore suitable acquisitions in pursuit of this goal. The Board evaluated the acquisition of Whitley Asset Management, a London-based UK wealth management business with £1.5 billion of assets under management, as part of its strategy to grow the Group's Wealth Management business.

The Board considered the interests of key stakeholders when it reviewed the acquisition. Senior management from the Wealth Management business held engagement meetings with these stakeholders. The Board reviewed the outcome of this engagement and determined that there was a strong cultural fit for employees and that the acquisition would support the Group's strategy.

The impact of the transaction on Whitley Asset Management's clients was considered, including the Group's capacity to offer a wider range of investment options, custody, lending and financial planning services.

The acquisition was subject to approval by the FCA; therefore, engagement with the regulator was paramount. In addition, there was engagement with Lloyds Banking Group, which holds a minority stake in our UK Wealth Management business. The Board concluded that the acquisition would support Schroders' strategic priority of growing the Wealth Management business. It will open the Cazenove Capital brand to a new network of wealth creators and supplement the organic growth delivered by Cazenove Capital over the past three years.

1. www.retirementlivingstandards.org.uk

2024 Board objectives

The 2023 Board evaluation was undertaken internally and, in light of the findings of that evaluation, the Board set the following high-level objectives for 2024.

Objective	Progress made during 2024
Strategy – Strategic alliances and partnerships – Client relationships and competitive positioning – AI and blockchain: the implications for our business model	Strategy remained a key focus during 2024 and during the year the Board considered the launch of Future Growth Capital, our partnership with Phoenix Group, and approved the acquisition of Whitley Asset Management, contributing to the strategic aim of expanding our Wealth Management business. Over the summer of 2024, the Board conducted a review of the strategy, with a focus on the creation of long-term value for shareholders and operational efficiencies, ensuring that the Company remained well positioned to meet its clients' needs in an evolving global industry. These discussions culminated, as in recent years, at the Board's strategy off-site in November, at which, the role of the Client Group in bringing together key client-facing functions across the firm to help us enhance and build closer, longer-lasting client relationships was considered. In September 2024, the Board received an update on the Company's cyber and AI strategy, including the controls in place to not only protect against the threat of cyber attack, but also to govern the responsible use of AI with the Group. The Board discussed the impact AI was likely to have for our business model, both in terms of our ambition to have an AI-enabled workforce, across sales, investment and operating processes; and the threats and opportunities presented by AI from an industry perspective.
People – Senior leadership development and succession plans – Employee value proposition	The Board, via the Nomination and Governance Committee, dedicated considerable time to senior leadership development and succession plans throughout 2024. As outlined in the Nomination and Governance Committee report, this process led to the successful appointment of internal candidates to the roles of Group Chief Executive, Chief Financial Officer and Group Chief Investment Officer, testament to the strength and development of our talent. Following those appointments, the previous Group Strategy Committee and Group Management Committee transitioned to what is now the Group ExCo. In September 2024, the Board considered the succession plans and personal development plans for members of the Group ExCo, and this will remain a focus in 2025. In September 2024, the Board received a People and Culture update from the Chief People Officer, a key focus of which was the way in which the Company's people-related activities were aligned with Group strategy. The Board considered the strengths of the Company's culture, discussing the elements that must be retained, as well as those that would need to evolve.
Board effectiveness – Integrate new Directors and build cross-Board relationships – Increased Board exposure to high-potential talent	The Board evaluation concluded that Annette Thomas, Frederic Wakeman and Iain Mackay had all fully integrated into the Board. Each provided a unique perspective, bringing fresh insights into areas such as strategic transformation, commercial value creation, data and digital, and private markets. It was also felt that Iain Mackay had successfully transitioned into the role of Chair of the Audit and Risk Committee. During the year, the Board continued with its practice of holding informal dinners before scheduled Board meetings, which, together with the Board's international visit in May and strategy offsite in November, helped strengthen cross-Board relationships. In addition, time was allotted at the end of each Board meeting for reflection on the day's discussions. Feedback from the Global Employee Forum, led by Ian King, provided valuable insight for the Board into wider employee sentiment and engagement. Other Board exposure included a visit to the Paris and Horsham offices, during which Board members participated in employee town halls, and spent time over breakfast with high-potential talent. Smaller, more focused Board engagement was also held with the Chairs of the employee resource groups (ERGs). In January 2025, a formal ERG Forum (comprising ERG Chairs) was established. The forum will have a non-executive sponsor, with Annette Thomas fulfilling this role.

2024 Board evaluation

The 2024 Board evaluation was undertaken internally. As part of this process, interviews were held by the Group Company Secretary with each Director, and the discussions focused on:

- the extent to which the Board had delivered on its priorities in 2024
- how the Board and the management team had performed throughout the year, including how effective the Board had been at overseeing the implementation of strategy
- whether the Committees had discharged their responsibilities effectively, and the quality of the reporting to the Board
- how effective the Board had been at understanding the views and requirements of stakeholders
- the process for selecting the new Group Chief Executive, Chief Financial Officer and for appointing the Group Chief Investment Officer to the Board
- the Board's oversight of risk
- the business areas that the Board should focus on in 2025.

The overall conclusion was that the Board has delivered on its 2024 objectives, and in doing so has maintained focus on the right areas, including operational performance. The CEO succession process was felt to have been well run, and there was acknowledgement that there would now need to be a focus on Group ExCo succession planning and pipeline development during the course of 2025.

Consideration of the interests of stakeholders has been well balanced, with the interests of clients and employees, in particular, forming a regular part of Board discussions. The Board's diversity of thought, approach and experience was noted as a strength, and the more informal time together has proven valuable for fostering openness and strengthening relationships among members, enhancing the overall quality of Board discussions.

Interview feedback noted that throughout the year the Board has maintained good standards of governance and oversight. While it was felt the right issues had been escalated, the planned greater transparency over local and subsidiary governance was welcomed by the Board. The feedback on key Committees continued to be positive. As a result of the review of the Committee terms of reference, there is an opportunity, as we head into 2025, to review the allocation of topics between the Remuneration Committee, Nomination and Governance Committee, and the Board.

2025 Board objectives

As an outcome of the internal evaluation process, the Board agreed a number of objectives under the major themes of strategy, clients, people and governance, while continuing to focus on operational priorities.

Strategy

- Execution of transformation, supported by clear KPIs
- Maintaining an appropriate balance between immediate actions and longer-term strategy

Clients

- A sustained focus on investment performance, client satisfaction and sales effectiveness

People

- Executive management pipeline, succession and personal development plans
- Monitoring the impact of organisational change on our people and culture

Governance

- A long term approach to Board evolution
- Active oversight by the Board of reputation

Building strength and depth

Dame Elizabeth Corley
Chair of the Nomination and Governance Committee

Committee membership

Dame Elizabeth Corley (Chair)
Rhian Davies (until 25 April 2024)
Claire Fitzalan Howard
Rakhi Goss-Custard
Ian King
Iain Mackay
Leonie Schroder
Annette Thomas
Frederic Wakeman
Deborah Waterhouse
Matthew Westerman

See page 41 for meeting attendance.

Key areas of focus during 2024

- Led the process for the search and appointment of the new Group Chief Executive and Chief Financial Officer and considered the appointment of the Group Chief Investment Officer to the Board.
- Considered Board and executive succession planning, in particular the Board composition and skill set required in the short, medium and longer-term.
- Considered Director re-appointments and changes to the composition of the Board's Committees.
- Extended the Committee's responsibilities to include oversight of the Group's governance arrangements.
- Initiated a non-executive Director search process as part of the ongoing evolution of the Board.

I am pleased to present my report as Chair of the Nomination and Governance Committee (previously the Nominations Committee). During the year, the remit of the Committee was extended to formalise the oversight of the effectiveness of corporate governance arrangements for the Company and its subsidiaries.

In my report last year, I set out a number of priorities for the Committee in 2024. One of these was a focus on executive succession and, following Peter Harrison's announcement in April 2024 of his intention to retire, succession for the role of Group Chief Executive became a key area of focus for the Committee.

The Board was delighted to appoint Richard Oldfield as Group Chief Executive with effect from 8 November 2024 and, in testament to the strength of the talent within the senior leadership team at Schroders, Meagen Burnett, previously Chief Operating Officer, was appointed as Chief Financial Officer, and Johanna Kyrklund, in her role as Group Chief Investment Officer, was appointed to the Board, both with effect from 1 January 2025.

Looking ahead, the Committee will be focusing on Board composition and an effective, dynamic, executive succession planning, and ensuring a strong pipeline of internal talent for executive roles.

Responsibilities of the Nomination and Governance Committee

The Committee is responsible for keeping under review the composition of the Board and its Committees and for ensuring appropriate Director and executive management succession plans are in place. During the year, the Committee's role was expanded to include matters of corporate governance for the Company and its subsidiaries.

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.

Appointment of our new Group Chief Executive

Upon recommendation from the Committee, the Board appointed Richard Oldfield as Group Chief Executive with effect from 8 November 2024. Richard's appointment followed a comprehensive, global selection process, which I led as Chair of the Committee, supported by a sub-committee that included our Senior Independent Director, Ian King, Deborah Waterhouse and Iain Mackay.

The search process was supported by Russell Reynolds Associates, who, other than supporting this search process, have no other relationship with the Company or its Directors. Russell Reynolds is a signatory to the Voluntary Code of Conduct for Executive Search Firms. A summary of the process is outlined below.

Appointment of Richard Oldfield as Group Chief Executive

Talent management

Nomination and Governance Committee – Succession planning and talent management
The Committee regularly reviews and assesses the executive talent to ensure there is a strong pipeline of credible and capable successors for executive management, including the role of Group Chief Executive. Throughout 2022 and 2023, this involved a review of individual development plans for senior leaders, and the appointment of external hires to add strength and depth to the senior leadership team.

Appointment process

1. Sub-committee established to manage and oversee the process
Following the announcement of Peter Harrison's intended retirement, a sub-committee of the Committee, led by the Chair, was established to direct and oversee the Group Chief Executive succession process.

2. External executive search engagement
Russell Reynolds Associates was engaged to support the search process. Russell Reynolds was chosen for the strength of its international reach, a focus on diversity and the depth of experience in the financial services sector, in particular in asset management. The sub-committee reviewed and discussed a forward-looking role profile, setting out the desired attributes for the Group Chief Executive. Modern leadership, enterprise-wide transformation experience, an international mindset and cultural fit were all identified as important factors.

3. Candidate longlist
A diverse longlist of candidates was produced by the search firm and reviewed, discussed and refined by the sub-committee. The long list included internal and external candidates, from a variety of geographies and a wide range of financial services specialisms. When refining the long list, the sub-committee considered experience and the desired attributes.

4. Candidate shortlist and interviews
The Chair met with all candidates on the longlist, following which the sub-committee members met with a refined longlist. A shortlist of candidates was produced. All shortlisted candidates were assessed against the role profile, underwent psychometric testing and were interviewed by the full Committee (which comprises all non-executive Directors). References were also taken.

At the end of August, the final shortlisted candidates provided a presentation on their vision for the business to the Committee.

5. Selection
Following the final-stage interviews and presentations, the Committee met and discussed each candidate in detail, considering all elements of the selection process. The Committee unanimously agreed that Richard Oldfield was the outstanding candidate.

6. Candidate appointment
The Committee recommended to the Board the appointment of Richard Oldfield as the next Group Chief Executive, succeeding Peter Harrison, with the appointment being duly approved by the Board. The Remuneration Committee proposed an appropriate remuneration package, as described in the Remuneration Committee report on page 62.

Appointment of CFO and Group CIO

Following his appointment, Richard Oldfield turned his attention to his senior leadership team, supported by the Committee and the Chair. Recognising the strength of internal senior leaders, the Committee considered and recommended for the Board's approval the appointment of Meagen Burnett, previously Chief Operating Officer, as Chief Financial Officer, and the elevation of Johanna Kyrklund to the Board in her role as Group Chief Investment Officer and CEO of Public Markets. Following the CFO search that was undertaken in 2023, a refreshed external candidate list was reviewed by the Committee and it was determined that Meagen's significant experience of transformation and commercial decision-making made her a stand-out candidate. Johanna's appointment will ensure that client outcomes remain at the heart of how we invest across Wealth Management, Schroders Capital and Public Markets.

Executive appointments

Appointment of Chief Financial Officer: Meagen Burnett

- Meagen joined Schroders in January 2023 as Group Chief Operating Officer, with firm-wide responsibility for operations, technology and change. As CFO, she has direct responsibility for financial management, capital and treasury, with oversight of operations, technology and commercial transformation.
- Meagen has more than 25 years' experience in financial services, including 15 years in asset management, and has held a variety of operational, audit, risk and IT control roles within M&G, J.P. Morgan, Goldman Sachs and KPMG.

Appointment of Group Chief Investment Officer: Johanna Kyrklund

- Johanna joined Schroders in 2007 as an investor to lead the UK multi-asset business.
- Since that time she has grown our multi-asset business into a global franchise, from £22 billion of assets under management when she joined to £778.7 billion at 31 December 2024.
- In 2019, she became Group CIO, and in her new role on the Board, she is responsible for the oversight of investment performance across all business lines.

Independent non-executive Directors

In addition to its work on the executive Director changes, the Committee oversaw several changes to independent non-executive Director responsibilities during the year. Frederic Wakeman and Iain Mackay joined the Board on 1 January 2024, and on 25 April 2024, Iain Mackay became Chair of the Audit and Risk Committee, replacing Rhian Davies, who stood down at the 2024 AGM.

After two years serving on the Remuneration Committee, Deborah Waterhouse stood down from the Remuneration Committee on 31 May 2024. The Committee considered the remaining balance of skills and experience of Remuneration Committee members as well as the existing time commitments of Board directors and recommended that Frederic Wakeman join the Committee. Following Board approval, Frederic joined the Committee on 1 August 2024, bringing extensive experience and insights, with a particular knowledge of private markets.

In March 2025, having served as a non-executive Director for six years, Deborah Waterhouse informed the Board that, in order to concentrate on the demands of her role at GSK plc, she would not put herself forward for re-election at the upcoming AGM, and would stand down at the conclusion of that meeting.

Induction

All Directors receive a comprehensive and tailored induction plan, including internal appointments. As set out in our 2023 Annual Report and Accounts, Iain Mackay and Frederic Wakeman received a full induction following their appointments to the Board on 1 January 2024. Ahead of assuming the role of Audit and Risk Committee Chair in April 2024, Iain also undertook a comprehensive handover with the previous Chair, Rhian Davies. Frederic Wakeman also received an induction ahead of joining the Remuneration Committee.

Following their appointments, Meagen Burnett and Johanna Kyrklund received tailored inductions which took into account their existing tenure within the Group and their membership of the Group Strategy Committee, through which they had both already been attending Board meetings.

For Meagen this involved meeting key stakeholders, including our major shareholders, and building relationships with our corporate brokers. For Johanna the focus was on establishing the role of Group Chief Investment Officer as a Board-level position.

Succession planning

The Committee undertakes a thorough annual review of the Board's composition to support discussions on succession planning. Following the Board strategy off-site in November 2024, the Committee conducted an in-depth capability assessment of Board members' knowledge, skills and experience in the context of the Group's short-, medium- and long-term strategic priorities. This included a self-assessment undertaken by each Director, which informed an overall Board skills matrix, the tenure of the Board as a whole, independence and diversity.

A particular consideration was maintaining an appropriate balance of independence on the Board following the appointment of a third executive Director. The Board composition review also highlighted that there was an opportunity to bolster the Board with skills including transformation, entrepreneurial asset management, technology, including AI, blockchain and digital transformation. As part of a long-term approach to Board evolution, a search for an additional independent non-executive Director was launched in February 2025.

Consideration was also given to succession planning for the Senior Independent Director, in anticipation of Ian King and Rakhi Goss-Custard, both of whom will reach their nine-year tenure in April 2026. As a result, it has been agreed that Ian King will stand down as Senior Independent Director with effect from the Company's AGM on 1 May 2025. Ian will be succeeded as Senior Independent Director by Iain Mackay, and will remain on the Board as an Independent Non-Executive Director and as the designated non-executive Director responsible for engagement with the workforce.

The Committee also continues to focus on executive management succession planning. During the year, an external mapping exercise was completed for the role of Group Company Secretary following Graham Staples' retirement, and as a result Kate Graham was appointed as Group Company Secretary on 1 May 2024.

During the year the Committee also reviewed the succession plans for the newly formed Group ExCo, to consider the pipeline of senior executives in place and identify any development-related action required.

Directors standing for election and re-election

At our March meeting, the Committee agreed that all Directors standing for election and re-election make a valuable contribution to the Board's deliberations and recommended their election and re-election. This recommendation includes Ian King, Rakhi Goss-Custard, and Leonie Schroder, all of whom will have served on the Board for more than six years. In making this recommendation, the Committee considered feedback from the Board evaluation interviews conducted by our Group Company Secretary, and the outcome of the Board composition review 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 2025 Notice of AGM.

Assessing Board and Committee performance

A key role of the Committee is to oversee the annual Board and Committee evaluation. 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. This year, given the change to Board composition, the review was led internally by the Group Company Secretary, with the Senior Independent Director leading the evaluation of the Chair.

The process involved interviews with all Board Directors and key stakeholders within senior management. The findings and resulting recommendations from the 2024 effectiveness review, as well as a summary of the progress made against the previous year's recommendations, can be found on pages 48 to 49.

Committee performance in 2024

The internal evaluation process for 2024 is set out on page 49.

Feedback on the Committee highlighted that we had delivered well on the Group CEO succession process, as well as the subsequent CFO and Group CIO appointments. The review of governance arrangements undertaken during the year has identified an opportunity for the Committee to have greater focus on Group ExCo succession planning, including talent development and ensuring a strong pipeline for senior management.

Subsidiary governance

The responsibilities of the Committee have been expanded to include reviewing and recommending to the Board the approval of the corporate governance arrangements of the Company and its subsidiaries and assessing the ongoing operation and effectiveness of those arrangements. The Committee will also ensure that these arrangements adhere to best practice in corporate governance, recommending changes to the framework to the Board as necessary.

Priorities for 2025

The Committee has supported significant change during 2024, with three executive Director appointments. As we move into 2025, the Committee will focus on embedding those Directors and building on the effectiveness of the relationships between the non-executive and executive Directors.

Our focus will also remain on the Board composition required to oversee the performance of the business, including organisational change, and of our strategic priorities and related succession planning activity over the medium term.

The Committee will also be reviewing executive succession plans, considering the strength of the leadership team in place to support the newly appointed executive Directors.

By order of the Board.

Dame Elizabeth Corley
Chair of the Nomination and Governance Committee

5 March 2025

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 annual People and Culture update. 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 at least one Director from an ethnic minority on the Board. Currently we meet both the gender and ethnicity recommendations as, following the AGM, women will comprise 58% of the Board, and we have two ethnic minority Directors. We intend only to use the services of executive search firms which have signed up to the Voluntary Code of Conduct on Gender Diversity.

Our gender diversity statistics for both the Board and senior management can be found on page 86.

Refining our framework in anticipation of change

Iain Mackay
Chair of the Audit and Risk Committee

Committee membership
Iain Mackay (Chair)
Rhian Davies (until 25 April 2024)
Rakhi Goss-Custard
Frederic Wakeman
Deborah Waterhouse
Matthew Westerman

See page 41 for meeting attendance.

I am pleased to present the Committee's report for the year ended 31 December 2024. The Committee has a substantive agenda and plays a key role in overseeing the integrity 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 received an update on senior management's approach to the new requirements for reporting and assurance of material controls in the revised UK Corporate Governance Code, which will apply from 2026. This approach will be refined, implemented and tested over the course of the year ahead.

In addition, operational resilience remained a key focus. 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 statement and going concern 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 was updated on areas of key sustainability regulatory change, including the Corporate Sustainability Reporting Directive and the Sustainability Disclosure Requirements, and their impact on the business and our external reporting.

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, and audit, risk 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 James Beszant, Lead Audit Partner for the 2024 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 Group considers our culture to be a key strength, and the Committee continues to play an important role in reviewing conduct and culture 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 and culture risk is informed by a number of elements, including conduct risk appetite statements, employee opinion surveys and oversight by the second and third line of defence functions. This is enhanced by the addition of "deep dives" in business units, which indicate, through employee surveys and other metrics, variances to our expected behaviours and values. This has served to strengthen the information available and management's response to it.

In the face of escalating cyber attack threats, as in previous years, the Committee continued to prioritise cyber security and data privacy while considering metrics, challenging progress and evaluating the necessary technology and operational models to assess the Group's readiness for evolving threats.

I would like to thank Rhian Davies for her significant contribution to the Committee over her nine years on the Board, and to welcome Meagen Burnett as our new Chief Financial Officer. I am grateful to management, the external auditor and all members of the Committee for their support in 2024 and look forward to our continuing work in 2025.

Iain Mackay
Chair of the Audit and Risk Committee

5 March 2025

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.
- The effectiveness and independence of the external auditor.
- The recommendation to the Board of the appointment of the external auditor.

Risk and internal controls

- The Group's Risk and Control framework, whistleblowing procedures and the Financial Crime framework.
- The Group's ICAAP, ILAAP, wind-down plan, risk appetite, recovery plan, resolution process and operational resilience self-assessment.
- 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 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 risk of AI.

Key areas of focus during 2024

The key areas that the Committee considered are set out below. In addition, at each quarterly meeting, the Committee received updates from Internal Audit, Compliance, Risk, 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 2023 Annual Report and Accounts and 2024 half-year results, including financial estimates and judgements and governance considerations. Ahead of preparing the 2024 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 were also considered.
- The Group Head of 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 2023 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 2024, 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 FRC's audit quality inspection report for the 2022 audit, and considered any impact on the Company's audit plan.
- Policies for safeguarding the independence of the external auditor were considered and re-approved.

Internal Audit

- As part of the governance considerations for the 2023 Annual Report and Accounts, the Committee considered the annual assessment of the Group's governance and Risk and Control framework, conducted by Group Internal Audit.
- The Internal Audit Charter was reviewed and re-approved.
- Looking ahead to 2025, the Committee considered the 2025 Internal Audit and Compliance Testing plan, which is based on an assessment of the risks the business faces.

Risk and internal controls

- When reviewing the 2023 Annual Report and Accounts and Pillar 3 disclosures and 2024 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.
- The Group Head of 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 operational resilience, whistleblowing, and our conduct and culture risk oversight.
- Our Chief Technology Officer and Chief Information Security Officer provided an update 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.
- 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 2023 to the Board for approval. Sustainability risks were also considered as part of the Committee's review of key risks.
- The Chief Risk Officer provided an update on the proposed approach to the new requirements for reporting and assurance of material controls in the revised UK Corporate Governance Code.

Significant accounting estimates and judgements

The preparation of the financial statements requires the application of certain estimates and judgements. The material areas of either estimation or judgement are set out in the note on the presentation of the financial statements on pages 142 and 143. Each of these areas is considered by the Committee based on reports prepared by management. EY presents to the Committee 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 167 to 173. The significant estimates and judgements considered in respect of the 2024 financial statements and the Committee's agreed actions are summarised below.

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. The Scheme was closed to future accrual on 30 April 2011 and, as at 31 December 2024, had a funding surplus. The pension obligation, which was valued as £513.7 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.	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. The Committee considered and challenged the proposed assumptions and was satisfied that the estimates were appropriate.

Please refer to note 24 for more information on the estimates and judgements made in respect of the Scheme.

Significant estimates and judgements	Action and conclusion
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 based on a relevant proportion of carried interest received to various parties, including as part of deferred consideration arrangements. For financial reporting purposes, the Group is required to estimate the value of carried interest receivable, which was £131.2 million as at 31 December 2024, 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. 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.	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. 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. The Committee considered the disclosures presented in respect of 2024 and concluded that they were appropriate.

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.

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 143. 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 57.

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 26 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 review of the provision of ongoing services provided by financial advisers, required building repairs and the associated insurance coverage and the impact of future accounting and regulatory standards. These matters have not had a material impact on the Group's operating profit for the year. The Committee will continue to monitor developments and awaits further industry guidance from the FCA regarding the review findings. As with all matters of this nature, the actual outcomes may vary dependent on any significant changes to the facts and circumstances that emerge.

The Committee considers other controls that might have an impact on financial reporting. During 2024, 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 2024.

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, so that it can 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 the impact of incoming legislative change in the UK concerning sustainable finance, the Employment Rights Bill and capital markets reforms, as well as the development of global AI regulation.

Risk 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 and Internal Control framework.

The Committee carried out the annual assessment of the effectiveness of internal controls during 2024, 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 ExCo 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 2024 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 2024 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.

UK Corporate Governance Code

During the year the Committee reviewed progress against the enhanced requirements in the 2024 UK Corporate Governance Code. A detailed evaluation of the impact of all changes on our governance and risk management arrangements concluded that, for the Group, the key change was 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.

We initiated a review of our existing Risk and Control Assessment hierarchy and have developed a framework for meeting these requirements. This work is ongoing and will extend throughout 2025, as we continue to refine our framework in anticipation of change.

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 and provide information on significant operational risk events.

The reports outlined the Group's management of key regulatory engagements and change programmes throughout the year and the planning and execution of the compliance assurance programme covering testing, monitoring and automated surveillance. 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.

During the year the Committee reviewed the Group's arrangements in relation to conflicts of interest, financial crime, information and technology risk, as well as conduct and culture risk. Additionally, the Committee considered regulatory change and the supervisory horizon, engagement with regulators, cyber resilience, office physical security, oversight of third-party suppliers, and the Group's whistleblowing protocols. The Committee heard from the Group Head of Financial Crime Compliance on the programme of work for compliance with the UK's Economic Crime and Corporate Transparency Act 2023.

Further information can be found in the risk management section of the Strategic report set out on pages 26 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 2024, the Committee approved the Internal Audit Charter.

The Committee also has responsibility for approving the Internal Audit budget 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 and expertise of the function, the Committee reviews reports on progress against a rolling plan of audits approved by the Committee. These reports include 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 also through other regular meetings outside the formal schedule.

The function also continued to make progress in its development of a data analytics capability to deliver additional insights and efficiencies, and these will continue in 2025.

During 2024, a broad range of audits were conducted across the Group. The 2024 Internal Audit plan was continually 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. The annual compliance testing and Internal Audit 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 26 to 31. For example, as in previous years, in 2025 a range of audits will be undertaken by IT auditors to test the adequacy of aspects of the Group's cyber security and other technology risks. Planned audits also include: investment teams; sustainability-related processes; Schroders Capital; key back-office activities; a broad range of business activities in Asia Pacific; infrastructure functions; and Wealth Management. As well as undertaking internal audit projects, senior Group Internal Audit staff attend relevant oversight and management committees and regulated entity Board meetings to provide input and challenge on the topics discussed.

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 2025 AGM for the reappointment of EY as external auditor, and the Board has accepted this recommendation.

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. The next external audit tender will take place within ten years of EY's appointment, and by 2027 at the latest. We will conduct a competitive tender process in advance of this date if it is considered to be in the best interests of the Company. 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. In line with requirements, the previous lead audit partner was rotated after five years, and James Beszant has been Lead Audit Partner since the 2023 audit. Having served on the audit team since the 31 December 2018 year end, James is required to rotate after the 31 December 2024 year end, and Simon Michaelson will succeed 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 they 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 2024, ahead of consideration of the 2023 Annual Report and Accounts, the Committee received initial feedback on the conduct of the 2023 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 2024. EY generally scored highly in the auditor effectiveness questionnaire and was assessed to have further improved in the sixth year of its audit. Areas of improvement were identified and discussed with EY to allow for enhancements to be made ahead of the 2024 audit.

The Committee reviewed the 2024 external audit plan presented to the Committee in May 2024. The plan included considering the impact of changes to the business, significant projects undertaken in the year and continued market volatility as a result of global macroeconomic and political factors. 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, 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. 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 2024 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 16% of audit fees (2023: 19%).

During 2024, 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 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 2024

The annual evaluation of the Committee's effectiveness was undertaken as part of the overall Board evaluation process. The findings relating to the Committee were discussed with the Committee Chair. The performance of the Committee was described as strong, with a focus on the right issues during the year. Feedback on the new Committee chair, and his approach during the year was positive.

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, Internal Control framework and the three lines of defence model.

Priorities for 2025

As well as considering the standing items of business, the Committee will also focus on the following areas in 2025:

- Cyber and technology risk
- Thematic and industry-related risks
- Operational resilience
- Regulatory change

By order of the Board.

Iain Mackay
Chair of the Audit and Risk Committee

5 March 2025

Incentivising the delivery of our vision

Matthew Westerman
Chair of the Remuneration Committee

Committee membership
Matthew Westerman (Chair)
Rhian Davies (until 25 April 2024)
Ian King
Annette Thomas
Frederic Wakeman (from 1 August 2024)
Deborah Waterhouse (until 31 May 2024)

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 provide an overview of both executive Director and wider workforce remuneration for the 2024 financial year.

2024 saw the appointment of a new Group Chief Executive, Richard Oldfield. The Committee determined Mr Oldfield's remuneration arrangements in accordance with the shareholder-approved Directors' Remuneration Policy (the Policy). Considering Mr Oldfield's qualifications, experience and appointment into the same role as his predecessor, the Committee decided to maintain the same salary and maximum total compensation levels as his predecessor. Upon accepting the proposal, Mr Oldfield requested that his increase in base salary be deferred until 1 March 2025, in line with the effective date of salary changes for our wider employees. He also requested that his existing total remuneration cap continue to apply for the remainder of 2024, thereby lowering his potential maximum total compensation by over £650,000 for the year.

Mr Oldfield has made an immediate and significant contribution in his role as Group Chief Executive, providing a fresh perspective on management and driving efficiencies, such as through the creation of a new Group Executive Committee (Group ExCo) to support improved decision-making and a focus on delivering cost-savings.

Our transformation is ongoing, and the Board is focused on setting Schroders on a clear trajectory of continued long-term growth. From a remuneration perspective, the appointment of a new executive team provides a natural stepping stone into our intended review of the Policy in 2025/26. We will be seeking shareholder approval for a new policy – aligned with our refreshed strategy and implementation plans – at the 2026 AGM.

Ahead of that, we are seeking to make some changes in how we implement the current policy in 2025, to ensure that the framework reflects the direction of travel for Schroders, with a focus on improved financial performance and creating prosperity for all our stakeholders.

In particular, we are proposing to rebalance the incentive opportunity to place greater emphasis on the long-term incentive plan (LTIP). The Group Chief Executive will receive an LTIP award of £1.5 million (300% of salary) in 2025 (up from £600,000 or 120% of salary in 2024); funded from within the existing total remuneration cap, this entails a matching £900,000 reduction in his 2024 annual bonus opportunity. This materially increases long-term alignment without any increase in his overall package.

In addition, the performance metrics for the annual bonus and LTIP will be adjusted for 2025 to ensure they reflect our current priorities. Full details of the changes and the link to our strategy are set out in the 2025 implementation section from page 71.

Key actions taken in 2024

Appointing a new Group Chief Executive	– Approved terms of appointment for new Group Chief Executive, with Mr Oldfield waiving the increased total remuneration cap for 2024, thereby lowering potential maximum remuneration by over £650,000. – Approved retirement arrangements for the former Group Chief Executive, with shareholding requirements continuing to apply for two years.
Other executive Director changes	– Determined remuneration arrangements for the new Chief Financial Officer (CFO), Meagen Burnett, with total compensation lower than her predecessor. – Agreed remuneration arrangements for the Group Chief Investment Officer (CIO), Johanna Kyrklund, a newly created Board position.
Increasing long-term alignment	– Strengthened long-term alignment by rebalancing remuneration components, and increasing the LTIP grant level to £1.5 million for the Group Chief Executive (from £600,000) within existing total compensation cap. – Approved LTIP grants for the CFO and CIO in respect of 2024, in line with the Policy and widened participation to the Group ExCo to increase their long-term alignment.
Changes to incentive measures	– Reviewed the performance measures for the 2025 annual bonus and LTIP to place greater emphasis on improving shareholder returns and tightening focus on investment performance.
2021 LTIP vesting	– Confirmed no LTIP to vest for executive Directors in 2024, following waiver of awards in 2021 with £1,000,000 grant date face value by the former Group Chief Executive and former CFO.

Role of the Remuneration Committee

The principal role of the Committee is to assist the Board in fulfilling its oversight of executive 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 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 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 fixed and 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

Arrangements for new executive Directors

The year also saw the announcement of two new executive Director appointments, effective on 1 January 2025. Meagen Burnett was appointed CFO, succeeding Richard Oldfield, while Johanna Kyrklund joined the Board as Group CIO. The Committee determined a maximum total remuneration of £3.5 million for Ms Burnett. The maximum is positioned lower than that of her predecessor to reflect this being her first CFO and executive Director appointment. Noting the breadth of the role and acknowledging pay levels across global asset management peers, the Committee will keep this total compensation level under review as Ms Burnett gains experience and delivers in the role.

With a depth of industry and investment experience, Johanna Kyrklund's appointment to the Board elevates our focus on investment excellence and client needs. As this role is new to the Board, the Committee considered what would represent an appropriate total remuneration cap. The Committee reviewed market data, noting the breadth of her role capturing oversight of overall Group investment performance as well as her role as Chief Executive Officer of our largest and most profitable business, Public Markets. The Committee concluded a maximum total compensation cap of £6.5 million would be appropriate, noting this level would only be reached in the event of exceptional outcomes for shareholders, clients and wider stakeholders. Ms Kyrklund's salary is set at £375,000 in line with that of the CFO. Further details are set out on page 71.

Arrangements for the former Group Chief Executive

In April 2024, we announced that, after a decade on the Board, Peter Harrison had signalled his intention to retire. He stepped down as Group Chief Executive and as an executive Director on 8 November 2024 and continued as an employee until 31 December 2024.

Mr Harrison was eligible for an annual bonus for his performance during the full year, based on a combination of the executive Director annual bonus scorecard, his continued contribution to the firm's strategic priorities, and an effective transition of responsibilities through to 31 December.

Deferred bonus awards previously granted to Mr Harrison will continue to vest based on the terms and conditions under which they were granted, and his 2022, 2023 and 2024 LTIP grants will be pro-rated for the time elapsed with the firm during the performance period, with awards continuing to be subject to performance in the normal manner. He will not receive an LTIP grant in 2025 and shareholding requirements continue to apply for two years after stepping down.

2024 remuneration outcomes

Over the year, we have experienced a difficult operating environment and this has been reflected in our share price performance. The Board is committed to addressing this through a clear, funded plan to drive revenue growth. Despite the challenges faced in 2024, we have seen notable successes, such as 65% of assets outperforming their relevant comparator over three years in our market-leading global equities strategies. We also ranked in the top five asset management brands globally and demonstrated continued growth in our Schroders Capital and Wealth Management businesses.

The Committee considered it important to reflect the broader shareholder experience in bonus outcomes this year for the current and former executive Directors, and therefore determined that it was appropriate to consider a discretionary reduction to the 54% outcome of the scorecard for the year. As a result, a reduction in bonus of £550,000 (on a full-year basis) was agreed for the former Group Chief Executive, representing a 12% reduction on the pre-adjustment bonus. For Richard Oldfield, the Committee noted the scorecard outcome had already been adjusted downwards by 20% by virtue of Mr Oldfield voluntarily waiving his 2024 total compensation increase at the time of his appointment as Group Chief Executive. This waiver was agreed in recognition of the shareholder and stakeholder experience at the time and represents a reduction of over £340,000 to his 2024 bonus. As such, the Committee concluded no further adjustment should be applied. Further details of 2024 performance and outcomes are set out on pages 66 to 69.

Other areas considered by the Committee in 2024

- 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 remuneration disclosures
- Regulatory matters, including Material Risk Takers 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 senior executive shareholding levels

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.

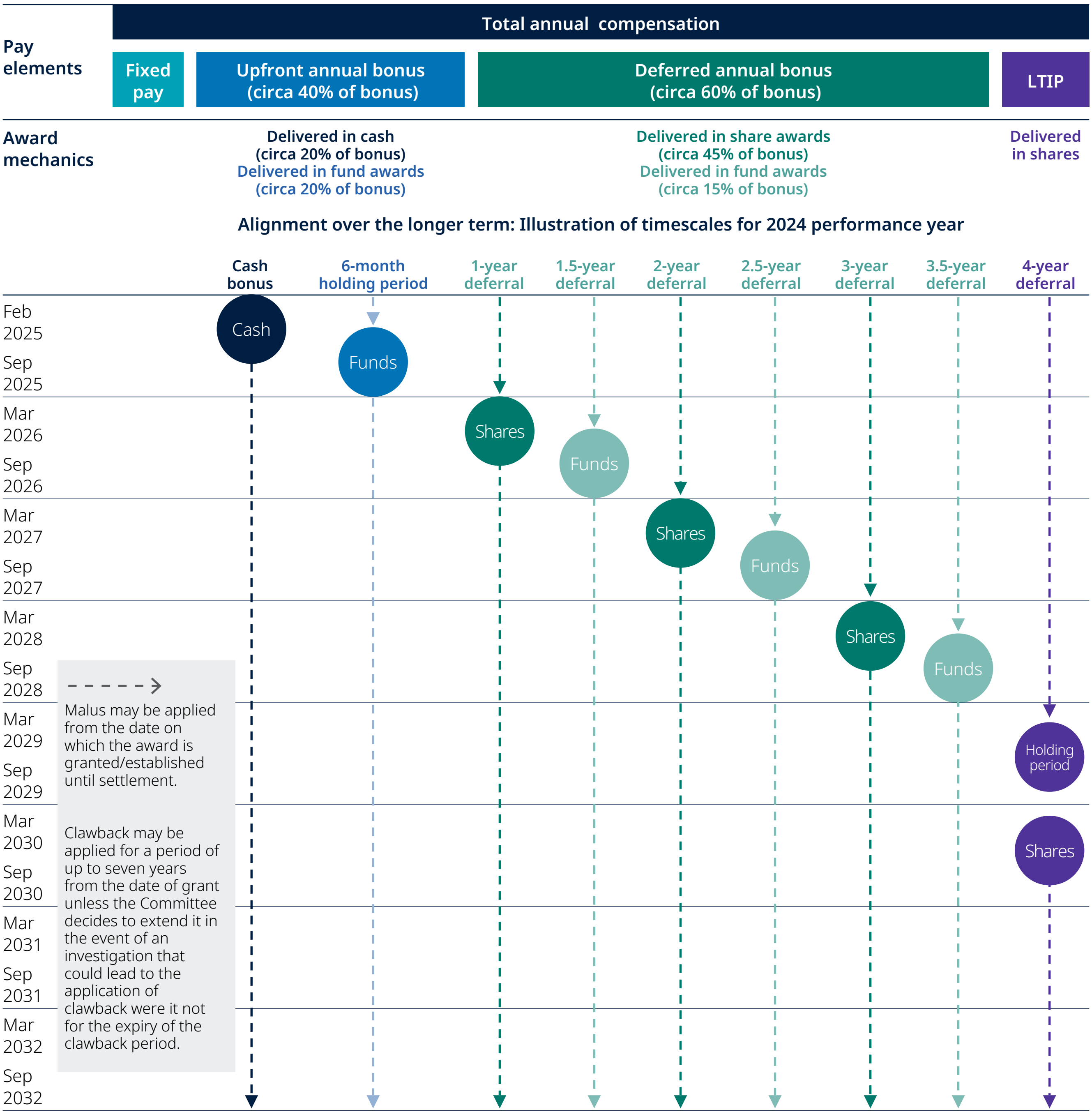
How our approach to remuneration creates alignment with our key stakeholders

Our key stakeholders	Our remuneration principles	Our executive Director remuneration approach
Shareholders	**Aligned with shareholders** 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 ExCo 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.	– Circa 45% of bonus paid in shares. – Stretching shareholding requirements. – Requirement to maintain a level of shareholding for two years on stepping down.
	Aligned with financial performance Our ratio of operating compensation costs to net operating income guides the total spend on remuneration each year. The Committee recommends this to the Board.	– Financial metrics comprise 70% of annual bonus scorecard. – 80% of 2025 LTIP awards based on long-term financial and investment performance.
Clients	**Aligned with clients** 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.	– Client investment performance included in the annual bonus scorecard and as a 2025 LTIP measure. – Circa 35% of bonus paid in fund awards.
Our people	**Competitive** 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 asset management firms. – Benchmarking forms a point of reference, not a primary factor in remuneration decisions.
	Designed to encourage retention 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.	– Circa 60% of variable pay deferred over a three-year to three-and-a-half-year period. – LTIP subject to four-year performance period and additional one-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** 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 both the financial and non-financial scorecard elements. – 2025 LTIP includes 20% weighting on a climate-related metric, linked to our long-term commitment to protecting our planet.

Our remuneration philosophy continued

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 is released. Full details of our policy approved by shareholders at the 27 April 2023 Annual General Meeting can be found on our website at www.schroders.com/rempolicy.

Illustration 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

2024 outcomes

Performance context

While 2024 has seen notable successes, we have also encountered a challenging operating environment that has impacted our financial performance in Public Markets and areas of our Schroders Capital flows. Our assets under management (AUM) have grown to £778.7 billion, an increase of 4% on 2023, although net new business decreased total AUM by £4.7 billion (including joint ventures and associates). We reported an operating profit of £640.5 million (2023: £661.0 million) and profit before tax of £558.1 million (2023: £487.6 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 (2023: 21.5 pence per share).

Our notable successes this year include the growth of our equity strategies, and our Schroders Capital and Wealth Management businesses. In 2024, we also announced the formation of Future Growth Capital with partner Phoenix Group, the UK's biggest long-term savings business. Lastly, we are making progress in simplifying parts of our business and operations, which will enable us to manage costs and drive efficiencies in a way that supports profitable growth moving forward.

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 8 and page 18, respectively.

Group-wide remuneration outcomes

When discussing remuneration outcomes for the year, the Committee focused on the need to incentivise and retain our top performers and key talent while remaining within our target operating compensation ratio. Meaningful differentiation was therefore a key focus of this year's review.

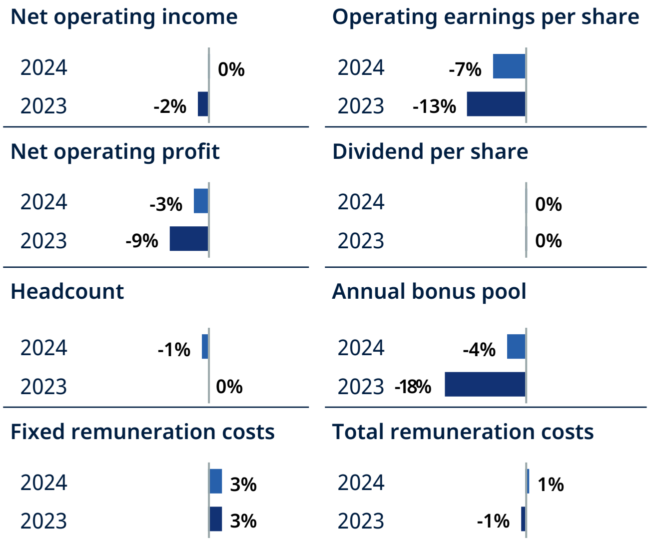
The Committee considered both financial and non-financial performance when setting the bonus pool, as well as an assessment of overall market conditions and wider stakeholder experience. The Committee and Board concluded that a bonus pool of £275 million struck the right balance across relevant stakeholders, including shareholders, clients and employees. When combined with salary increases made earlier in 2024, the total compensation change for employees was generally between +1% and +12%. Our people are paramount to the successful delivery of our strategy and we are proud that 94% of our key talent was retained in 2024.

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.

Salary increases for 2025 were determined mindful of the implications for our cost base, following the National Insurance Contribution increases announced by the UK Government. This resulted in an overall salary increase of 1.5%, targeted towards individuals with significant increases in role or responsibilities.

2024 bonus pool	**2024**	2023
Operating compensation ratio	**46%**	46%
Bonus-eligible employees	**5,761**	6,014
Bonus pool	**£275m**	£288m
% change bonus (median)	**-3%**	-15%
% change total compensation (median)	**+5%**	+3%

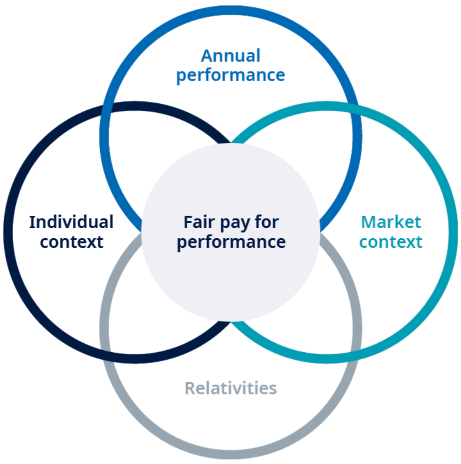
Key performance and remuneration metrics



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 sub-business line performance as well as Group-wide performance and affordability.
- **Individual achievement** – 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.
- **Relativities** – ensuring fairness of outcomes versus peers and market.



Executive Director remuneration outcomes

2024 annual bonus

Executive Director bonuses are determined by the Committee through a balanced scorecard approach. At the start of 2024, the Committee established and disclosed metrics consisting of 70% financial factors and 30% non-financial factors. These were selected to align to the Group's long-term strategy and no changes were made during the year. At the end of the year, the Committee assessed the level of performance against the financial target ranges. Meeting the threshold leads to a 25% payout, achieving the target results in a 65% payout, and reaching the maximum leads to a 100% payout.

The table below provides details of the target ranges for the financial metrics and the corresponding payouts. Target ranges are set with reference to the Board-approved budget, market expectations, prior-year outcomes, strategic priorities and the wider market outlook. When setting target ranges, the Committee is mindful of the potential significant impact that evolving market conditions could have on bonus outcomes. The overall financial scorecard outcome was 42% out of the maximum 70%.

The bonus scorecard also includes non-financial performance, which the Committee evaluates based on objectives established at the beginning of the year. This is combined with an assessment of each individual's personal performance. The Committee acknowledged the achievements detailed on the next page, which include: the achievement of record-high AUM in Wealth Management, ranking fifth overall out of 2,600 asset managers in an independent global asset management brand ranking study, the acquisition of Whitley Asset Management, and the sourcing of 100% renewable electricity for all owned or leased offices, globally. However, the Committee recognised that progress against aspirational targets relating to operating model review and strategic partnerships had not been fully met and there was more to do on the Client Group model. As such, the Committee determined an outcome below target would be appropriate for non-financial performance against the Group scorecard this year.

Based on the non-financial performance achieved against the Group scorecard as well as personal performance, the Committee confirmed non-financial scorecard outcomes of 12% for Richard Oldfield and Peter Harrison, out of the maximum 30%. Mr Harrison's bonus was calculated on a full-year basis against the scorecard, including both the executive Director portion as well as the period he remained an employee from 9 November to his departure on 31 December 2024. For Mr Oldfield, the rebalancing of total compensation opportunity towards the LTIP meant the bonus outcome was applied to a lower bonus opportunity, resulting in over a £485,000 reduction in the resulting bonus payout.

Following careful review of the formulaic outcome against the wider context of the stakeholder experience over the year, the Committee determined it was appropriate to consider a downwards discretionary adjustment to the overall scorecard outcome. As a result, a reduction in bonus of £550,000 (on a full-year basis) was agreed for the former Group Chief Executive, representing a 12% reduction on the pre-adjustment bonus. For Richard Oldfield, the Committee noted the scorecard outcome had already been adjusted downwards by 20% by virtue of Mr Oldfield voluntarily waiving his 2024 total compensation increase at the time of his appointment as Group Chief Executive. This waiver was agreed in recognition of the shareholder and stakeholder experience at the time and represents a reduction of over £340,000 in bonus for 2024. As such, the Committee concluded no further adjustment should be applied.

2021 LTIP

In addition to annual bonuses, executive Directors are also eligible to receive LTIP awards. These awards are granted on an annual basis and are based on performance in the previous year and subject to stretching performance conditions over a four-year performance period. In 2020 and 2021, in response to the societal challenges posed by the Covid-19 pandemic, the former Group Chief Executive and former Chief Financial Officer voluntarily waived their LTIP awards, which had a total grant date face value of £1 million. Consequently, these awards, which would have been tested for performance to 31 December 2024, have already been forfeited. No amount will therefore vest in respect of these awards for 2024.

Assessment of the financial metrics of the executive Directors' 2024 annual bonus scorecard

2024 scorecard metric		Weighting	Targets: Threshold 25%	Targets: Target 65%	Targets: Maximum 100%	Outcome	Metric payout % of max for metric	Bonus payout % of max bonus
Operating profit (£m)		30%	550	650	750	641	61%	18%
Investment performance	3-year	20%	50%	60%	70%	58%	58%	16%
	5-year		55%	65%	75%	76%	100%	
Net new business (£bn) (excluding JVs and associates)		10%	-4.5	5.0	10.0	-10.8	–%	–%
Proportion of Article 8 and 9 funds[1]		10%	64%	69%	74%	71%	78%	8%
								42%

1. Proportion of Article 8 and 9 funds is assessed as the proportion of the Group's funds which are in scope of the Sustainable Finance Disclosure Regulation (SFDR). Under SFDR, asset managers have to disclose how sustainability risks are considered in their investment processes and which of their products meet the disclosure requirements of Article 6, Article 8 and Article 9. Article 8 products promote environmental or social characteristics, among others, but do not necessarily have them as their overarching objective. Article 9 products must have sustainable investment as their objective. Article 6 products are those products that are in-scope of SFDR, but do not meet the requirements for Article 8 or Article 9.

Non-financial assessment for executive Director annual bonus scorecard

Criteria	Performance in 2024
Strategic progress (see pages 2 to 15 for more information)	
Client Group progress	– Fifth overall out of 2,600 asset managers, in an independent global asset management brand ranking study. – Client Service capacity being freed up to focus on Client Experience (growth, longevity and deepening relationships) through re-homing of non-differentiating activities. – Successful upskilling of Client Group teams in private markets, notably focusing on private markets for wealth clients.
Operating model review	– Evolution of management reporting and the method of allocating costs. – Transitioning client service administration activities from fragmented regional model to regional hubs, including Operations. Unlocking future opportunities for optimisation and automation. – Delivered operating model to support onboarding of all assets of a defined benefit pension scheme for employees of a large UK retailer, serviced with bespoke equities mandates. – Acquisition and integration of DWS's sustainable investments team in China with significant fundraising opportunity.
Major partnerships	– Launch of Future Growth Capital (FGC) with Phoenix Group. – Regulatory approval for the first UK dedicated multi-asset long-term asset fund to be entirely aligned with the Mansion House Compact.
Continued growth of Wealth Management	– Cazenove Capital achieved £4.0 billion net new business, achieving 8% growth and exceeding growth target of 5–7% per annum, with a record-high AUM. – Positive net flows driven by our advised business, reflecting continued momentum in Cazenove Capital. – Cazenove Capital leading the way as one of the first wealth managers to announce plans to adopt an SDR label across three sustainable flagship funds. – Acquisition of Whitley Asset Management, extending our family office capability, and successful delivery of target circa 94% of acquired AUM retained.
Sustainability (see pages 22 to 25 for more information)	
Climate engagement with companies	– Strong engagement with companies on sustainability topics, conducting 4,713 engagements, including those focused on climate change. – In-scope group investments reached a medium-term temperature in line with our target of 2.2°C by 2030, based on the CDP-WWF alignment framework. – Launched the Sustainability Insights Tool for SustainEx™, an interactive interface that uses our proprietary ESG model to analyse and provide insights on clients' custom portfolios and Schroders mandates.
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 39% reduction achieved, outperforming the 1.5°C science-based trajectory. – Sourced 100% renewable electricity for all owned or leased offices, globally. – Achieved a 39% reduction in Scope 3 business travel emissions, towards the 50% reduction target by 2030.
Continued evolution of Sustainability and Impact framework	– Achieved significant inflows into investment strategies with specific climate objectives. – Joined BlueMark Practice Leaderboard, the leading industry provider for external verification of impact management and measurement frameworks, successfully launched eight new impact strategies and achieved third position in the global NMG Brand ranking for impact investing. – Established unified Group Sustainable Investment Policy, covering public and private markets.
People and talent (see pages 16 to 17 for more information)	
Retention and engagement	– 87% of our people are proud to work at Schroders. – 84% would recommend Schroders as a good place to work.
Inclusion and diversity	– 89% say Schroders is committed to inclusion and diversity. – 83% agree that the company cares about their health and wellbeing. – Recognised externally for efforts in inclusion and diversity, including ranking within the top 75 UK employers on the Social Mobility Employer Index and winning two awards at the Citywire Gender Diversity Awards (Best AUM Split and Most Improved Retention Rates). – Increased global disclosure rates against key diversity facets.
Risk and conduct (see pages 26 to 31 for more information)	
Governance, risk and reputation	– Strong ownership and engagement by line management with respect to the Risk and Control Assessments. – Good standing with regulators, with sustained effort put into relationships. – Favourable reports from control function heads indicating positive risk profile assessment.

Personal performance assessment for the Group Chief Executive (and former Chief Financial Officer)

During Richard Oldfield's tenure as Chief Financial Officer, he demonstrated a dedicated approach focused on both delivering for clients and developing people at Schroders. He provided a fresh perspective on capital management, driving new initiatives, such as the inaugural bond issue last year and embedding commercial discipline across the Group.

Upon appointment to the Group Chief Executive role, Mr Oldfield made an immediate impact despite stepping into the role at a challenging time. Throughout the transition period, he worked closely with Peter Harrison to maintain business continuity and ensure minimal disruption to day-to-day operations for our clients and our people.

Mr Oldfield formed a new Group ExCo to facilitate efficient decision-making and drive the execution of our refreshed strategy. In addition, he re-evaluated our statement of purpose to ensure that clients remain central to our mission while looking to simplify and scale effectively and profitably. Despite only having been in role for a short period of time, the Board has been pleased with progress to date and share a renewed sense of optimism looking ahead.

As a result of the non-financial performance achieved in the Group scorecard and Richard Oldfield's personal performance, the Committee confirmed a non-financial bonus scorecard payout of 12% of the maximum 30%. The resulting scorecard outcome was therefore 54% of maximum for Mr Oldfield, equating to £1,390,000. The rebalancing of total compensation opportunity towards the LTIP means this bonus outcome is over £485,000 lower than it would otherwise have been.

Personal performance assessment for the former Group Chief Executive

Following over a decade dedicated to Schroders, Peter Harrison stepped down as Group Chief Executive on 8 November 2024. His commitment has been unwavering and continued throughout the transition period, during which time he supported Richard Oldfield in his new role and ensured a smooth handover process.

Mr Harrison has historically held a strong position with our regulators and has continued to develop these relationships over the course of the year, building a valuable reputation for Schroders.

During his time as an executive Director, Peter Harrison played a crucial role in securing and concluding the formation of Future Group Capital in partnership with Phoenix Group. He supported the growth of Wealth Management, with Cazenove Capital performing well in the year, and led on the early stages of the operating model review.

From a non-financial perspective, Mr Harrison was a formidable advocate for inclusion and diversity and led transformation in the culture and values at Schroders. He was also a driver of sustainability progress, helping Schroders to be a sustainability leader in the market.

Mr Harrison was fundamental to ensuring a successful, smooth and timely handover of the Group Chief Executive role to Mr Oldfield. Throughout the process, he supported both Mr Oldfield and the Board Chair on key areas of the handover, providing comprehensive briefings and continued engagement on key topics. He continued to work with regulators, industry associations and other stakeholders to develop Schroders as a key global player, allowing Mr Oldfield to then build on this legacy moving forward.

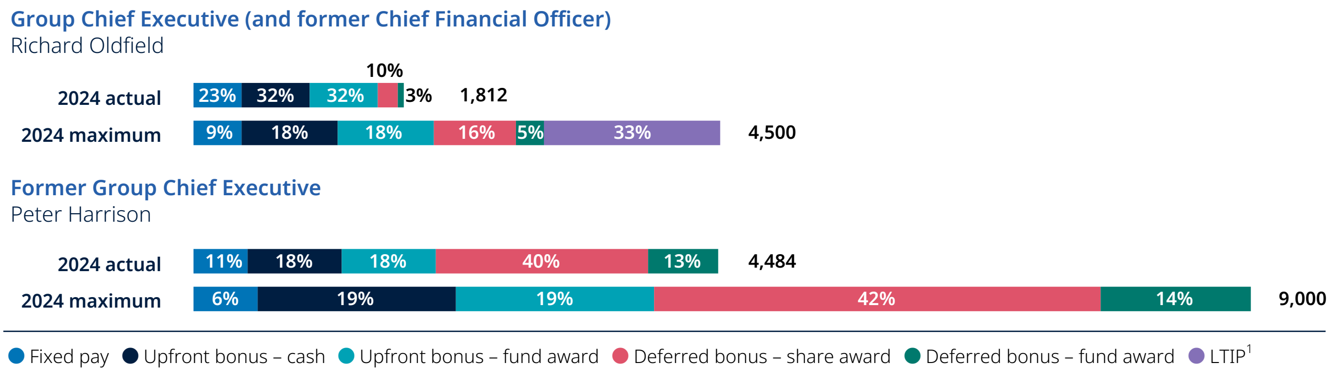
As a result of the performance against the non-financial performance measures in the scorecard, as well as Peter Harrison's personal performance, the Committee confirmed a non-financial bonus scorecard payout of 12% of the maximum 30%, pro-rated for his tenure.

The resulting scorecard outcome of 54% of maximum for Mr Harrison equated to £4,553,000. However, as set out on page 67, the Committee determined that an adjustment of £550,000 (c.12% of the scorecard outcome) was appropriate to more closely align the outcome to the shareholder experience in the year. After the adjustment, the resulting outcome for Mr Harrison is therefore £4,003,000.

Single figure outcomes for 2024

The graphs illustrate the resulting single figure outcomes for the executive Directors, and how the outcomes compare with the policy maximum that applied in 2024.

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



1. 2024 actual total remuneration reflects the amount shown in the single figure table on page 73, which would include any LTIP award whose performance period concluded on 31 December 2024. As noted on page 67, the executive Directors waived entitlement to the 2021 LTIP and therefore no amount is included. 2024 maximum total remuneration reflects the 2025 LTIP award made in respect of 2024 performance. Mr Harrison was not eligible to receive a 2025 LTIP grant.

Stakeholder experience and executive Director pay

The Committee actively takes into account the perspectives of various stakeholders when discussing and determining policies, practices and outcomes related to executive Director compensation. It has the discretion to make adjustments to compensation outcomes if considered appropriate.

The graphic below provides a summary of key stakeholder indicators that were reviewed by the Committee as part of its decision-making this year. This includes data over multi-year periods, reflecting the long-term nature of decision-making. More information on many of these indicators can be found in the "Notes to the report on remuneration" section of this report beginning on page 73.

In addition to the indicators mapped out below, the Committee also closely monitors risk, compliance and regulatory matters in its decision-making. This includes regular reports from control function heads and the Conduct Assessment Group.

Our shareholders

Compensation outcomes reflect key financial and non-financial performance delivered in the year.

A significant portion of compensation is paid in shares and shareholding requirements apply.

Our clients

Compensation outcomes reflect investment performance delivered.

A portion of compensation is paid in fund awards.

Our people

Executive outcomes are evaluated in the context of broader workforce metrics, both within the year and over a multi-year horizon.

Society and environment

Compensation outcomes take into account performance against sustainability objectives.

The Committee tracks diversity pay gaps and reviews associated disclosures.

Monitoring how we performed

Aggregate value of share awards held by executive Directors

£5.3m

Reflecting alignment created through share award deferral

See pages 78 to 79 for more information.

Aggregate value of fund awards held by executive Directors

£2.0m

Reflecting alignment created through fund award deferral

See pages 78 to 79 for more information.

Change in median UK employee total comp. since 2020

+20%

CEO total compensation over same period: (25)%

See page 76 for more information.

Proportion of Article 8 and 9 funds

71%

A sustainability-focused metric in the bonus scorecard

See page 67 for more information.

Total shareholder return over 10 years

+4%

CEO total comp. change over the same period: (42)%

See page 81 for more information.

AUM outperforming stated comparator (5 years)

76%

A key metric in the bonus scorecard

See page 67 for more information.

Mean annual salary increase for employees in 2024

+7%

Executive Director salaries frozen since 2014

See page 76 for more information.

Reduction in Scope 1 and Scope 2 emissions against 2019 baseline

39%

A sustainability-focused metric in the LTIP scorecard

See page 72 for more information.

Votes in favour of latest AGM remuneration resolutions

96% Policy

96% ARR

See page 82 for more information.

AUM outperforming stated comparator (3 years)

58%

A key metric in the bonus scorecard

See page 67 for more information.

Executive Director bonuses as a proportion of total bonus pool

2%

Bonus pool funded through total cost to net income ratio

See pages 66 and 73 for more information.

Reduction in mean global gender fixed pay gap

5%

Since first voluntary publication in 2017

See page 16 for more information.

2025 implementation

Following strong support received by shareholders at the 2023 AGM, no formal changes are proposed to the Policy in 2025. As outlined earlier in the Chair's letter, the implementation of the Policy will be adjusted to ensure full alignment to the refreshed strategy, with performance measures adjusted for the 2025 annual bonus scorecard and LTIP metrics. We will be seeking shareholder approval for a new Policy at the 2026 AGM. We value ongoing dialogue with our shareholders and welcome their input and feedback.

Remuneration arrangements for new Executive Directors

Chief Financial Officer

Meagen Burnett was appointed CFO, effective 1 January 2025. Ms Burnett joined Schroders in January 2023 as Group Chief Operating Officer. She has more than 25 years' experience in financial services, including 15 years in asset management. In her new role as CFO, she will continue to provide oversight of operations and technology, as well as taking direct responsibility for financial management, capital and treasury.

Ms Burnett will receive a salary of £375,000, in line with that of her predecessor. The maximum total compensation is positioned at £3.5 million, lower than her predecessor, to reflect this being her first CFO and executive Director appointment. Noting the breadth of the role and acknowledging pay levels across global asset management peers, the Committee will keep this total compensation level under review as she gains experience and delivers in the role.

Ms Burnett will participate in annual bonus and LTIP arrangements in line with the Policy, with her first LTIP award being made in March 2025, in respect of 2024 performance. She will have a shareholding requirement of 300% of base salary and be subject to the post-employment shareholding requirement.

Group Chief Investment Officer

Johanna Kyrklund joined the Board as Group CIO, effective 1 January 2025, and assumed responsibility for oversight of investment performance across all business lines. Ms Kyrklund joined Schroders in 2007 as an investor to lead the UK Multi-Asset business, and over the course of nearly two decades has grown our Multi-Asset business into a global franchise.

Ms Kyrklund will receive a salary of £375,000. With a depth of industry and investment experience, Johanna Kyrklund's appointment to the Board elevates our focus on investment excellence and client needs. As this role is new to the Board, the Committee considered what would represent an appropriate total remuneration cap. The Committee reviewed market data, noting the breadth of her role capturing oversight of overall Group investment performance as well as her role as Chief Executive Officer of our largest and most profitable business, Public Markets. The Committee concluded a maximum total compensation cap of £6.5 million would be appropriate, noting this level would only be reached in the event of exceptional outcomes for shareholders, clients and wider stakeholders.

Ms Kyrklund will participate in annual bonus and LTIP arrangements in line with the Policy, with her first LTIP award being made in March 2025, in respect of 2024 performance. She will have a shareholding requirement of 300% of base salary and be subject to the post-employment shareholding requirement.

Alignment of metrics to future strategy

As noted in the Chair's letter, our transformation is ongoing, with a focus on achieving continued long-term growth. We are making some changes to the 2025 implementation of the Policy to ensure the framework reflects the direction of travel, as well as key business and strategic priorities, ahead of the full Policy review in 2025/26.

LTIP

Changes to the 2025 LTIP metrics aim to place greater emphasis on improving our financial performance, while ensuring non-financial measures are aligned to our refreshed strategy. Given creating shareholder value is one of the key priorities for the firm, the weighting on compound annual growth rate (CAGR) in Adjusted Operating Earnings per Share (EPS) will be increased from 35% to 50%.

In addition, aligned to our ambition to deliver excellent investment performance for clients, net new business (NNB) will be replaced with five-year investment performance to reflect our focus on delivering investment excellence to our clients, with a 20% weighting.

Following ongoing changes in disclosure standards for carbon emissions and portfolio alignment calculations, our portfolio temperature score metric will be replaced with "progress towards our 2030 own emissions goal", with a 20% weighting, assessing our own Scope 1 and Scope 2 emissions' reduction. This change is intended to provide management with an incentive to reduce our environmental impact by decreasing energy demand, increasing energy efficiency, and transitioning to low-carbon sources of energy.

Annual bonus

Annual NNB will be replaced by Annualised Net New Revenue (ANNR). ANNR is a key measure for the business, measuring 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. Investment performance will be limited to three-year performance in the annual bonus for 2025, to ensure differentiation from the LTIP and greater alignment with medium-term performance.

The categorisation of sustainable funds is an evolving area which we have kept under review to consider whether a more robust and wider-reaching measure could be introduced. We are therefore replacing the "proportion of Article 8 and 9 funds" metric with a "proportion of AUM in excess of its sustainability benchmark" metric, as measured by our flagship proprietary methodology, SustainEX™. SustainEX™ has become firmly established in our disclosures, while at the same time Article 8/9 calculations have been impacted by the emergence of different classification and labelling schemes in other markets.

"Client engagement and feedback" will be added to the five existing categories within the non-financial element. In addition, the Committee expects to give greater consideration to the "Strategic Progress" category given the importance of delivering on our transformation priorities over the coming year.

Remuneration arrangements for all executive Directors in 2025

<table>
<tr><th>Element</th><th>Approach</th><th>2025 implementation</th></tr>
<tr><td>Salaries</td><td>– Reviewed annually. For the executive Directors, salaries are adjusted infrequently.</td><td>– There will be no increases to the salaries applicable to each role for 2025, which remain low versus peer data. This means the most recent increase for executive Directors (other than on appointment) was in 2014.
– See earlier in this report for commentary regarding the salary levels of new appointments. The increase for Richard Oldfield to reflect his appointment as Group Chief Executive will not take effect until 1 March 2025.</td></tr>
<tr><td>2025 annual bonus</td><td>– The Committee determines executive Director bonuses based on a scorecard across a range of metrics.
– Financial performance factors make up 70% of the scorecard and the remaining 30% is based on a combination of non-financial factors.
– In setting the metrics and target ranges, the Committee takes into account the Board-approved budget, market expectations, prior-year achievement, strategic priorities and the wider economic landscape.
– The Committee may apply discretion to adjust annual bonus awards to the extent it deems it appropriate to align to the results achieved, with overall stakeholder experience, and/or in light of unexpected or unforeseen circumstances.
– Upfront fund awards and deferred share and fund awards are granted under the Deferred Award Plan (DAP), which shareholders approved at the 2020 AGM.</td><td>– Overall performance measures and weightings will be as follows:
<table>
<tr><th>Measure</th><th>Link to strategy</th></tr>
<tr><td>Financial (70%)</td><td></td></tr>
<tr><td>Adjusted Operating Profit (30%)</td><td>A key measure of financial performance that will be reported to stakeholders.</td></tr>
<tr><td>Client Investment Performance over three years (20%)</td><td>Key client measure aligned to our vision of helping to build future prosperity for clients through excellent investment outcomes.</td></tr>
<tr><td>Annualised Net New Revenue (10%)</td><td>Key flows measure that provides additional information to better assess the impact of net new business on the Group’s net operating revenue.</td></tr>
<tr><td>Proportion of AUM in excess of its sustainability benchmark (10%)</td><td>Client-focused, financial metric reflective of our commitment to our sustainable offering and establishing and maintaining our position as a sustainability leader.</td></tr>
<tr><td>Non-financial (30%)</td><td></td></tr>
<tr><td>Strategic progress; client engagement and feedback; sustainability; people and talent; risk and governance; personal goals</td><td>All fundamental to the Group’s long-term success, the Committee sets targets to robustly assess each of these measures. “Client engagement and feedback” added to focus on addressing our clients’ needs in alignment with our strategic priorities.</td></tr>
</table></td></tr>
<tr><td>2025 LTIP award</td><td>– Awards are granted annually, based on performance in the preceding year.
– Awards vest subject to a four-year performance period, plus an additional one-year holding period post vesting.
– The Committee may apply discretion to adjust vesting to the extent it judges appropriate to align the results to the overall stakeholder experience.
– Awards are granted under LTIP rules approved by shareholders in 2020.</td><td>– The Committee has approved an LTIP award for the Group Chief Executive of £1.5 million (300% of salary). This award reflects his performance in 2024 and is in line with the Policy.
– The award will be granted in March 2025, with the following performance conditions:
<table>
<tr><th></th><th>Link to strategy</th><th>Threshold (25% vesting)</th><th>Maximum (100% vesting)</th></tr>
<tr><td>Adjusted Operating Earnings per Share (EPS) (50%)</td><td>Measuring our objective to deliver earnings growth through focused investment and cost efficiency.</td><td>4% CAGR</td><td>10% CAGR</td></tr>
<tr><td>Client Investment Performance over five years (30%)</td><td>Key client measure aligned to our vision of helping to build future prosperity for clients through excellent investment outcomes.</td><td>55%</td><td>75%</td></tr>
<tr><td>Progress towards our 2030 own emissions goal (20%)</td><td>Measuring our own emissions (Scope 1 and 2), aligned to our 2030 target relative to a 2019 base year.</td><td>42% decrease</td><td>46% decrease</td></tr>
</table></td></tr>
</table>

Navigation of this report and shareholder voting

This report from the Chair of the Remuneration Committee, together with the notes on pages 73 to 83, constitutes the annual report on remuneration (ARR), which will be presented for an advisory vote by shareholders at the upcoming AGM. We value the feedback from our shareholders and are grateful for their participation.

Where required and indicated, this information has been audited by Ernst & Young.

Matthew Westerman
Chair of the Remuneration Committee

5 March 2025

Notes to the report on remuneration

The notes set out on pages 73 to 83 supplement the information on pages 62 to 72, 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 2024 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 2022 through 31 December 2024 is set out in the table below.

For Peter Harrison, the 2024 bonus amount shown represents his full-year outcome after application of the discretionary adjustment. For transparency, this includes performance for the full year of services provided to the Group. The 2024 fixed pay amounts shown represent amounts paid in respect of Mr Harrison's role as an executive Director, being around ten months. He also received fixed pay for the circa two-month period he was an employee after stepping down as Group Chief Executive, as detailed in the next section.

Richard Oldfield, as set out on page 67, waived any increase in 2024 total compensation opportunity, resulting in a bonus over £340,000 lower than it would have otherwise been. In addition, the quantum of Mr Oldfield's bonus was impacted by the rebalancing of incentives towards the LTIP grant, leading to an annual bonus over £485,000 lower than if there had been no change to the LTIP grant level.

	(£'000)	Base salary[1]	Benefits and allowances[2]	Retirement benefits[3]	Total fixed pay	Initial bonus outcome	Discretionary bonus reduction/ waiver[4]	Annual bonus award[5]	LTIP vested[6]	Total variable pay	Total remuneration
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
2022	Peter Harrison	500	14	45	559	3,842	–	3,842	341	4,183	4,742
	Richard Keers	375	7	45	427	1,726	–	1,726	227	1,953	2,380

1. Represents the value of salary earned and paid during the financial year.
2. Includes one or more of: private healthcare, life assurance, permanent total disability insurance, Share Incentive Plan matching shares and private use of a company car and driver.
3. Represents the aggregate of contributions to defined contribution (DC) pension arrangements and cash in lieu of pension for Peter Harrison, and cash in lieu of pension for Richard Oldfield and Richard Keers. The table on page 74 shows how the retirement benefits figures above are comprised for each executive Director.
4. For Peter Harrison, the £550,000 relates to a downwards discretionary adjustment applied to his bonus outcome. For Richard Oldfield, the £342,000 represents the result of his voluntary waiver of any increase to total compensation opportunity for 2024 upon his appointment as Group Chief Executive. Both adjustments were in light of the wider stakeholder experience over the year. Further details are set out on page 67.
5. Pages 67 to 69 set out the basis on which annual bonus awards for 2024 were determined. The table on page 74 breaks down the annual bonus awards for 2024 into cash paid in February 2025 and the upfront fund awards, deferred fund awards and deferred share awards that will be granted in March 2025.
6. As noted on page 67, the executive Directors waived entitlement to the 2021 LTIP whose performance period would have concluded on 31 December 2024. No amount will therefore vest in respect of this award for 2024. The comparative value for 2022 represents the actual value that vested on 6 March 2023 from LTIP awards granted on 11 March 2019. Page 78 sets out information on LTIP awards granted to the executive Directors during 2024. Page 72 sets out information on LTIP awards to be granted to the executive Directors in March 2025.

Retirement arrangements for the former Group Chief Executive (figures audited)

Peter Harrison stepped down as Group Chief Executive and executive Director on 8 November 2024, and continued to be employed by Schroders to facilitate an effective transition to Mr Oldfield through 31 December 2024, when he retired from the Company.

For the period of 9 November to 31 December 2024, Mr Harrison continued to receive his salary, which amounted to £71,429, retirement benefits as cash in lieu of pension of £6,429 and £1,022 in other benefits per the provisions outlined in footnote 2 in the table above. He also received payment in lieu of notice of £92,949 for the portion of his notice period remaining at 31 December 2024 and a capped contribution to legal fees of £35,000 (plus VAT). In accordance with the Policy, certain benefits (such as medical or life insurance) will continue until the end of the normal cover period. Any payments related to such will be disclosed in the report for the financial year to which they pertain, subject to relevant minimum disclosure requirements.

Mr Harrison was eligible to receive a full-year annual bonus for 2024, as set out in the table above. He is not eligible to receive a bonus in respect of 2025 or for the grant of the 2025 LTIP award.

Deferred bonus awards previously granted to Mr Harrison will continue to vest based on the terms and conditions under which they were granted, and his 2022, 2023 and 2024 LTIP grants will be pro-rated for the time elapsed with the firm during the performance period. Final vesting of the LTIP awards will be determined by the Committee at the conclusion of the performance period upon assessment of the achievement of the conditions set out in each award's scorecard.

On stepping down as an executive Director, Mr Harrison remains subject to the post-cessation shareholding requirement which requires that he maintain for a period of two years a holding of shares or interests in shares equal in number to that which applied under the personal shareholding policy while he was an executive Director. Mr Harrison has signed a commitment to adhere to this requirement as part of stepping down.

No other payments for loss of office or to former Directors were made during 2024, other than those previously disclosed.

Key takeaways from section

Annual bonus awards of £1,390,000 and £4,003,000 were made to the Group Chief Executive and former Group Chief Executive respectively, based on the balanced scorecard outcome adjusted to reflect the wider stakeholder experience.

The LTIP awards that would otherwise be vesting this year were waived by the former executive Directors in 2021 in response to the societal challenges of the Covid-19 pandemic.

Resulting total compensation for the Group Chief Executive was 40% of the policy maximum (based on the maximum that applied to him as Chief Financial Officer in the year) and 50% of maximum for the former Group Chief Executive.

Retirement benefits – additional detail (audited)

The following table shows details of retirement benefits provided to executive Directors for the years ended 31 December 2024 and 31 December 2023. 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	**2024 employer contributions**	**2024 cash in lieu of pension[1]**	**2024 retirement benefits total**	2023 employer contributions	2023 cash in lieu of pension[1]	2023 retirement benefits total	**Normal retirement age[2]**
Richard Oldfield	**–**	**40**	**40**	–	10	10	**60**
Peter Harrison	**9**	**30**	**39**	8	37	45	**60**
Richard Keers	**–**	**–**	**–**	–	34	34	**60**

1. Peter Harrison received a combination of employer contributions to the Group's DC pension arrangement and cash in lieu of pension contributions, and Richard Oldfield received cash in lieu of pension contributions.
2. 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.

Variable pay awards – additional detail (audited)

The table below sets out details of how the 2024 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 granted during 2025 (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 granted during 2025	Percentage of total variable pay deferred
Richard Oldfield	578	578	176	58	812	1,390	17 %	1,500	60 %
Peter Harrison	801	801	1,801	600	3,202	4,003	60 %	–	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 1, 2 and 3 years from 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 3.5 years following grant to vest in full and are available to exercise in three equal instalments 1.5, 2.5 and 3.5 years from grant.

Key takeaways from section

In 2024, 60% of executive Director variable pay was deferred, providing long-term alignment and retention.

Delivering a significant portion of the bonus in share and fund awards creates alignment with investors and clients.

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 2024. 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**
Nominations and Governance Committee Chair	**–**
Nominations 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 2024 and 31 December 2023 is set out in the table below:

	2024						2023					
£'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	–	–	–	2	**627**	625	–	–	–	3	**628**
Sir Damon Buffini	–	–	–	–	–	**–**	26	–	6	–	–	**32**
Rhian Davies	26	8	13	–	–	**47**	80	25	40	–	1	**146**
Paul Edgecliffe-Johnson	–	–	–	–	–	**–**	53	–	13	–	2	**68**
Claire Fitzalan Howard	80	–	–	–	1	**81**	80	–	–	–	2	**82**
Rakhi Goss-Custard	80	–	20	–	–	**100**	80	–	20	–	2	**102**
Ian King	80		20	25	–	**125**	80	–	20	25	1	**126**
Iain Mackay	80	17	20	–	–	**117**	0	0	0	0	0	**0**
Leonie Schroder	80	–	–	–	–	**80**	80	–	–	–	–	**80**
Annette Thomas	80	–	20	–	–	**100**	27	–	7	–	–	**34**
Frederic Wakeman	80	–	28	–	–	**108**	0	0	0	0	0	**0**
Deborah Waterhouse	80	–	28	–	1	**110**	80	–	40	–	3	**123**
Matthew Westerman	80	25	40	–	–	**145**	80	25	40	–	–	**145**

The fees shown in each Director's case reflect the portion of 2024 and 2023 that they each served in their respective roles.

- Sir Damon Buffini stepped down from the Board at the conclusion of the 2023 AGM on 27 April 2023 and Paul Edgecliffe-Johnson stepped down from the Board from 31 August 2023.
- Rhian Davies stepped down from the Board at the conclusion of the 2024 AGM on 25 April 2024.
- Iain Mackay and Frederic Wakeman were appointed to the Board on 1 January 2024, with fees set at the same level as for other non-executive Directors. They each joined the Audit and Risk Committee and the Nomination and Governance Committee from their appointment date. Frederic Wakeman joined the Remuneration Committee on 1 August 2024.
- Deborah Waterhouse stepped down from the Remuneration Committee on 31 May 2024.
- Iain Mackay was appointed Chair of the Audit and Risk Committee with effect from 25 April 2024.

Benefits listed comprised travel expenses.

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 2024.
- Year-on-year changes in total remuneration paid to non-executive Directors reflect changes in Committee responsibilities and/or the timing of their appointments.

Workforce and Director pay outcomes

The statutory disclosures presented in this section offer insights into the relationship between employee and executive pay outcomes. The higher proportion of total compensation 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 2024 with the remuneration of the Group's UK workforce as at 31 December 2024, along with the comparative figures for the previous year.

For 2024, the figure for the Group Chief Executive has been calculated based on the sum of Mr Harrison's 2024 single total remuneration amount as shown on page 73 and the equivalent amount for Mr Oldfield prorated for his time in role as Group Chief Executive. As noted on page 63, Mr Oldfield's outcomes were lower as a result of his voluntary waiver of an increase to 2024 total compensation opportunity at the time he was appointed Group Chief Executive. Mr Harrison's outcome was reduced by the discretionary downwards adjustment applied by the Committee, to reflect the stakeholder experience. The median (and quartiles) outcomes for UK employee salary and total pay and benefits have increased in the year. As a result of these factors, the CEO pay ratio has decreased this year.

The Group is committed to ensuring pay fairness throughout its work force, 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.

					Lower quartile UK employee		Median UK employee		Upper quartile UK employee	
	Method	Pay ratio to lower quartile UK employee	Pay ratio to median UK employee	Pay ratio to upper quartile UK employee	Total pay and benefits	Total salary	Total pay and benefits	Total salary	Total pay and benefits	Total salary
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 2024 plus any annual bonus award in respect of 2024 and any other incentive awards granted during 2024. 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 Your Earn' matching payments. No other assumptions or statistical modelling was required.

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 four 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 73 and those for non-executive Directors are based on the table on page 75. The employee mean and median figures in this table represent the change experienced for individual employees who were employed by Schroders in both years.

	2024			2023			2022			2021			2020		
	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	**299 %**	**327 %**	**90 %**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Peter Harrison	**(14)%**	**(15)%**	**(29)%**	0%	3%	47%	0%	38%	-50%	0%	16%	40%	0%	-45%	-4%
Non-executive Directors															
Dame Elizabeth Corley	**0%**	**(43)%**	**n/a**	40%	180%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rhian Davies[1]	**(68)%**	**n/a**	**n/a**	0%	180%	n/a	0%	0%	n/a	0%	0%	n/a	13%	n/a	n/a
Claire Fitzalan Howard	**0%**	**(70)%**	**n/a**	0%	260%	n/a	0%	0%	n/a	51%	0%	n/a	n/a	n/a	n/a
Rakhi Goss-Custard	**0%**	**n/a**	**n/a**	0%	108%	n/a	0%	-50%	n/a	0%	0%	n/a	0%	n/a	n/a
Ian King	**0%**	**n/a**	**n/a**	2%	54%	n/a	2%	0%	n/a	0%	0%	n/a	0%	n/a	n/a
Iain Mackay[1]	**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
Leonie Schroder	**0%**	**n/a**	**n/a**	0%	n/a	n/a	0%	n/a	n/a	0%	-100%	n/a	24%	n/a	n/a
Annette Thomas[1]	**200%**	**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
Frederic Wakeman[1]	**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
Deborah Waterhouse[1]	**(10)%**	**(62)%**	**n/a**	11%	157%	n/a	8%	0%	n/a	0%	0%	n/a	47%	n/a	n/a
Matthew Westerman	**0%**	**n/a**	**n/a**	6%	n/a	n/a	14%	n/a	n/a	43%	n/a	n/a	n/a	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	**7%**	**7%**	**2%**	8%	10%	-4%	10%	8%	-10%[5] -22%[6]	9%	5%	+49%[5] +78%[6]	4%	2%	7%
Median	**4%**	**5%**	**(3)%**	6%	7%	-15%	5%	6%	-17%[5] -28%[6]	2%	3%	+34%[5] +62%[6]	2%	3%	0%

1. The fee increases shown reflect the timing of appointment to the Board and/or roles on Board Committees as set out on page 75. Increases in benefits reflect travel expenses, which vary in each year based on actual usage, with amounts listed on page 75.
2. For base salary, employees of the Group are those who were in employment between 31 December 2023 and 31 December 2024 and represents the salary increase over this period. Salary adjustments agreed as part of the 2024 compensation review will be effective in 2025.
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 of individual employees within the same population.
4. For bonus, the mean and median percentage change for employees of the Group is the mean and the median respectively of the individual year-on-year percentage change in bonus for employees who were in employment and eligible for a bonus for all of 2023 and 2024. More commentary on the annual bonus award for each executive Director can be found on pages 67 to 69.
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.

Key takeaways from section

The annual bonus change for executive Directors differs from employees due to their pay structure, which includes a higher proportion in bonus based on business performance. This contrasts with a desire to provide greater certainty through higher fixed pay for junior and lower-paid employees.

Looking over multiple years, total compensation outcomes for employees have generally been more favourable than outcomes for executive Directors. This is reflected in the decrease in median pay ratio from 72:1 in 2019, when UK pay ratios were first reported, to 44:1 this year. The lower ratio also reflects the reductions in Mr Harrison and Mr Oldfield's bonus outcomes in 2024.

The fees for the non-executive Directors were not changed in 2024 and any changes in fees are reflective of their change in role. Non-executive Directors are not eligible to receive a bonus, which reinforces their independence.

Alignment with shareholders and clients

By delivering a substantial portion of variable pay in shares and funds, we foster meaningful alignment among 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.

Directors' rights under fund and share awards

DAP and LTIP granted during 2024 (audited)

The following awards were granted under the DAP on 4 March 2024 in respect of deferred bonuses for performance during 2023. 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, as described on page 65. These awards were included in the 2023 single total remuneration figures disclosed last year and form part of the prior-year value shown in this year's single total remuneration figures on page 73. They are also shown in the tables of rights under fund and share awards on pages 78 to 79.

		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 2023	226	209	70	505	3.937	53,060	Awarded for performance in 2023. No further performance conditions apply
Peter Harrison		1,246	2,353	784	4,383	3.937	597,637	

The following awards under the LTIP were granted on 4 March 2024 as nil-cost options. They are also reflected in the table of rights under share awards on page 79. Vesting of LTIP awards granted during 2024 are subject to the performance conditions detailed in the 2023 Annual Report and Accounts.

Individual	Basis of DAP 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.	400	100	25	3.937	101,600	31/12/2027
Peter Harrison		600	100	25	3.937	152,400	31/12/2027

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 2023	–	–	–
	Granted	70	226	296
	Vested	–	–	–
	Exercised	–	(226)	(226)
	At 31 December 2024	**70**	**–**	**70**
Peter Harrison	At 31 December 2023	1,530	–	1,530
	Granted	784	1,246	2,030
	Vested	(812)	812	–
	Exercised	–	(1,620)	(1,620)
	At 31 December 2024	**1,502**	**438**	**1,940**

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 2023	–	–	–	–
	Granted	101,600	53,060	–	154,660
	Dividend-equivalent accrual	–	3,321	–	3,321
	Vested	–	–	–	–
	Lapsed where LTIP conditions were not met	–	–	–	–
	Exercised	–	–	–	–
	At 31 December 2024	**101,600**	**56,381**	**–**	**157,981**
Peter Harrison (ordinary shares)	At 31 December 2023	244,978	990,263	320,419	1,555,660
	Granted	152,400	597,637	–	750,037
	Dividend-equivalent accrual	–	62,648	36,197	98,845
	Vested	–	(518,601)	518,601	–
	Lapsed where LTIP conditions were not met[3]	(206,131)	–	–	(206,131)
	Exercised	–	–	(708,068)	(708,068)
	At 31 December 2024	**191,247**	**1,131,947**	**167,149**	**1,490,343**

1. These awards will only vest to the extent that the relevant performance conditions are met.
2. No performance conditions apply for these awards.
3. For Peter Harrison, the LTIP lapsed figure represents the awards forfeited as a result of the pro-rating of 2022, 2023 and 2024 LTIP grants for the time elapsed with the firm during the performance period.

During 2024, Peter Harrison received an aggregate gain of £2,545,164, settled in shares, from exercising nil-cost options over 708,068 ordinary shares, in part granted as an element of his annual bonus awards for performance in 2021 and 2022, and in part being the vested element of the LTIP award granted to him in 2019.

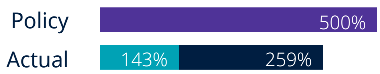
Executive Director alignment to shareholders

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 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 policy as these rights to shares are subject to performance conditions.

Richard Oldfield, who was appointed as an executive Director on 2 October 2023 and as Group Chief Executive on 8 November 2024, will not be able to sell any share awards until he meets the required level. Peter Harrison's shareholdings are well in excess of the required level and he remains subject to the shareholding policy for two years post his stepping down as an executive Director on 8 November 2024.

Value of shareholding vs. shareholding policy (% of salary) (audited)

Group Chief Executive
Richard Oldfield



Former Group Chief Executive
Peter Harrison

● Policy ● Shareholding ● LTIP shares subject to performance conditions

The shareholdings in the illustration above include deferred share awards granted under the DAP in respect of performance in 2024 (see page 78). For illustration purposes, the estimated after-tax value of LTIP awards that remain subject to performance conditions are shown separately, including those granted in respect of performance in 2024.

Directors' share interests (audited)

The Directors and their connected persons had the following interests in shares in the Company. Meagen Burnett and Johanna Kyrklund were appointed as executive Directors on 1 January 2025 and therefore do not feature in the table.

	Number of shares at 31 December 2024
	Ordinary shares of 20 pence each
Executive Directors	
Richard Oldfield	104,422
Peter Harrison[1]	62,710
Non-executive Directors	
Dame Elizabeth Corley	105,294
Rhian Davies[2]	7,500
Claire Fitzalan Howard[3]	635,565,532
Rakhi Goss-Custard	8,301
Ian King	13,205
Iain Mackay	–
Leonie Schroder[3]	682,545,452
Annette Thomas	–
Frederic Wakeman	–
Deborah Waterhouse	4,190
Matthew Westerman	11,764

Between 31 December 2024 and 5 March 2025, the only movements in the Directors' share interests were the acquisition under the Share Incentive Plan of 145 ordinary shares by Richard Oldfield.

1. The interests of Peter Harrison refer to the position as at 8 November 2024, the date he stepped down as a Director of the Company.
2. The interests of Rhian Davies refer to the position as at 25 April 2024, the date she stepped down as a Director of the Company.
3. 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.

Key takeaways from section

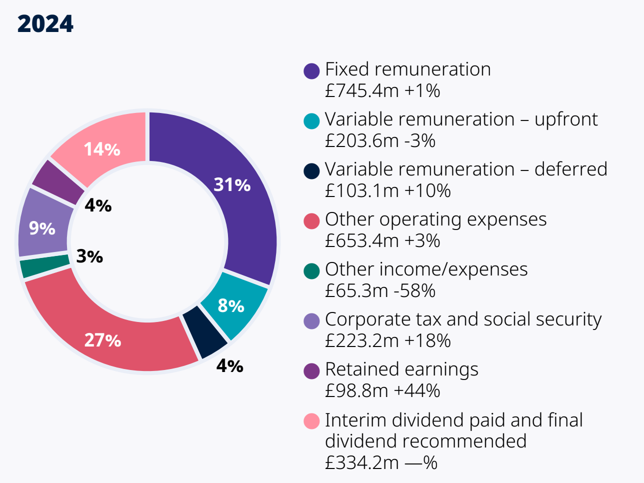
- Alignment to shareholders is a key pillar of our remuneration approach, with senior leadership required to hold a meaningful number of shares.
- Richard Oldfield, who was appointed as an executive Director on 2 October 2023 and as Group Chief Executive on 8 November 2024, will not be able to sell any share awards until he meets the required level.
- Peter Harrison's shareholdings are well in excess of the required level and he remains subject to the shareholding policy for two years post his stepping down as an executive Director on 8 November 2024.

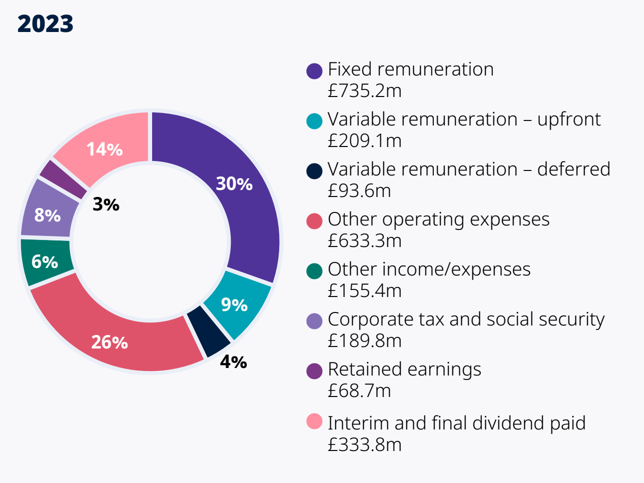
Contextualising pay outcomes with overall performance

The disclosures that follow provide further details of the relationship between pay outcomes and performance delivered for shareholders.

Relative spend on pay

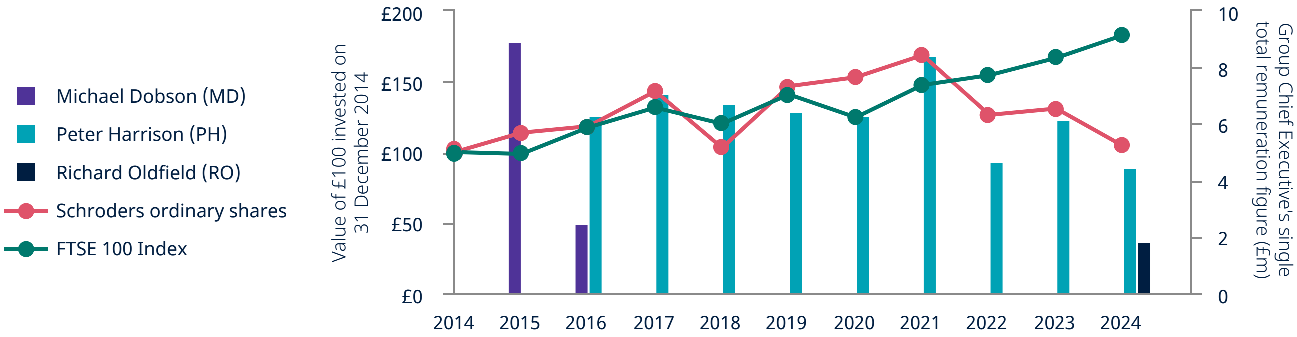
The charts below illustrate the relative spend on pay for 2024 compared with 2023. The values are taken from the financial statements and show how remuneration costs compare with shareholder distributions, taxes arising and earnings retained, to illustrate how net operating income is used.





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 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.



		2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Single total remuneration figure (£'000)[1,2]	MD	8,905	2,451								
	PH		6,311	7,059	6,735	6,453	6,321	8,434	4,696	6,190	**4,484**
	RO										**1,812**
Annual bonus award (outcome as a % of maximum, or actual award as a % of ten-year highest bonus)[3]	MD	100%	25%								
	PH		70%	82%	78%	72%	69%	97%	49%	75%	**47%**
	RO										**54%**
LTIP (vesting as a % of maximum)[4]		50%	50%	n/a	–%	50%	50%	50%	50%	n/a	**n/a**

1. The 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 appointed 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 as 'n/a' as Peter 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, the former Group Chief Executive, waived his 2020 and 2021 LTIP grants, so 2023 and 2024 show as 'n/a'.

Key takeaways from section

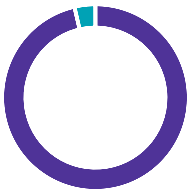
- The relative spend on pay has remained largely consistent from prior years, demonstrating the close linkage between pay and financial performance.
- Schroders plc total shareholder return is +4% over the past ten years. The single total figure of remuneration paid to the Schroders Group Chief Executive has decreased by (42)% over this same period.

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 received on these resolutions.

The following votes were cast in respect of the ARR at our 2024 AGM and the Directors' remuneration policy at our 2023 AGM.

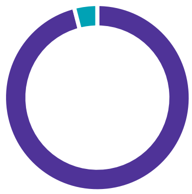
To approve the annual remuneration report at the 2024 AGM



Votes for	1,379,172,791
Votes against	51,815,946
Votes withheld	1,087,099

	Votes for	Votes against
2024 AGM	96%	4%

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

– We continued to receive strong support from our shareholders in respect of both our ARR and Directors' remuneration policy.
– We value the feedback from our shareholders and their continued participation at the 2025 AGM.

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 to ensure 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 five meetings as independent Remuneration Committee advisers in 2024. 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 2023 on executive Director pay totalled £178,708.

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, regulatory and fund audit and support for corporate acquisitions. The Committee monitors its adviser independence, noting that advice received is predominantly based on objective data trends/facts. Where relevant, advisers were asked to leave discussions 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 from Meridian Compensation Partners (Meridian) and used data from McLagan (Aon) Limited (McLagan) on market conditions and competitive rates of pay, as 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. The total fees paid for advice to the Committee during 2024 on executive Director pay totalled £6,435 and £1,800 for Meridian and McLagan respectively.

The Committee is satisfied that the advice received from both advisers was independent and objective, as it was factual and not judgemental. 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 attended seven meetings, the Group Chief Executive (including in his former capacity as Chief Financial Officer) attended six meetings, and the former Group Chief Executive attended five meetings. The executive Directors left the meetings when relevant to avoid any conflicts of interest. The Chief People Officer attended meetings to provide advice and support to the Committee and the Head of Executive Compensation 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.

Compliance with the 2018 UK Corporate Governance Code ("the Code")

Code requirements	How the Committee has addressed the requirement
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce	– Prospective disclosure of bonus and LTIP metrics (page 71) – Full retrospective disclosure of financial targets and non-financial factors (pages 67 to 69) – Review of shareholder feedback and guidance and engagement with shareholders (pages 64, 70)
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand	– Executive Directors incentivised via annual bonus with deferral and LTIP (page 65) – Clear disclosure of rationale and operation of each element (see pages 65 and 71)
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated	– Defined maximum limit for annual total remuneration (page 65) – Significant deferral, providing alignment to clients and shareholders (page 65) – Committee discretion to adjust formulaic bonus or LTIP outcomes (page 71) – Extensive malus and clawback provisions (as referenced on page 65). Full details of the provisions were included in the Policy set out in the 2022 Annual Report and Accounts.
Predictability – the range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy	– An illustration of the range of possible outcomes was set out in the Policy as part of the 2022 Annual Report and Accounts. – Regular Committee review of likely bonus scorecard outcomes (page 67)
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance	– Annual bonus and LTIP performance measures reviewed annually against strategic priorities (page 68) – Significant deferral, providing alignment to clients and shareholders (page 65) – Extensive malus and clawback provisions (page 65)
Alignment to culture – incentive schemes should drive behaviours consistent with Company purpose, values and strategy	– Remuneration principles aligned with our key stakeholders (page 64) – Executive Director remuneration considered in the context of employee outcomes (page 70) – Commitment to fair pay for performance across the workforce (page 66) – Inclusion of non-financial metrics in both executive Director annual bonus and LTIP scorecards (pages 68 to 69, 71)

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 and Peter Harrison did not receive any fees in respect of external non-executive roles during the course of their appointment to the Company in 2024.

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 2024

The annual evaluation of the Committee's effectiveness was undertaken as part of the overall Board evaluation process, which is described in the Governance report on page 42. The findings relating to the Committee were discussed with the Committee Chair. The overall conclusion of the evaluation was that the Remuneration Committee was functioning effectively and had performed its duties diligently. The reporting to the Board on the Committee's discussions by the Chair of the Committee was felt to be comprehensive.

By order of the Board

Matthew Westerman
Chair of the Remuneration Committee

5 March 2025

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.

The Company's share capital comprises 1,612,071,525 ordinary shares of 20 pence each, of which 6,383,664 are held in treasury by the Company. The total voting rights in the Company are 1,605,687,861.

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 4 March 2025, 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 52,260,496 ordinary shares.

Under the terms of the Share Incentive Plan, as at 28 February 2025, 7,876,384 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 Schroder family individuals, and a Schroder family charity, which, directly or indirectly, are shareholders of the Company.

The Principal Shareholder Group currently holds 711,068,586 ordinary shares (44.28% of the issued ordinary shares excluding treasury shares) in the Company. This is comprised as follows:

A. 657,718,180 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. 29,364,559 of the ordinary shares (1.83%) are owned directly or indirectly 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. 21,634,408 of the ordinary shares (1.34%) 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. 2,351,439 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 so that 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 2024:

- the Company has complied with the independence provisions included in the Listing Rules
- so far as the Company is aware, the independence provisions included in the Listing Rules have been complied with by the members of the Principal Shareholder Group.

Substantial shareholdings

The table below shows the notifiable holdings of major shareholders in the voting rights of the Company, as at 31 December 2024, 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
Harris Associates L.P.	5.02
Silchester International Investors LLP	5.01
Lindsell Train Limited	4.99
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.

On 24 February 2025, Tikehau Capital SCA notified the Company that their holding had increased to 5.20% of voting rights held. On 19 February 2025, Harris Associates L.P. notified the Company that their holding had decreased to 4.99% of voting rights held.

There have been no other changes to the notifications disclosed in the table or additional notifications as at the date of this report.

Dividends

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 (2023: 15.0 pence per share), which, if approved by shareholders at the AGM, will be paid on 8 May 2025 to shareholders on the register of members at close of business on 28 March 2025. It means a total dividend for the year of 21.5 pence per share (2023: 21.5 pence per share), representing a payout ratio of 71% (2023: 66%).

	2024		2023	
	pence	£m	pence	£m
Interim	6.5	101.2	6.5	100.8
Final*	15.0	233.0	15.0	233.0
Total	**21.5**	**334.2**	**21.5**	**333.8**

* Subject to approval by shareholders at the 2025 AGM

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 £2.8 billion (2023: £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 capital 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 2024 and future periods. See notes 6 and 21 to the financial statements.

2025 Annual General Meeting

The 2025 AGM will be held on Thursday 1 May 2025 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 2024 AGM, the Company was authorised by shareholders to purchase up to 128,515,118 ordinary shares. The authority to purchase own shares was utilised during the year through a repurchase programme announced in November 2024. The repurchases commenced on 13 November 2024 and ended on 19 December 2024. A total of 6,383,664 ordinary shares were repurchased. The repurchased 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).

At the 2025 AGM, the Board will seek authority to purchase up to 122,131,453 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 44.28% (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 2025 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.

Members of the Principal Shareholder Group are supportive long-term shareholders and intend to retain a substantial shareholding in the Company over the long term. 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%.

Stakeholder engagement

Details of the Company's approach to stakeholder engagement and how their interests have shaped our decisions throughout the year can be found on pages 32 to 33 and 47.

Streamlined energy carbon reporting

Details of the Company's approach to decarbonisation and disclosures on scope 1 and scope 2 emissions and associated consumption are included as part of our Climate Related Disclosures on pages 177 to 183. These are in line with the Streamlined Energy and Carbon Reporting (SECR) requirements.

Employment practices

Details of the Company's employment practices, including diversity and employee engagement, can be found in the Strategic report on pages 16 and 17.

Workforce diversity

Understanding representation through data is essential for driving positive change, allowing us to analyse diversity, prioritise interventions, and empower decision-making through dashboards at Schroders.

We encourage employees to voluntarily complete their diversity profiles and proactively engage new joiners to explain the importance of this data. We also capture diversity data at various points in the employee life cycle to maintain accuracy and provide comprehensive insights into our workforce.

We publish our UK ethnicity pay gap and global gender pay gap to assess our progress on inclusion and diversity, demonstrating our commitment to transparency.

We meet the FTSE Women Leaders targets for women's board representation and comply with the Parker Review recommendations. 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.

As at 31 December 2024, 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 (2024: 55%)
- at least one of the senior Board positions being held by a woman (2024: Chair)
- at least one member of the Board being from an ethnic minority background (2024: 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 2024

Schroders plc Board – Gender diversity representation

2024	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[5]	Number in executive management[1]	Percentage of executive management
Men	5	45%	2	3	33%
Women	6	55%	1	6	67%
Not specified/prefer not to say	–	– %	–	–	– %

Schroders plc senior management – Gender diversity representation

2024	Senior managers[2]	Subsidiary Board members[3]	Total senior management[4]	All employees
Men	62 %	73 %	65 %	56 %
Women	38 %	27 %	35 %	44 %
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-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.
5. Number of senior positions on the Board (CEO, CFO, SID and Chair) will not reflect a total figure of 4 as at time of reporting (31 December 2024) the CFO position was yet to be appointed to the Board. The CFO was appointed as at 1 January 2025.

Ethnic diversity representation - as at 31 December 2024

2024	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[5]	Number in executive management[1]	Percentage of executive management
White British or other white (including minority white groups)	9	82 %	3	8	100 %
Mixed/Multiple ethnic groups	1	9 %	–	–	– %
Asian/Asian British	1	9 %	–	–	– %
Black/African/Caribbean/Black British	–	– %	–	–	– %
Other ethnic group, including Arab	–	– %	–	–	– %
Not specified/prefer not to say	–	– %	–	–	– %

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.

Under the Amended and Restated Framework Agreement (Framework Agreement) with Lloyds Banking Group plc, signed on 3 October 2019 in relation to the strategic partnership announced on 23 October 2018, on a change of control of the Company to (1) either a material competitor of a Lloyds Banking Group business, or (2) an entity or person on, or controlled by an entity or person on, a recognised sanctions list, or located in a specified jurisdiction, Lloyds Banking Group may terminate the Framework Agreement. Such termination provisions provide for Lloyds Banking Group and the Company to return to the status quo prior to establishing the strategic partnership in relation to shareholdings in subsidiary entities, with any implementing transactions conducted at specified valuations.

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 (2023: nil) and there is no intention to make or incur any in the current year.

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
(5) Details of any arrangements under which a director of the company has waived or agreed to waive any emoluments from the company or any subsidiary undertaking.	See pages 67, 73, 74 and 81
(11) Details of any arrangements under which a shareholder has waived or agreed to waive any dividends.	See pages 85, 103 and 128
(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 85, 103 and 128
(13) A statement made by the board that the company continues to comply with the requirement in UKLR 6.2.3R.	See page 84

Risk management objectives and policies

Details of the Group's Risk Management framework are set out on page 26. Specific information around risk management objectives, policies (e.g., hedging) and exposure is contained in note 19 of the financial statements.

By order of the Board.

Kate Graham

Company Secretary

5 March 2025

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 events or conditions 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; and
- 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 84, 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

Consolidated income statement

for the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Revenue		2,970.0	2,936.7
Cost of sales		(612.3)	(602.3)
Net operating revenue	2	**2,357.7**	**2,334.4**
Of which: Performance fees		*33.7*	*37.3*
Net carried interest income		*29.7*	*46.9*
Net operating revenue excluding performance-based revenues		*2,294.3*	*2,250.2*
Share of profit of associates and joint ventures	10	47.6	51.1
Other operating income		21.5	33.5
Net operating income		**2,426.8**	**2,419.0**
Operating expenses	3	(1,786.3)	(1,758.0)
Operating profit		**640.5**	**661.0**
Central costs	3	(53.0)	(52.9)
Net gain on financial instruments and other income		13.1	32.1
Interest income		31.8	23.6
Acquisition costs and related items	3	(74.3)	(90.0)
Restructuring costs	3	–	(86.2)
Profit before tax		**558.1**	**487.6**
Tax	4(a)	(125.1)	(85.0)
Profit after tax		**433.0**	**402.6**
Attributable to:			
Equity holders of Schroders plc		417.0	388.2
Non-controlling interest holders		16.0	14.4
Profit after tax		**433.0**	**402.6**
Earnings per share			
Basic	5	**26.4p**	**24.6p**
Diluted	5	**26.0p**	**24.2p**
Operating earnings per share			
Basic	5	**30.1p**	**32.5p**
Diluted	5	**29.6p**	**31.9p**

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Profit after tax		**433.0**	**402.6**
Items that may be reclassified to the income statement:			
Net exchange differences on translation of foreign operations after hedging		(56.1)	(52.0)
Net gain on financial assets at fair value through other comprehensive income		0.4	0.3
		(55.7)	**(51.7)**
Items that have been reclassified to the income statement:		**0.6**	**(4.2)**
Items that will not be reclassified to the income statement:			
Net actuarial loss on defined benefit pension schemes	24	(7.4)	(4.2)
Tax on items taken directly to other comprehensive income	4(b)	1.9	1.0
		(5.5)	**(3.2)**
Other comprehensive income for the year, net of tax		**(60.6)**	**(59.1)**
Total comprehensive income for the year		**372.4**	**343.5**
Attributable to:			
Equity holders of Schroders plc		356.4	329.1
Non-controlling interest holders		16.0	14.4
Total comprehensive income for the year		**372.4**	**343.5**

Consolidated statement of financial position

at 31 December 2024

	Notes	2024 £m	2023 £m
Assets			
Cash and cash equivalents		4,066.4	3,649.9
Trade and other receivables	7	1,026.4	920.4
Financial assets	8	3,227.9	2,827.1
Associates and joint ventures	10	550.0	531.7
Property, plant and equipment	11, 12	488.6	464.3
Goodwill and intangible assets	13	1,840.5	1,885.2
Deferred tax	14	160.4	203.9
Retirement benefit scheme surplus	24	131.0	138.3
		11,491.2	**10,620.8**
Assets backing unit-linked liabilities			
Cash and cash equivalents		148.3	453.1
Financial assets		9,310.4	9,555.0
	15	**9,458.7**	**10,008.1**
Total assets		**20,949.9**	**20,628.9**
Liabilities			
Trade and other payables	16	1,063.0	1,087.5
Financial liabilities	8	5,113.6	4,578.2
Current tax		29.0	12.6
Issued debt	9	256.0	–
Lease liabilities	12	345.7	318.7
Provisions	17	60.3	23.0
Deferred tax	14	120.3	128.3
Retirement benefit scheme deficits		7.9	8.8
		6,995.8	**6,157.1**
Unit-linked liabilities	15	**9,458.7**	**10,008.1**
Total liabilities		**16,454.5**	**16,165.2**
Net assets		**4,495.4**	**4,463.7**
Total equity excluding non-controlling interest		4,410.3	4,390.6
Non-controlling interest		85.1	73.1
Total equity		**4,495.4**	**4,463.7**

The financial statements were approved by the Board of Directors on 5 March 2025 and signed on its behalf by:

Meagen Burnett
Director

Consolidated statement of changes in equity

for the year ended 31 December 2024

	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
		Attributable to owners of the parent								
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	25	–	–	–	–	–	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**

	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
		Attributable to owners of the parent								
At 1 January 2023		**322.4**	**84.3**	**(185.1)**	**291.2**	**203.6**	**3,639.5**	**4,355.9**	**123.8**	**4,479.7**
Profit for the year		–	–	–	–	40.5	347.7	388.2	14.4	402.6
Other comprehensive income[1]		–	–	–	(56.3)	–	(2.8)	(59.1)	–	(59.1)
Total comprehensive income for the year		**–**	**–**	**–**	**(56.3)**	**40.5**	**344.9**	**329.1**	**14.4**	**343.5**
Own shares purchased	21	–	–	(66.6)	–	–	–	(66.6)	–	(66.6)
Share-based payments	25	–	–	–	–	–	62.8	62.8	–	62.8
Tax in respect of share schemes	4(c)	–	–	–	–	–	1.4	1.4	–	1.4
Other movements[2]		–	–	–	–	–	41.0	41.0	(49.6)	(8.6)
Dividends	6	–	–	–	–	–	(333.0)	(333.0)	(15.5)	(348.5)
Transactions with shareholders		**–**	**–**	**(66.6)**	**–**	**–**	**(227.8)**	**(294.4)**	**(65.1)**	**(359.5)**
Transfers		**–**	**–**	**79.6**	**–**	**(28.9)**	**(50.7)**	**–**	**–**	**–**
At 31 December 2023		**322.4**	**84.3**	**(172.1)**	**234.9**	**215.2**	**3,705.9**	**4,390.6**	**73.1**	**4,463.7**

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 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.
2. Other movements in the profit and loss reserve principally relate to financial liabilities in respect of options to purchase the remaining non-controlling interest in certain subsidiaries (see note 8). In 2023, other movements in the non-controlling interest reserve principally comprise the derecognition of BOCOM Wealth Management Company Limited on reclassification from a subsidiary to an associate (see note 10(a)).

Consolidated cash flow statement

for the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Net cash from/(used in) operating activities[1]	22	**1,048.2**	**(238.1)**
Cash flows from investing activities			
Net acquisition/disposal of businesses, associates and joint ventures[2]		(49.6)	(125.1)
Net acquisition of property, plant and equipment and software		(70.5)	(79.9)
Acquisition of financial assets		(3,703.9)	(1,882.1)
Disposal of financial assets		3,077.2	1,787.8
Non-banking interest received		39.8	24.7
Distributions received from associates and joint ventures		12.2	49.6
Net cash used in investing activities		**(694.8)**	**(225.0)**
Cash flows from financing activities			
Issuance of loan notes	9	248.8	–
Purchase of subsidiary shares from non-controlling interest holders		(9.9)	(10.5)
Lease payments	12	(46.0)	(52.3)
Acquisition of own shares	21	(59.8)	(66.6)
Dividends paid	6	(341.1)	(348.5)
Other		(5.0)	(1.6)
Net cash used in financing activities		**(213.0)**	**(479.5)**
Net increase/(decrease) in cash and cash equivalents		**140.4**	**(942.6)**
Opening cash and cash equivalents		4,103.0	5,045.3
Net increase/(decrease) in cash and cash equivalents		140.4	(942.6)
Effect of exchange rate changes		(28.7)	0.3
Closing cash and cash equivalents		**4,214.7**	**4,103.0**
Closing cash and cash equivalents consists of:			
Cash and cash equivalents available for use by the Group		4,054.0	3,644.2
Cash held in consolidated pooled investment vehicles		12.4	5.7
Cash and cash equivalents presented within assets		**4,066.4**	**3,649.9**
Cash and cash equivalents presented within assets backing unit-linked liabilities	15	148.3	453.1
Closing cash and cash equivalents		**4,214.7**	**4,103.0**

1. Includes Wealth Management interest income received of £227.6 million (2023: £191.6 million) and interest paid of £182.6 million (2023: £151.6 million).
2. 2023 includes the derecognition of cash on reclassification of BOCOM Wealth Management Company Limited from a subsidiary to an associate (see note 10(a)).

Notes to the accounts

1 Segmental reporting

(a) Operating segments

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 and private assets and alternatives products. The Wealth Management segment principally comprises investment management, wealth planning and financial advice, platform services and banking services.

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.

Operating expenses represent the costs incurred in running the Asset Management and Wealth Management segments and 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. Operating expenses exclude items related to acquisitions, central management activities and certain restructuring costs (see note 3). The reconciliation of operating profit to profit before tax is included on the income statement.

Year ended 31 December 2024	Asset Management £m	Wealth Management £m	Total £m
Revenue	2,295.1	674.9	2,970.0
Cost of sales	(416.1)	(196.2)	(612.3)
Net operating revenue	**1,879.0**	**478.7**	**2,357.7**
Of which: Performance fees	*33.2*	*0.5*	*33.7*
Net carried interest income	*29.7*	*–*	*29.7*
Net operating revenue excluding performance-based revenues	*1,816.1*	*478.2*	*2,294.3*
Share of profit of associates and joint ventures	37.1	10.5	47.6
Other operating income	13.0	8.5	21.5
Net operating income	**1,929.1**	**497.7**	**2,426.8**
Operating expenses	(1,461.2)	(325.1)	(1,786.3)
Operating profit	**467.9**	**172.6**	**640.5**

Year ended 31 December 2023	Asset Management £m	Wealth Management £m	Total £m
Revenue	2,349.3	587.4	2,936.7
Cost of sales	(438.1)	(164.2)	(602.3)
Net operating revenue	**1,911.2**	**423.2**	**2,334.4**
Of which: Performance fees	*36.7*	*0.6*	*37.3*
Net carried interest income	*46.9*	*–*	*46.9*
Net operating revenue excluding performance-based revenues	*1,827.6*	*422.6*	*2,250.2*
Share of profit of associates and joint ventures	48.7	2.4	51.1
Other operating income	22.3	11.2	33.5
Net operating income	**1,982.2**	**436.8**	**2,419.0**
Operating expenses	(1,471.7)	(286.3)	(1,758.0)
Operating profit	**510.5**	**150.5**	**661.0**

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.

1 Segmental reporting continued

(b) Geographical information

The Group's non-current assets[1] are located in the following countries:

	2024 £m	2023 £m
United Kingdom	2,005.7	2,054.1
China	286.9	270.8
Switzerland	242.7	203.6
United States	86.1	98.7
India	69.3	54.8
France	66.6	74.5
Hong Kong	32.1	22.5
Other	92.8	106.4
Total	**2,882.2**	**2,885.4**

1. Comprises the following non-current assets: property, plant and equipment, goodwill and intangible assets, associates and joint ventures and prepayments.

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 and it is probable that the fee will be collected.

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 and it is probable that the fee will be collected.

Within Wealth Management, earning a net interest margin is a core activity and interest is therefore recognised within revenue. Interest income is earned as a result of placing loans and deposits with other financial institutions, advancing loans and overdrafts to clients, and holding debt and other fixed income 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.

Wealth Management pays interest to clients on deposits taken. Within Wealth Management, earning a net interest margin is a core activity. Interest payable in respect of these activities is therefore recorded separately from finance costs arising elsewhere in the business and is reported as part of cost of sales. Interest is recognised using the effective interest method (see above).

2 Net operating revenue continued

(a) Net operating revenue by segment

Year ended 31 December 2024	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	38.8	56.8
Wealth Management interest income	–	244.6	244.6
Revenue	**2,295.1**	**674.9**	**2,970.0**
Fee expense	(410.6)	(13.9)	(424.5)
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)**	**(196.2)**	**(612.3)**
Net operating revenue	**1,879.0**	**478.7**	**2,357.7**

Year ended 31 December 2023	Asset Management £m	Wealth Management £m	Total £m
Management fees	2,230.6	340.6	2,571.2
Performance fees	36.7	0.6	37.3
Carried interest	64.8	–	64.8
Other fees	17.2	31.8	49.0
Wealth Management interest income	–	214.4	214.4
Revenue	**2,349.3**	**587.4**	**2,936.7**
Fee expense	(420.2)	(13.1)	(433.3)
Cost of financial obligations in respect of carried interest	(17.9)	–	(17.9)
Wealth Management interest expense	–	(151.1)	(151.1)
Cost of sales	**(438.1)**	**(164.2)**	**(602.3)**
Net operating revenue	**1,911.2**	**423.2**	**2,334.4**

(b) Net operating revenue by region based on the location of clients

Year ended 31 December 2024	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	36.4	14.1	6.3	–	56.8
Wealth Management interest income	227.6	14.1	2.9	–	244.6
Revenue	**1,191.2**	**867.3**	**560.8**	**350.7**	**2,970.0**
Fee expense	(52.2)	(196.9)	(139.6)	(35.8)	(424.5)
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	**(233.0)**	**(203.0)**	**(140.5)**	**(35.8)**	**(612.3)**
Net operating revenue	**958.2**	**664.3**	**420.3**	**314.9**	**2,357.7**

2 Net operating revenue continued

(b) Net operating revenue by region based on the location of clients continued

Year ended 31 December 2023	UK £m	Continental Europe & Middle East £m	Asia Pacific £m	Americas £m	Total £m
Management fees	870.6	785.4	560.9	354.3	2,571.2
Performance fees	6.6	14.0	5.4	11.3	37.3
Carried interest	–	64.8	–	–	64.8
Other fees	29.6	13.4	6.0	–	49.0
Wealth Management interest income	191.2	19.9	3.3	–	214.4
Revenue	**1,098.0**	**897.5**	**575.6**	**365.6**	**2,936.7**
Fee expense	(54.3)	(181.5)	(149.9)	(47.6)	(433.3)
Cost of financial obligations in respect of carried interest	–	(17.9)	–	–	(17.9)
Wealth Management interest expense	(149.1)	(1.2)	(0.8)	–	(151.1)
Cost of sales	**(203.4)**	**(200.6)**	**(150.7)**	**(47.6)**	**(602.3)**
Net operating revenue	**894.6**	**696.9**	**424.9**	**318.0**	**2,334.4**

Estimates and judgements – revenue

The principle estimates and judgements for revenue relate to carried interest. Carried interest represents the Group's contractual right to a share of the profits of 141 private asset investment vehicles (2023: 133 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 principle 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 estimates 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 £3.4 million (2023: £3.9 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 £5.0 million/£5.0 million (2023: £3.3 million/£3.2 million) and this amount would be lower than the corresponding increase/reduction in revenue.

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.

Expenses comprise operating expenses, central costs, acquisition costs and related items and restructuring costs. Operating expenses are those costs incurred through the operating activities of the Group's operating segments: Asset Management and Wealth Management. Central costs are those arising from capital and treasury management activities, corporate development and strategy activities and the costs associated with the governance and corporate management of the Group. Acquisition costs and related items include deal costs associated with corporate transactions and costs associated with the integration of acquired businesses and amortisation of acquired intangible assets. The restructuring costs are one-off in nature and 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 compensation-related costs and project expenditure.

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. Compensation costs are managed to a target operating compensation ratio of between 45% and 49%. Targeting a compensation ratio range provides some flexibility to manage the overall cost base in response to market conditions.

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 24 for pension costs and note 25 for compensation that is awarded in Schroders plc shares.

(a) Group cost components

Year ended 31 December	2024 £m	2023 £m
Operating expenses	1,786.3	1,758.0
Central costs	53.0	52.9
Acquisition costs and related items	74.3	90.0
Restructuring costs	–	86.2
Total expenses	**1,913.6**	**1,987.1**

(b) Employee benefits expense and number of employees

Year ended 31 December	2024 £m	2023 £m
Salaries, wages and other remuneration	1,011.9	1,058.7
Social security costs	98.2	104.9
Pension costs	75.1	72.0
Employee benefits expense	**1,185.2**	**1,235.6**
Net gain on financial instruments held to hedge deferred cash awards	(24.6)	(13.7)
Employee benefits expense – net of hedging	**1,160.6**	**1,221.9**

The employee benefits expense net of hedging includes £26.7 million (2023: £27.9 million) that is presented within central costs, £10.6 million (2023: £19.7 million) presented within acquisition costs and related items and nil (2023: £61.9 million) presented within restructuring costs.

Information about the compensation of key management personnel can be found in note 26. 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 62 to 83.

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:

	2024 Number	2023 Number
Full-time employees	6,208	6,191
Contract and temporary employees	177	199
	6,385	**6,390**
Employed as follows:		
Asset Management	5,047	5,045
Wealth Management	1,310	1,313
Central	28	32
	6,385	**6,390**

(c) Audit and other services

Year ended 31 December	2024 £m	2023 £m
Fees payable to the auditor for the audit of the Company and Consolidated financial statements	0.8	0.7
Fees payable to the auditor and its associates for other services:		
Audit of the Company's subsidiaries	5.3	5.0
Audit-related assurance services	1.4	1.5
Other assurance services	0.8	0.8
	8.3	**8.0**

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	2024 £m	2023 £m
UK current year charge	27.0	59.2
Rest of the world current year charge	72.3	64.5
Global minimum top-up tax	2.7	–
Prior year adjustments	(7.8)	(6.2)
Total current tax	**94.2**	**117.5**
Origination and reversal of temporary differences	33.0	(30.9)
Prior year adjustments	(2.7)	2.1
Effect of changes in corporation tax rates	0.6	(3.7)
Total deferred tax	**30.9**	**(32.5)**
Tax charge reported in the income statement	**125.1**	**85.0**

On 1 January 2024, the Group became subject to the global minimum top-up tax under Pillar Two legislation. The top-up tax relates to the Group's operations in Dubai, Singapore, Guernsey and Jersey, and is levied on the ultimate parent company.

(b) Analysis of tax credit reported in other comprehensive income

Year ended 31 December	2024 £m	2023 £m
Deferred tax credit on actuarial gains and losses on defined benefit pension schemes	(1.9)	(1.0)
Tax credit reported in other comprehensive income	**(1.9)**	**(1.0)**

4 Tax expense continued

(c) Analysis of tax credit reported in equity

Year ended 31 December	2024 £m	2023 £m
Current tax credit on Deferred Award Plan and other share-based remuneration	(0.8)	(2.1)
Deferred tax charge on Deferred Award Plan and other share-based remuneration	0.1	0.7
Tax credit reported in equity	**(0.7)**	**(1.4)**

(d) Factors affecting tax charge for the year

The UK rate of corporation tax applicable for 2024 is a standard rate of 25% (2023: blended rate of 23.5%). The tax charge for the year is lower (2023: lower) than a charge based on the UK rate. The differences are explained below:

Year ended 31 December	2024 £m	2023 £m
Profit before tax	558.1	487.6
Less share of profit of associates and joint ventures after amortisation	(42.1)	(40.5)
Profit before tax of Group entities	**516.0**	**447.1**
Profit before tax of consolidated Group entities multiplied by corporation tax at the UK rate	**129.0**	**105.1**
Effects of:		
Different statutory tax rates of overseas jurisdictions	(15.2)	(17.3)
Global minimum top-up tax	2.7	–
Permanent differences including non-taxable income and non-deductible expenses	16.7	3.4
Net movement in temporary differences for which no deferred tax is recognised	1.8	1.6
Deferred tax adjustments in respect of changes in corporation tax rates	0.6	(3.7)
Prior year adjustments	(10.5)	(4.1)
Tax charge reported in the income statement	**125.1**	**85.0**

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 (2023: none).

5 Earnings per share

This key performance indicator 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.

Reconciliation of the figures used in calculating basic and diluted earnings per share:

Year ended 31 December	2024 Number Millions	2023 Number Millions
Weighted average number of shares used in the calculation of basic earnings per share	1,578.6	1,575.9
Effect of dilutive potential shares – share options	26.1	28.0
Effect of dilutive potential shares – contingently issuable shares	0.4	0.3
Weighted average number of shares used in the calculation of diluted earnings per share	**1,605.1**	**1,604.2**

Earnings per share calculations are based on profit after tax of £433.0 million (2023: £402.6 million) less non-controlling interest earnings of £16.0 million (2023: £14.4 million).

Operating earnings per share calculations are based on operating profit after tax of £496.2 million (2023: £533.0 million) less non-controlling interest operating earnings of £20.5 million (2023: £21.3 million).

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.

	2025		2024		2023	
	£m	Pence per share	£m	Pence per share	£m	Pence per share
Prior year final dividend paid			233.0	15.0	232.2	15.0
Interim dividend paid			101.2	6.5	100.8	6.5
Total dividends paid			**334.2**	**21.5**	**333.0**	**21.5**
Current year final dividend recommended	**233.0**	**15.0**				

Dividends of £12.4 million (2023: £13.6 million) on shares held by employee benefit trusts have been waived. The Board has recommended a 2024 final dividend of 15.0 pence per share (2023: 15.0 pence), amounting to £233.0 million (2023: £233.0 million). The dividend will be paid on 8 May 2025 to shareholders on the register at 28 March 2025 and will be accounted for in 2025.

The Group paid £6.9 million of dividends to holders of non-controlling interests in subsidiaries of the Group during 2024 (2023: £15.5 million), resulting in total dividends paid of £341.1 million (2023: £348.5 million).

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.

	2024			2023		
	Non-current £m	Current £m	Total £m	Non-current £m	Current £m	Total £m
Trade and other receivables held at amortised cost:						
Fee debtors	–	102.6	102.6	–	97.1	97.1
Settlement accounts	–	156.2	156.2	–	142.8	142.8
Accrued income	128.3	427.9	556.2	118.9	405.5	524.4
Prepayments	3.1	60.7	63.8	4.2	61.2	65.4
Other receivables[1]	37.6	60.0	97.6	3.6	49.6	53.2
Current tax	–	47.5	47.5	–	35.3	35.3
	169.0	**854.9**	**1,023.9**	**126.7**	**791.5**	**918.2**
Trade and other receivables held at fair value:						
Deposits with banks in the form of bullion	–	2.5	2.5	–	2.2	2.2
Total trade and other receivables	**169.0**	**857.4**	**1,026.4**	**126.7**	**793.7**	**920.4**

1. Includes £35.0 million relating to an insurance receivable for building repair 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. Refer to note 8 for details on the fair value hierarchy.

Estimates and judgements – carried interest receivable

Accrued income includes £131.2 million of receivables in respect of carried interest (2023: £140.2 million). 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.

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 its 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 other operating 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 other operating 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 transferred to the income statement if the asset is sold or otherwise realised. Interest earned on FVOCI assets is recognised using the effective interest method and recorded as interest in the income statement.

Financial assets at FVTPL

All other financial assets are measured at FVTPL. Net gains and losses are presented in the income statement based on the substance of the transaction. Net gains and losses on co-investments are presented within other operating income; net gains and losses on the Group's investment and seed capital are presented within net gain/(loss) 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 its 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 142) 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 acquisition costs and related items. 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 preparation on page 142).

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**

8 Financial assets and liabilities continued

	2023				
	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	–	–	–	397.9	397.9
Loans and advances to clients	–	–	–	446.0	446.0
Debt securities	–	–	–	356.7	356.7
	–	**–**	**–**	**1,200.6**	**1,200.6**
Financial assets at FVOCI:					
Debt securities	697.6	3.2	10.6	–	711.4
	697.6	**3.2**	**10.6**	**–**	**711.4**
Financial assets at FVTPL:					
Debt securities	13.6	64.7	–	–	78.3
Pooled investment vehicles	420.2	10.3	200.6	–	631.1
Equities	153.3	9.9	27.5	–	190.7
Derivative contracts	–	15.0	–	–	15.0
	587.1	**99.9**	**228.1**	**–**	**915.1**
Total financial assets	**1,284.7**	**103.1**	**238.7**	**1,200.6**	**2,827.1**
Financial liabilities at amortised cost:					
Client accounts	–	–	–	4,135.0	4,135.0
Deposits by banks	–	–	–	64.4	64.4
	–	**–**	**–**	**4,199.4**	**4,199.4**
Financial liabilities at FVTPL:					
Derivative contracts	1.5	10.7	–	–	12.2
Other financial liabilities	92.1	–	96.9	–	189.0
	93.6	**10.7**	**96.9**	**–**	**201.2**
Liabilities to purchase subsidiary shares	**–**	**–**	**177.6**	**–**	**177.6**
Total financial liabilities	**93.6**	**10.7**	**274.5**	**4,199.4**	**4,578.2**

The Group has recognised a net gain on financial instruments at fair value through profit or loss of £20.8 million (2023: gain of £19.9 million). A net gain on financial instruments at fair value through other comprehensive income of £0.6 million (2023: loss of £0.1 million) has been transferred to the income statement.

For the maturity profiles of client accounts, deposits by banks and derivative contracts, see notes 18 and 19.

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 2024 (2023: none).

	2024		2023	
	Financial assets £m	**Financial liabilities £m**	Financial assets £m	Financial liabilities £m
Current	2,565.3	4,907.9	2,052.5	4,316.6
Non-current	662.6	205.7	774.6	261.6
	3,227.9	**5,113.6**	**2,827.1**	**4,578.2**

8 Financial assets and liabilities continued

Movements in financial assets and liabilities categorised as level 3 during the year were:

	2024			2023		
	Financial assets at FVTPL £m	**Financial liabilities at FVTPL £m**	**Liabilities to purchase subsidiary shares £m**	Financial assets at FVTPL £m	Financial liabilities at FVTPL £m	Liabilities to purchase subsidiary shares £m
At 1 January	228.1	96.9	177.6	191.2	91.4	218.7
Exchange translation adjustments	(3.8)	(1.7)	–	(6.2)	(3.5)	(1.1)
Net gain recognised in the income statement	2.7	8.7	–	21.6	20.5	–
Remeasurements	–	–	(36.7)	–	–	(37.9)
Additions	56.4	8.6	3.7	34.8	2.7	–
Disposals and settlements	(21.4)	(7.9)	(3.9)	(13.3)	(14.2)	(2.1)
At 31 December	**262.0**	**104.6**	**140.7**	**228.1**	**96.9**	**177.6**

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, national 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 and non-national government 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 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 10 to 15 times earnings. An increase/decrease in market multiples of one would increase/decrease the financial liability by £7 million/£7 million (2023: £10 million/£10 million). Discount rates between 11% and 14% have been used to discount these liabilities. An increase/decrease in the discount rate of 1% would decrease/increase the financial liability by £2 million/£2 million (2023: £5 million/£5 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.

9 Issued debt

	2024 £m	2023 £m
Subordinated debt in issue	**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 2024 was £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

	2024			2023		
	Associates £m	**Joint ventures £m**	**Total £m**	Associates £m	Joint ventures £m	Total £m
At 1 January	348.2	183.5	531.7	304.8	192.9	497.7
Exchange translation adjustments	(2.4)	(0.7)	(3.1)	(25.9)	(0.3)	(26.2)
Additions[1]	17.6	1.0	18.6	51.9	2.0	53.9
Disposals	(8.0)	–	(8.0)	(1.1)	(3.3)	(4.4)
Profit/(loss) for the year after tax[2]	36.5	5.6	42.1	47.4	(6.9)	40.5
Impairment	(8.0)	–	(8.0)	–	–	–
Distributions of profit	(15.0)	(8.3)	(23.3)	(28.9)	(0.9)	(29.8)
At 31 December	**368.9**	**181.1**	**550.0**	**348.2**	**183.5**	**531.7**

1. In 2023, the 51% holding in Schroder BOCOM Wealth Management Company Limited was reclassified from a subsidiary to an associate. Total assets of £118.6 million, including cash and cash equivalents of £99.7 million, were derecognised from the statement of financial position. £51.8 million was subsequently recognised as an addition to investments in associates and joint ventures.
2. Share of profit of associates and joint ventures as presented on the income statement excludes acquisition costs and related items of £5.5 million (2023: £5.9 million) and restructuring costs of nil (2023: £4.7 million), net of tax.

Information about the significant associates and joint ventures held by the Group at 31 December 2024 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**
Scottish Widows Schroder Wealth Holdings Limited (SPW)	Wealth management	England	Ordinary shares	49.9%
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%

10 Associates and joint ventures continued

(a) Investments in associates and joint ventures accounted for using the equity method continued

	2024					
	SPW[1] £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 operating profit/(loss)	**9.9**	**28.7**	**15.1**	**(5.3)**	**(0.8)**	**47.6**
Acquisition costs and related items[2]	(4.7)	–	–	–	(0.8)	(5.5)
Group's share of total comprehensive income	**5.2**	**28.7**	**15.1**	**(5.3)**	**(1.6)**	**42.1**

	2023					
	SPW[1] £m	BOCOM FMC £m	Axis £m	BOCOM WMC £m	Other £m	Total £m
Non-current assets	199.9	48.0	51.9	8.7	1,123.0	1,431.5
Current assets	112.2	812.9	150.8	81.7	161.4	1,319.0
Non-current liabilities	(18.7)	–	–	(1.3)	(1,066.3)	(1,086.3)
Current liabilities	(41.3)	(119.2)	(22.7)	(7.9)	(124.1)	(315.2)
Total equity	**252.1**	**741.7**	**180.0**	**81.2**	**94.0**	**1,349.0**
Group's share of net assets	125.8	222.5	45.0	41.4	20.9	455.6
Goodwill and intangible assets	52.4	–	9.8	–	15.8	78.0
Deferred tax liability	(1.9)	–	–	–	–	(1.9)
Carrying value held by the Group	**176.3**	**222.5**	**54.8**	**41.4**	**36.7**	**531.7**
Net income	128.4	275.0	111.4	4.1	58.4	577.3
Profit/(loss) for the year	(9.6)	136.7	50.4	(12.7)	7.5	172.3
Total comprehensive income	**(9.6)**	**136.7**	**50.4**	**(12.7)**	**7.5**	**172.3**
Group's share of operating profit/(loss)	**2.1**	**41.0**	**12.6**	**(6.5)**	**1.9**	**51.1**
Acquisition costs and related items[2]	(4.6)	–	–	–	(1.3)	(5.9)
Restructuring costs	(4.7)	–	–	–	–	(4.7)
Group's share of total comprehensive income	**(7.2)**	**41.0**	**12.6**	**(6.5)**	**0.6**	**40.5**

1. SPW is a joint venture and has £58.7 million of cash and cash equivalents (2023: £82.9 million) within its current assets.
2. Includes a £3.1 million (2023: £3.7 million) amortisation charge on intangible assets recognised on acquisition.

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.

	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	UK	LU
Percentage owned by the Group	33%	33%	27%	20%	23%	27%

	2023								
	Schroder Best Ideas FIA	Schroder ISF Sustainable Future Trends	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	Schroder Global Equity Component Fund	Schroder Global Sovereign Bond Tracker Component Fund	Schroder ISF Emerging Markets Equity Impact
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Current assets	23.1	33.9	18.8	15.4	338.5	162.0	126.5	420.1	45.5
Current liabilities	(0.2)	(16.9)	(0.1)	(0.1)	(2.8)	(0.5)	(0.1)	(1.3)	–
Total equity	**22.9**	**17.0**	**18.7**	**15.3**	**335.7**	**161.5**	**126.4**	**418.8**	**45.5**
Net income	0.6	0.6	0.4	(0.1)	14.0	13.6	5.0	13.8	2.0
Profit/(loss) for the year	0.6	0.6	0.4	(0.1)	14.0	13.6	5.0	14.8	2.0
Total comprehensive income	**0.6**	**0.6**	**0.4**	**(0.1)**	**14.0**	**13.6**	**5.0**	**14.8**	**2.0**
Country of incorporation[1]	BR	LU	LU	LU	UK	UK	UK	UK	LU
Percentage owned by the Group	31%	28%	22%	26%	25%	25%	22%	33%	24%

1. Country abbreviations: Brazil (BR), Luxembourg (LU) and United Kingdom (UK).

11 Property, plant and equipment

The Group's property, plant and equipment provides the infrastructure to enable the Group to operate and principally comprise 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 (further detail is found in 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.

	2024				2023			
	Leasehold improvements £m	**Land and buildings £m**	**Other assets £m**	**Total £m**	Leasehold improvements £m	Land and buildings £m	Other assets £m	Total £m
Cost								
At 1 January	210.7	19.7	166.4	396.8	207.0	19.7	169.0	395.7
Exchange translation adjustments	(1.3)	–	(1.0)	(2.3)	(2.1)	–	(2.5)	(4.6)
Additions	15.8	–	8.0	23.8	7.6	–	4.9	12.5
Disposals	(9.3)	–	(15.5)	(24.8)	(1.8)	–	(5.0)	(6.8)
At 31 December	**215.9**	**19.7**	**157.9**	**393.5**	**210.7**	**19.7**	**166.4**	**396.8**
Accumulated depreciation								
At 1 January	(89.3)	(2.6)	(118.7)	(210.6)	(75.7)	(2.2)	(112.0)	(189.9)
Exchange translation adjustments	0.7	–	0.8	1.5	1.3	–	1.8	3.1
Depreciation charge	(13.6)	(0.4)	(9.3)	(23.3)	(15.7)	(0.4)	(10.9)	(27.0)
Disposals	9.3	–	14.9	24.2	0.8	–	2.4	3.2
At 31 December	**(92.9)**	**(3.0)**	**(112.3)**	**(208.2)**	**(89.3)**	**(2.6)**	**(118.7)**	**(210.6)**
Net book value at 31 December	**123.0**	**16.7**	**45.6**	**185.3**	**121.4**	**17.1**	**47.7**	**186.2**
Right-of-use assets (see note 12)				303.3				278.1
Property, plant and equipment net book value at 31 December				**488.6**				**464.3**

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.

12 Leases continued

	2024		2023	
	Right-of-use assets	**Lease liabilities**	Right-of-use assets	Lease liabilities
	£m	**£m**	£m	£m
At 1 January	278.1	318.7	318.3	361.0
Exchange translation adjustments	(0.9)	(0.6)	(4.3)	(6.5)
Additions and remeasurements of lease obligations	64.6	63.9	7.7	7.2
Lease payments	–	(46.0)	–	(52.3)
Depreciation charge	(38.5)	–	(43.6)	–
Interest expense	–	9.7	–	9.3
At 31 December	**303.3**	**345.7**	**278.1**	**318.7**

The depreciation charge and interest expense relating to leases are recorded within operating expenses (see note 3).

	2024	2023
	£m	£m
Lease liabilities – current	36.4	35.3
Lease liabilities – non-current	309.3	283.4
	345.7	**318.7**

The Group's lease liabilities contractually mature in the following time periods:

	2024	2023
	£m	£m
Less than 1 year	47.0	43.0
1 – 2 years	39.8	38.2
2 – 5 years	109.1	92.1
More than 5 years	230.3	201.8
	379.2	**332.1**
	426.2	**375.1**

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 acquisition costs and related items 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.

13 Goodwill and intangible assets continued

	2024				2023			
	Goodwill	Acquired intangible assets	Software	Total	Goodwill	Acquired intangible assets	Software	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
At 1 January	1,255.0	730.6	632.7	2,618.3	1,239.7	710.0	573.0	2,522.7
Exchange translation adjustments	(17.3)	(6.5)	(2.8)	(26.6)	2.1	0.6	(0.9)	1.8
Additions	31.9	26.5	46.7	105.1	13.2	20.0	67.4	100.6
Disposals	–	–	(20.6)	(20.6)	–	–	(6.8)	(6.8)
At 31 December	**1,269.6**	**750.6**	**656.0**	**2,676.2**	**1,255.0**	**730.6**	**632.7**	**2,618.3**
Accumulated amortisation								
At 1 January	–	(367.7)	(365.4)	(733.1)	–	(308.8)	(284.4)	(593.2)
Exchange translation adjustments	–	4.4	1.7	6.1	–	(0.4)	0.2	(0.2)
Amortisation charge	–	(55.7)	(73.6)	(129.3)	–	(58.5)	(83.1)	(141.6)
Disposals	–	–	20.6	20.6	–	–	1.9	1.9
At 31 December	**–**	**(419.0)**	**(416.7)**	**(835.7)**	**–**	**(367.7)**	**(365.4)**	**(733.1)**
Carrying amount at 31 December	**1,269.6**	**331.6**	**239.3**	**1,840.5**	**1,255.0**	**362.9**	**267.3**	**1,885.2**

The Group completed two business combinations during the year ended 31 December 2024, resulting in £22.0 million of identifiable intangible assets and £30.7 million of Wealth Management goodwill. The Group acquired £4.5 million of customer contracts through Benchmark Capital that were not considered to be business combinations.

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. Goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit from that business combination. For all relevant acquisitions, the Group has determined that the lowest level CGU for Asset Management acquisitions is the segment. The Benchmark Capital business within Wealth Management is assessed separately from the rest of Wealth Management. Of the total goodwill, £995.2 million (2023: £1,012.3 million) is allocated to Asset Management and £274.4 million (2023: £242.7 million) is allocated to Wealth Management, of which £93.8 million (2023: £81.4 million) relates to Benchmark Capital.

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 cash flows. The key assumptions on which the Group's cash flow projections are based include long-term market growth rates of 2% per annum (2023: 2%), a pre-tax discount rate of 13% (2023: 13%), expected flows and expected changes to revenue margins. The results of the calculations indicate that goodwill is not impaired.

Reasonable movements (1%) in the growth rate and/or the discount rate would not lead to any 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 (2023: 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.

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.

	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 credit/(charge)	(3.6)	(12.0)	(0.1)	(29.9)	12.8	2.5	(30.3)
Income statement credit/(charge) 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**

	2023						
	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	15.9	110.9	(33.1)	68.3	(98.5)	(16.6)	46.9
Income statement credit/(charge)	7.1	(6.1)	(1.8)	16.4	11.3	1.9	28.8
Income statement credit/(charge) due to changes in tax rate	0.3	2.6	(0.1)	3.7	1.7	(4.5)	3.7
Credit to statement of other comprehensive income	–	–	0.9	–	–	–	0.9
Credit to statement of other comprehensive income due to changes in tax rates	–	–	–	–	–	0.1	0.1
Charge to equity	–	(0.2)	–	–	–	(0.5)	(0.7)
Business combinations	–	–	–	–	(2.7)	–	(2.7)
Exchange adjustments	–	(1.3)	0.1	(0.1)	0.1	(0.2)	(1.4)
At 31 December	**23.3**	**105.9**	**(34.0)**	**88.3**	**(88.1)**	**(19.8)**	**75.6**

14 Deferred tax continued

Following the 2021 Budget, the UK tax rate increased to 25% from April 2023. This results in a tax rate of 25% applicable to the UK Group for 2024 (2023: blended tax rate of 23.5%).

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 £10.5 million (2023: £9.9 million) relating to £42.4 million of realised 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 £24.4 million (2023: £28.0 million) relating to £103.2 million of losses, including unrealised capital 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 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:

	2024 £m	2023 £m
Deferred tax assets	160.4	203.9
Deferred tax liabilities	(120.3)	(128.3)
	40.1	**75.6**

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 is 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.

	2024 £m	2023 £m
Financial liabilities due to Life Company investors	7,228.0	7,744.0
Financial liabilities due to third parties[1]	2,230.7	2,264.1
	9,458.7	**10,008.1**

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.

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 using a 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.

	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**

	2023				
	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	1,490.4	1,793.4	–	–	3,283.8
Pooled investment vehicles	3,070.1	–	18.3	–	3,088.4
Equities	3,032.8	3.0	–	–	3,035.8
Derivative contracts	28.7	69.9	–	–	98.6
	7,622.0	**1,866.3**	**18.3**	**–**	**9,506.6**
Financial assets at amortised cost:					
Cash and cash equivalents	–	–	–	453.1	453.1
Trade and other receivables	–	–	–	48.4	48.4
	–	**–**	**–**	**501.5**	**501.5**
Total assets backing unit-linked liabilities	**7,622.0**	**1,866.3**	**18.3**	**501.5**	**10,008.1**
Unit-linked liabilities	**9,960.4**	**32.8**	**–**	**14.9**	**10,008.1**

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 (2023: none).

15 Unit-linked liabilities and assets backing unit-linked liabilities continued

Estimates and judgements – fair value measurements

Each instrument has been categorised within one of three levels using a fair value hierarchy (see note 8). Level 1 investments principally comprise quoted equities, investments in pooled investment vehicles, 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.

Movements in financial assets categorised as level 3 during the year were:

	2024 £m	2023 £m
At 1 January	18.3	22.8
Exchange translation adjustments	(0.1)	(0.4)
Net loss in the income statement	(3.5)	(0.3)
Additions	138.3	–
Disposals	(7.2)	(3.8)
At 31 December	**145.8**	**18.3**

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.

	2024			2023		
	Non-current £m	Current £m	Total £m	Non-current £m	Current £m	Total £m
Trade and other payables at amortised cost:						
Settlement accounts	–	155.8	155.8	–	128.2	128.2
Trade creditors	–	21.8	21.8	–	15.7	15.7
Social security	22.0	81.0	103.0	25.6	81.5	107.1
Accruals and deferred income	34.0	500.0	534.0	36.7	514.7	551.4
Other payables	2.0	25.2	27.2	3.6	69.7	73.3
	58.0	**783.8**	**841.8**	**65.9**	**809.8**	**875.7**
Trade and other payables at fair value:						
Deferred cash awards	48.5	170.2	218.7	87.8	121.8	209.6
Bullion deposits by customers	–	2.5	2.5	–	2.2	2.2
	48.5	**172.7**	**221.2**	**87.8**	**124.0**	**211.8**
Total trade and other payables	**106.5**	**956.5**	**1,063.0**	**153.7**	**933.8**	**1,087.5**

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:

	2024 £m	2023 £m
Less than 1 year[1]	956.5	933.8
1 – 2 years	57.0	45.1
2 – 5 years	47.1	104.9
More than 5 years	2.4	3.7
	106.5	**153.7**
	1,063.0	**1,087.5**

1. Settlement accounts are generally settled within four working days (2023: four working days) and trade creditors have an average settlement period of 22 working days (2023: 18 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 2024	18.9	4.1	23.0
Utilised	(1.6)	(1.6)	(3.2)
Charged	0.5	39.5	40.0
Released	–	(0.6)	(0.6)
Additions	1.1	–	1.1
At 31 December 2024	**18.9**	**41.4**	**60.3**

In 2024, the Group recognised a provision of £37.5 million for building repair works. An associated insurance receivable of £35.0 million has been recognised within other receivables as it is virtually certain that such costs incurred in the works will be covered by an insurance policy. 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 – 2024	0.2	7.2	7.4
Non-current – 2024	18.7	34.2	52.9
	18.9	**41.4**	**60.3**
Current – 2023	1.2	1.0	2.2
Non-current – 2023	17.7	3.1	20.8
	18.9	**4.1**	**23.0**

17 Provisions and contingent liabilities continued

The Group's provisions are expected to mature in the following time periods:

	2024 £m	2023 £m
Less than 1 year	7.4	2.2
1 – 2 years	19.9	5.4
2 – 5 years	14.5	0.8
More than 5 years	18.5	14.6
	52.9	**20.8**
	60.3	**23.0**

Dilapidation provisions associated with the Group's office leases have a weighted average maturity of 12 years (2023: 12 years).

Legal and regulatory obligations associated with the Group's business arise from past events that are estimated to crystallise mainly within two years (2023: two years). These matters are ongoing.

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.

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 (2023: none). The provisions included in the financial statements at 31 December 2024 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 capital 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.

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:

	2024		2023	
	Assets £m	**Liabilities £m**	Assets £m	Liabilities £m
Equity contracts	1.2	(0.5)	0.1	(3.8)
Forward foreign exchange contracts	6.8	(11.0)	14.9	(8.3)
	8.0	**(11.5)**	**15.0**	**(12.1)**

	2024		2023	
	Assets £m	**Liabilities £m**	Assets £m	Liabilities £m
Net-settled derivative contracts[1] maturing/repricing[2] in:				
Less than 1 year	1.2	(0.5)	0.1	(3.8)
	1.2	**(0.5)**	**0.1**	**(3.8)**
Gross-settled derivatives[3] maturing/repricing[2] in less than 1 year:				
Gross inflows	645.6	529.6	1,086.3	530.8
Gross outflows	(638.6)	(540.8)	(1,071.7)	(538.8)
Difference between future contractual cash flows and fair value	(0.2)	0.2	0.3	(0.3)
	6.8	**(11.0)**	**14.9**	**(8.3)**
	8.0	**(11.5)**	**15.0**	**(12.1)**

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 support 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.

At 31 December 2024, the Group had total regulatory own funds of £2,396 million (2023: £2,073 million), consisting of Common Equity Tier 1 (CET1) and Tier 2 capital (2023: consisting entirely of CET1). The Group's overall regulatory capital requirement was £1,477 million (2023: £1,443 million). Therefore, at 31 December 2024 the Group had surplus capital of £919 million (2023: £630 million). The Group's capital ratio was 20.9% (2023: 18.6%).

The Group's overall capital requirement comprises a Total Capital Requirement (TCR), which was £1,085 million as at 31 December 2024 (2023: £1,059 million), and a capital requirement in respect of regulatory buffers and our insurance companies, which was £392 million as at 31 December 2024 (2023: £384 million). The TCR is the minimum amount of capital that the Group is required to maintain at all times.

19 Financial instrument risk management continued

(a) Capital continued

The tables below provide a detailed breakdown of the Group's capital in accordance with IFRS 9:

	2024					
	Financial instruments at amortised cost £m	Financial assets at fair value through other comprehensive income £m	Liabilities to purchase subsidiary shares £m	Financial instruments at fair value through profit or loss[1] £m	Non-financial instruments £m	Total £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	**6,170.9**	**–**	**140.7**	**9,880.2**	**262.7**	**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.

19 Financial instrument risk management continued

(a) Capital continued

	2023					
	Financial instruments at amortised cost £m	Financial assets at fair value through other comprehensive income £m	Liabilities to purchase subsidiary shares £m	Financial instruments at fair value through profit or loss[1] £m	Non-financial instruments £m	Total £m
Assets						
Cash and cash equivalents	3,354.4	–	–	295.5	–	3,649.9
Trade and other receivables	817.5	–	–	–	102.9	920.4
Financial assets:						
Loans and advances to banks	397.9	–	–	–	–	397.9
Loans and advances to clients	446.0	–	–	–	–	446.0
Debt securities	356.7	711.4	–	78.3	–	1,146.4
Pooled investment vehicles	–	–	–	631.1	–	631.1
Equities	–	–	–	190.7	–	190.7
Derivatives	–	–	–	15.0	–	15.0
Associates and joint ventures	–	–	–	–	531.7	531.7
Property, plant and equipment	–	–	–	–	464.3	464.3
Goodwill and intangible assets	–	–	–	–	1,885.2	1,885.2
Deferred tax	–	–	–	–	203.9	203.9
Retirement benefit scheme surplus	–	–	–	–	138.3	138.3
Assets backing unit-linked liabilities	501.5	–	–	9,506.6	–	10,008.1
Total assets	**5,874.0**	**711.4**	**–**	**10,717.2**	**3,326.3**	**20,628.9**
Liabilities						
Trade and other payables	770.1	–	–	209.6	107.8	1,087.5
Financial liabilities	4,199.4	–	177.6	201.2	–	4,578.2
Current tax	–	–	–	–	12.6	12.6
Lease liabilities	318.7	–	–	–	–	318.7
Provisions	23.0	–	–	–	–	23.0
Deferred tax	–	–	–	–	128.3	128.3
Retirement benefit scheme deficits	–	–	–	–	8.8	8.8
Unit-linked liabilities	14.9	–	–	9,993.2	–	10,008.1
Total liabilities	**5,326.1**	**–**	**177.6**	**10,404.0**	**257.5**	**16,165.2**
Capital						**4,463.7**

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 £10,343.6 million of liabilities that are designated at fair value through profit or loss and £60.3 million that are mandatorily measured at fair value through profit or loss.

19 Financial instrument risk management continued

(b) 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 to 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 26 and 54 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	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Credit rating:						
AAA	191.0	292.3	–	–	212.4	158.2
AA+	–	–	–	9.3	127.6	122.1
AA	84.5	178.6	–	18.6	10.3	10.6
AA-	2,220.2	2,136.8	66.6	49.7	819.6	443.9
A+	1,264.3	622.9	41.8	239.3	188.3	255.9
A	175.1	164.1	137.1	3.7	32.9	39.0
A-	117.8	250.1	41.0	77.3	25.1	38.5
BBB+ and lower	8.4	4.1	–	–	22.3	35.3
Not rated	5.1	1.0	–	–	42.4	42.9
	4,066.4	**3,649.9**	**286.5**	**397.9**	**1,480.9**	**1,146.4**

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 original recognition;
- Under-performing (stage 2) – financial assets where there has been a significant increase in credit risk since initial recognition, but no default; or,
- Non-performing (stage 3) – financial assets that are in default.

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 repledged without default of the provider. At 31 December 2024, the fair value of collateral that could be sold or repledged but had not been, relating solely to these arrangements, was £1,526.6 million (2023: £1,107.6 million).

19 Financial instrument risk management continued

(b) Credit risk, liquidity risk and market risk continued

Policies covering various counterparty and market risk limits are set 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 takes a conservative approach to its treasury investments, placing them with, or purchasing debt securities issued by, UK and overseas banks and corporates, central banks, supranational banks and sovereigns.

Expected credit losses on financial assets at amortised cost within the Wealth Management entities at 31 December 2024 were £2.2 million (2023: £1.0 million). There was one (2023: one) non-performing (stage 3) loan of £6.9 million (2023: £6.2 million) giving rise to £1.8 million expected credit losses (2023: £0.5 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) (2023: same).

Expected credit losses on financial assets at fair value through other comprehensive income within the Wealth Management entities at 31 December 2024 were £0.4 million (2023: £0.2 million). All financial assets at fair value through other comprehensive income were performing (stage 1) (2023: same).

Other activities

Fee debtors and other receivables arise as a result of 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 as at 31 December 2024 were £54.6 million (2023: £50.8 million), the majority of which were less than 90 days past due (2023: 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 there is minimal credit risk. 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.

Expected credit losses on financial assets at amortised cost within non-Wealth Management entities at 31 December 2024 were £1.6 million (2023: £0.6 million). Debt securities included £24.0 million of under-performing (stage 2) securities (2023: none) giving rise to £1.4 million of expected credit losses. 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) (2023: 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 as a result of its banking activities, where the timing of cash flows from liabilities relating to client accounts can be impacted by client action. The objective of the Group's liquidity policy is 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 so that sufficient liquidity is available to cover potential liquidity risks.

19 Financial instrument risk management continued

(b) 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:

	2024				
	Less than 1 year £m	1-2 years £m	2-5 years £m	More than 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	67.6	148.9	–	388.7
Debt securities	1,117.5	275.5	–	–	1,393.0
Derivative contracts	4.1	–	–	–	4.1
	4,706.5	**343.1**	**148.9**	**–**	**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**
Cumulative gap	**(52.2)**	**290.9**	**439.8**	**439.8**	**439.8**

	2023				
	Less than 1 year £m	1-2 years £m	2-5 years £m	More than 5 years £m	Total £m
Assets					
Cash and cash equivalents	2,811.3	–	–	–	2,811.3
Loans and advances to banks	391.0	–	–	–	391.0
Loans and advances to clients	168.4	70.9	205.1	0.3	444.7
Debt securities	719.0	312.1	–	–	1,031.1
Derivative contracts	5.7	–	–	–	5.7
	4,095.4	**383.0**	**205.1**	**0.3**	**4,683.8**
Liabilities					
Client accounts	4,135.0	–	–	–	4,135.0
Deposits by banks	64.4	–	–	–	64.4
Derivative contracts	5.6	–	–	–	5.6
	4,205.0	**–**	**–**	**–**	**4,205.0**
Cumulative gap	**(109.6)**	**273.4**	**478.5**	**478.8**	**478.8**

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 along with the Group's capital and treasury management activities together hold cash and cash equivalents of £820.0 million (2023: £832.9 million). Financial liabilities relating to other operating entities are £354.9 million (2023: £373.2 million).

The Group has a committed revolving credit facility of £850.0 million (2023: £850.0 million), which expires on 7 November 2029. No money was drawn down under the facility during 2024 (2023: maximum amount drawn down was £180.0 million).

(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 investments held in seed and co-investment capital and deferred employee compensation in the form of fund awards.

19 Financial instrument risk management continued

(b) 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 capital, 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.

The Group's capital can include investments in corporate investment-grade bonds managed by the Group's fixed income fund managers. The market risk (including interest rate risk) exposure of these investments is actively monitored against limits set by the Board.

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 £21.4 million gain in the income statement (2023: £19.0 million gain) and exposure arising from net investments in foreign operations which resulted in a £54.4 million loss in other comprehensive income (2023: £58.3 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:

		2024		2023	
Variable[1]		A reasonable change in the variable within the next calendar year %	Increase/(decrease) in post-tax profit £m	A reasonable change in the variable within the next calendar year %	Increase/(decrease) in post-tax profit £m
Interest rates[2]	-increase	0.25	1	0.25	2
	-decrease	(0.5)	(3)	(1.5)	(14)
US dollar against sterling	-strengthen	10	2	10	3
	-weaken	(10)	(1)	(10)	(2)
Euro against sterling	-strengthen	10	2	8	1
	-weaken	(10)	(2)	(8)	(1)
US dollar against Euro	-strengthen	10	4	10	3
	-weaken	(10)	(3)	(10)	(3)
FTSE All-Share Index[3]	-increase	20	34	20	46
	-decrease	(20)	(34)	(20)	(46)

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.

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 (2023: 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 2025 if earlier.

	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**

	Number of shares	Total ordinary shares	Share premium
	Millions	£m	£m
At 1 January 2023	1,612.1	322.4	84.3
31 December 2023	**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:

	2024	2023
	£m	£m
At 1 January	(172.1)	(185.1)
Own shares purchased	(59.8)	(66.6)
Awards vested	72.0	79.6
At 31 December	**(159.9)**	**(172.1)**

During the year, 10.4 million own shares (2023: 14.4 million own shares) were purchased and held for hedging share-based awards. 6.4 million shares (2023: nil) were purchased and are held in treasury. 15.0 million shares (2023: 15.9 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 comprise:

	2024			2023		
	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	**22.0**	**37.5**	**59.5**	**23.0**	**35.8**	**58.8**

	2024			2023		
	Vested shares	Unvested shares	Total	Vested shares	Unvested shares	Total
	£m	£m	£m	£m	£m	£m
Total ordinary shares						
Cost	**103.1**	**159.9**	**263.0**	**106.8**	**172.1**	**278.9**
Fair value	**71.4**	**121.2**	**192.6**	**98.9**	**153.7**	**252.6**

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.

	2024 £m	2023 £m
Profit before tax	558.1	487.6
Adjustments for income statement non-cash movements:		
Depreciation of property, plant and equipment and amortisation of intangible assets	191.1	212.2
Net gain on financial instruments	(18.1)	(19.1)
Share-based payments	30.4	62.8
Net charge/(release) for provisions	38.8	(2.0)
Other non-cash movements[1]	(39.0)	(26.8)
	203.2	**227.1**
Adjustments for which the cash effects are investing or financing activities:		
Interest income	(31.8)	(23.6)
Interest expense on lease liabilities	9.7	9.3
Share of profit of associates and joint ventures after amortisation	(42.1)	(40.5)
	(64.2)	**(54.8)**
Adjustments for statement of financial position movements:		
Decrease/(increase) in loans and advances within Wealth Management	271.3	(100.8)
Increase in trade and other receivables	(88.0)	(40.7)
Increase/(decrease) in deposits and client accounts within Wealth Management	576.3	(413.0)
(Decrease)/increase in trade and other payables, other financial liabilities and provisions	(26.4)	27.9
	733.2	**(526.6)**
Adjustments for Life Company and consolidated pooled investment vehicles movements:		
Net decrease/(increase) in financial assets backing unit-linked liabilities	244.6	(105.9)
Net decrease in unit-linked liabilities	(549.4)	(46.0)
Net increase/(decrease) in cash within consolidated pooled investment vehicles	6.7	(24.8)
	(298.1)	**(176.7)**
Tax paid	(84.0)	(194.7)
Net cash from/(used in) operating activities	**1,048.2**	**(238.1)**

1. Other non-cash movements primarily consist of discount unwind within the net interest margin and exchange translation adjustments, before hedging activities.

23 Commitments

Commitments represent amounts the Group has contractually committed to pay to third parties but do not yet represent a liability or impact the Group's financial results for the year.

The Group's commitments primarily relate to investment call commitments, commitments for property, plant and equipment and future leases not yet commenced.

The Group sublets a small number of its owned and leased properties where such properties, or parts of such properties, are not required for use by the Group. The table below discloses the commitments sub-lessees have made in respect of such arrangements. These commitments are not recorded on the statement of financial position in advance of the period to which they relate.

	2024			
	No later than 1 year £m	**Later than 1 year and no later than 5 years £m**	**Later than 5 years £m**	**Total £m**
Undrawn loan facilities	9.4	29.9	–	39.3
Investment call commitment	70.5	22.8	2.4	95.7
Commitments for property, plant and equipment and leases	1.0	4.2	6.2	11.4
Total commitments	**80.9**	**56.9**	**8.6**	**146.4**
Operating leases receivable as lessor	(0.4)	(0.1)	–	(0.5)
Net commitments payable	**80.5**	**56.8**	**8.6**	**145.9**

	2023			
	No later than 1 year £m	Later than 1 year and no later than 5 years £m	Later than 5 years £m	Total £m
Undrawn loan facilities	9.0	22.5	–	31.5
Investment call commitment	42.4	19.8	1.7	63.9
Commitments for property, plant and equipment and leases	3.4	20.1	41.6	65.1
Total commitments	**54.8**	**62.4**	**43.3**	**160.5**
Operating leases receivable as lessor	(1.4)	(2.1)	–	(3.5)
Net commitments payable	**53.4**	**60.3**	**43.3**	**157.0**

24 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).

24 Retirement benefit obligations continued

The income statement charge for retirement benefit costs is as follows:

	2024 £m	2023 £m
Pension costs – defined contribution plans	77.8	77.2
Pension credit – defined benefit plans	(2.9)	(5.2)
Other post-employment benefits	0.2	0.1
	75.1	**72.1**

(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.

As at 31 December 2024, there were no active members in the DB section (2023: nil) and 2,528 active members in the DC section (2023: 2,605). The weighted average duration of the Scheme's DB obligation is 11 years (2023: 13 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.

Membership details of the DB section of the Scheme as at 31 December are as follows:

	2024	2023
Number of deferred members	884	977
Total deferred pensions (at date of leaving Scheme)	£5.9m per annum	£6.8m per annum
Average age (deferred)	57	56
Number of pensioners	1,137	1,064
Average age (pensioners)	71	71
Total pensions in payment	£26.0m per annum	£24.2m per annum

(b) Funding requirements

The last completed triennial valuation of the Scheme was carried out as 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 as 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 corporate 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% (2023: 67%) 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 (LDI) 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.

24 Retirement benefit obligations continued

(c) Risks of the Scheme continued

Interest rate risk

A decrease in corporate 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 2024, the liability matching portfolio was designed to mitigate 95% (2023: 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 2024, the liability matching portfolio was designed to mitigate 95% (2023: 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:

	2024 %	2023 %
Discount rate	5.4	4.5
RPI inflation rate	3.1	3.0
CPI inflation rate	2.5	2.3
Future pension increases (for benefits earned before 13 August 2007)	2.9	2.9
Future pension increases (for benefits earned after 13 August 2007)	2.0	2.0

Average number of years a current pensioner is expected to live beyond age 60:	Years	Years
Men	27	27
Women	29	29

Average number of years future pensioners currently aged 45 are expected to live beyond age 60:	Years	Years
Men	28	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% (2023: 1.0%) per annum. An additional adjustment, an "A parameter" set to 0.25% (2023: 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 (2023: 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 as at 31 December 2024.

24 Retirement benefit obligations continued

(d) Reporting at 31 December continued

The amounts recognised in the income statement are:

	2024 £m	2023 £m
Interest income on Scheme assets	(31.4)	(33.2)
Interest cost on Scheme liabilities	25.2	26.7
Net interest income recognised in the income statement in respect of the Scheme	**(6.2)**	**(6.5)**
Other charges in respect of defined benefit schemes	3.3	1.3
Total defined benefit schemes income statement credit	**(2.9)**	**(5.2)**

The amounts recognised in the statement of comprehensive income are:

	2024 £m	2023 £m
Losses/(gains) on Scheme assets in excess of that recognised in interest income	64.1	(2.9)
Actuarial gains due to change in demographic assumptions	(6.9)	(11.1)
Actuarial (gains)/losses due to change in financial assumptions	(58.6)	12.7
Actuarial losses due to experience	9.1	4.1
Total other comprehensive loss in respect of the Scheme	**7.7**	**2.8**
Other comprehensive (gain)/loss in respect of other defined benefit schemes	(0.3)	1.4
Total other comprehensive loss in respect of defined benefit schemes	**7.4**	**4.2**

The sensitivity of the Scheme pension liabilities to changes in assumptions are:

		2024		2023	
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	26.9	5.2	33.7	5.9
Discount rate	Decrease by 0.5% per annum	(30.7)	(6.0)	(38.5)	(6.7)
Expected rate of pension increases	Increase by 0.5% per annum	(20.2)	(3.9)	(25.8)	(4.5)
Expected rate of pension increases	Decrease by 0.5% per annum	19.9	3.9	25.4	4.4
Life expectancy	Increase by one year	(17.0)	(3.3)	(21.5)	(3.7)
Life expectancy	Decrease by one year	17.4	3.4	21.2	3.7

24 Retirement benefit obligations continued

(d) Reporting at 31 December continued

Movements in respect of the assets and liabilities of the Scheme are:

	2024 £m	2023 £m
At 1 January	713.4	706.5
Interest income	31.4	33.2
Remeasurement of assets	(64.1)	2.9
Benefits paid	(30.2)	(27.5)
Contribution by employer[1]	(3.8)	–
Administrative expenses	(2.0)	(1.7)
Fair value of plan assets	**644.7**	**713.4**
At 1 January	(575.1)	(570.2)
Interest cost	(25.2)	(26.7)
Actuarial gains due to change in demographic assumptions	6.9	11.1
Actuarial gains/(losses) due to change in financial assumptions	58.6	(12.7)
Actuarial losses due to experience	(9.1)	(4.1)
Benefits paid	30.2	27.5
Present value of funded obligations	**(513.7)**	**(575.1)**
Net assets	**131.0**	**138.3**

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, conditional on certain funding levels being maintained and will be monitored by the trustees.

On 16 June 2023, the High Court issued a ruling in respect of Virgin Media v NTL Pension Trustees II Limited (and others), which has the potential to affect the Scheme's liabilities. As the assessment of any potential impact is ongoing, with the expectation of further legal cases in early 2025 and the possibility of government intervention, no adjustment has been made to the Scheme's liabilities as at 31 December 2024.

The Group has not materially changed the basis of any of the principal financial assumptions underlying the calculation of the Scheme's net financial position during 2024, 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:

	2024		2023	
	Value £m	Of which not quoted in an active market £m	Value £m	Of which not quoted in an active market £m
Liability matching investments	368.8	–	436.6	–
Portfolio funds	256.2	93.1	242.2	93.2
Exchange-traded futures and over-the-counter derivatives	7.1	–	9.3	–
Cash	12.6	–	25.3	–
	644.7	**93.1**	**713.4**	**93.2**

25 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 3.0% (2023: 5.9%) 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 and by the grant of market value share options over 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 £30.1 million (2023: £64.0 million) arising from share-based payment transactions during the year, of which £30.4 million (2023: £62.8 million) were equity-settled share-based payment transactions. In 2024, there was £0.6 million of equity-settled share-based payments included within acquisition costs and related items (2023: £0.7 million) and nil included within restructuring costs (2023: £5.0 million).

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.

	2024 **Number of ordinary shares Millions**	2023 Number of ordinary shares Millions
Rights outstanding at 1 January	45.4	41.7
Granted	9.6	13.7
Forfeited	(1.1)	(0.6)
Exercised	(11.2)	(9.4)
Rights outstanding at 31 December	**42.7**	**45.4**
Vested	14.5	12.6
Unvested	28.2	32.8

The weighted average exercise price per share is nil. A charge of £26.6 million (2023: £58.5 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
2025	10.5
2026	4.0
2027	1.2
	15.7

25 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).

	2024 Number of ordinary shares Millions	2023 Number of ordinary shares Millions
Rights outstanding at 1 January	7.9	12.3
Granted	0.4	0.5
Exercised	(2.6)	(4.9)
Rights outstanding at 31 December	**5.7**	**7.9**
Vested	5.7	7.8
Unvested	–	0.1

The weighted average exercise price per share is nil. There were no charges (2023: 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).

	2024 Number of ordinary shares Millions	2023 Number of ordinary shares Millions
Rights outstanding at 1 January	4.2	5.6
Granted	0.3	–
Forfeited	(0.1)	–
Exercised	(1.6)	(1.4)
Rights outstanding at 31 December	**2.8**	**4.2**
Vested	1.8	2.5
Unvested	1.0	1.7

The weighted average exercise price per share is nil. A charge of £1.1 million (2023: £1.6 million) was recognised during the year.

The table below shows the expected charges for awards issued under the Equity Incentive Plan to be expensed in future years:

	£m
2025	0.6
	0.6

25 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.

	2024 Number of ordinary shares Millions	2023 Number of ordinary shares Millions
Rights outstanding at 1 January	0.5	0.5
Granted	0.3	0.2
Forfeited	(0.1)	(0.1)
Exercised	(0.1)	(0.1)
Rights outstanding at 31 December	**0.6**	**0.5**
Vested	–	0.1
Unvested	0.6	0.4

The weighted average exercise price per share is nil. A charge of £0.2 million (2023: £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
2025	0.2
2026	0.2
2027	0.1
	0.5

(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 743,910 ordinary shares in 2024 (2023: 624,714). A charge of £2.5 million (2023: £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 2024, the carrying value of liabilities arising from cash-settled share-based awards was £5.0 million (2023: £5.8 million). The total intrinsic value at 31 December 2024 of liabilities for which the employee's right to cash or other assets had vested by that date was £3.5 million (2023: £3.1 million).

A credit of £0.3 million (2023: charge of £1.2 million) was recognised during the year. The liability was remeasured at the balance sheet date at a share price of £3.24 (2023: £4.30).

26 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.

£23.5 million (2023: £18.7 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 (2023: £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 2024, the fair value of these assets was £55.0 million (2023: £50.2 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 Management Committee until its dissolution, and the Group Executive Committee (Group ExCo). The remuneration of key management personnel during the year was as follows:

Type of remuneration	Typical composition of this type of benefit	2024 £m	2023 £m
Short-term employee benefits	Salary and upfront bonus	21.4	23.2
Share-based payments	Deferred share awards	8.3	13.8
Other long-term benefits	Deferred cash awards	13.3	13.8
Termination benefits	Termination benefits	0.3	0.5
Post-employment benefits	Pension plans	0.3	0.2
		43.6	**51.5**

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.

27 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 deploys seed and co-investment capital 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 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.

	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**

	2023			
	AUM outside of structured entities	AUM within consolidated structured entities	AUM within unconsolidated structured entities	Total
	£bn	£bn	£bn	£bn
Asset Management	295.7	5.8	230.7	532.2
Wealth Management	98.1	–	12.1	110.2
	393.8	**5.8**	**242.8**	**642.4**

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 conducted 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.

27 Interests in structured entities continued

(a) Interests arising from managing assets continued

Revenue includes £1,398.5 million (2023: £1,366.5 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 before being invoiced. The carrying value represents the Group's maximum exposure to loss from these interests.

	2024 £m	2023 £m
Fee debtors from structured entities	36.0	33.5
Accrued income from structured entities	317.4	306.0
Total exposure due to investment management activities	**353.4**	**339.5**

(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 £32.3 million (2023: gain of £43.9 million). The carrying values represent the Group's maximum exposure to loss from these interests.

	2024 £m	2023 £m
Cash and cash equivalents	362.6	295.5
Financial assets	818.5	577.7
Total exposure due to the Group's investments	**1,181.1**	**873.2**

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 (2023: nil). Financial assets include seed and co-investment capital, legacy private equity investments and hedges of deferred cash awards. Of the financial assets, £620.6 million (2023: £561.7 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 23.

The statement of financial position also includes the Life Company assets of £9,458.7 million (2023: £10,008.1 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 the injection of seed capital in order 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 £54.2 million (2023: £72.3 million) to provide seed capital to investment funds managed by the Group, of which nil (2023: £28.4 million) resulted in the consolidation of those funds and £54.2 million (2023: £43.9 million) did not.

28 Business combinations

The Group applies the acquisition method to account for business combinations. The consideration for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and any equity interests issued by the Group. The consideration includes the fair value of any asset or liability resulting from contingent or deferred consideration arrangements. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest at the fair value of the proportionate share of the acquiree's identifiable net assets.

The Group completed two business combinations during the year ended 31 December 2024.

On 7 October 2024, the Group acquired 100% of the issued share capital of Whitley Asset Management (Whitley), a UK wealth management business, for a total consideration of £37.2 million. The acquisition contributed £1.5 billion of Wealth Management AUM and increases the Group's scale and capability for its UK private clients.

On 31 May 2024, the Group acquired a controlling interest of 51% of the issued share capital of Finura Partners Limited (Finura), a professional financial planning business, for a total consideration of nil. The acquisition contributed £0.9 billion of Wealth Management AUM and strengthens the Group's financial planning capabilities.

The fair value of net assets acquired in the transactions together with goodwill and intangible assets arising are as follows:

	2024 £m
Net assets acquired:	
Cash	7.6
Trade and other receivables	4.0
Trade and other payables	(7.4)
Tangible net assets	**4.2**
Goodwill	30.7
Intangible assets arising on acquisition	22.0
Deferred tax arising on acquisition	(5.5)
Non-controlling interest	(1.5)
Total	**49.9**
Satisfied by:	
Cash	33.3
Contingent/deferred consideration	3.9
Fair value of the Group's pre-existing interest	12.7
Total	**49.9**

The goodwill arising on acquisition is attributable to the value from:

- A broader platform for business growth;
- Talented management and employees; and
- Opportunities for synergies from combining certain activities.

Goodwill is not deductible for tax purposes.

If the acquisitions had been completed on 1 January 2024, the Group's net operating income for the year would have been £2,439.0 million and the operating profit for the year on the same basis would have been £642.7 million.

Estimates and judgements

The fair value of certain items of consideration, assets acquired and liabilities assumed requires some estimation. For intangible assets this estimation required assumptions regarding the level of future management fees that will be earned over the relevant period. The net impact of changes to these assumptions would be to change the carrying value of individual assets and liabilities with a corresponding change to goodwill.

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 37.

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.

The most significant non-controlling interest relates to third party interests of 19.1% in Schroders Wealth Holdings Limited (SWHL). The consolidated profit after tax of SWHL was £83.8 million for the year (2023: £57.9 million). The net assets of SWHL were £377.4 million at 31 December 2024 (2023: £312.1 million). Dividends of £3.6 million were paid to SWHL's non-controlling interest during the year (2023: £12.4 million).

No other non-controlling interest is considered to be individually material on the basis of the carrying value at 31 December 2024 (2023: same).

(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 that are readily convertible to cash and used for cash management purposes.

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 24	Retirement benefit obligations
Note 28	Business combinations

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 where relevant in the relevant assumptions, such as cash flow forecasts. 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 principal risks and uncertainties section of this Annual Report and Accounts.

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.

Schroders plc – Statement of financial position

at 31 December 2024

	Notes	2024 £m	2023 £m
Assets			
Trade and other receivables	31	1,702.5	1,426.9
Retirement benefit scheme surplus	24	131.0	138.3
Deferred tax	33	35.8	38.2
Investments in subsidiaries	37	3,092.6	3,092.6
Total assets		**4,961.9**	**4,696.0**
Liabilities			
Trade and other payables	32	28.8	18.4
Issued debt	9	256.0	–
Deferred tax	33	32.8	34.6
Total liabilities		**317.6**	**53.0**
Net assets		**4,644.3**	**4,643.0**
Total equity		**4,644.3**	**4,643.0**

The financial statements were approved by the Board of Directors on 5 March 2025 and signed on its behalf by:

Meagen Burnett
Director

Schroders plc – Statement of changes in equity

for the year ended 31 December 2024

	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	24	–	–	–	(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	35	–	–	(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**

	Notes	Share capital £m	Share premium £m	Own shares £m	Profit and loss reserve £m	Total £m
At 1 January 2023		**322.4**	**84.3**	**(167.8)**	**4,279.9**	**4,518.8**
Profit for the year		**–**	**–**	**–**	**464.9**	**464.9**
Items that will not to be reclassified to the income statement:						
Net actuarial loss on defined benefit pension scheme	24	–	–	–	(4.6)	(4.6)
Tax on items taken directly to other comprehensive income		–	–	–	1.1	1.1
Other comprehensive income		**–**	**–**	**–**	**(3.5)**	**(3.5)**
Total comprehensive income for the year		**–**	**–**	**–**	**461.4**	**461.4**
Own shares purchased	35	–	–	(60.8)	–	(60.8)
Share-based payments		–	–	–	56.5	56.5
Tax in respect of share schemes		–	–	–	0.1	0.1
Dividends	6	–	–	–	(333.0)	(333.0)
Transactions with shareholders		**–**	**–**	**(60.8)**	**(276.4)**	**(337.2)**
Transfers		**–**	**–**	**70.4**	**(70.4)**	**–**
At 31 December 2023		**322.4**	**84.3**	**(158.2)**	**4,394.5**	**4,643.0**

The distributable profits of Schroders plc are £2.8 billion (2023: £2.8 billion) and comprise retained profits of £3.0 billion (2023: £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 capital for the purposes of supporting new investment strategies. An analysis of the Group's capital position is provided in note 19.

Schroders plc – Cash flow statement

for the year ended 31 December 2024

	2024 £m	2023 £m
Profit before tax	**380.2**	**467.9**
Adjustments for:		
(Increase)/decrease in trade and other receivables	(275.7)	34.2
Increase/(decrease) in trade and other payables	1.9	(152.1)
Net credit taken in respect of the Scheme	(0.4)	(6.6)
Share-based payments	24.7	56.5
Amounts paid in respect of Group tax relief	(2.0)	–
Net finance income adjustment	9.7	(1.1)
Net cash from operating activities	**138.4**	**398.8**
Cash flows from financing activities:		
Loan received/(repaid) from/to a Group company	6.8	(5.0)
Acquisition of own shares	(55.8)	(60.8)
Dividends paid	(334.2)	(333.0)
Issuance of loan notes	248.8	–
Other	(4.0)	–
Net cash used in financing activities	**(138.4)**	**(398.8)**
Net decrease in cash and cash equivalents	**–**	**–**
Opening cash and cash equivalents	–	–
Net decrease in cash and cash equivalents	–	–
Closing cash and cash equivalents	**–**	**–**

Schroders plc – Notes to the accounts

29 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 37 sets out the accounting policy in respect of investments in subsidiary undertakings.

30 Expenses and other disclosures

The auditor's remuneration for audit services to the Company was £0.8 million (2023: £0.7 million). There was £0.2 million of other assurance services in the year (2023: £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	2024 £m	2023 £m
Short-term employee benefits	Salary and upfront bonus	6.0	6.8
Share-based payments	Deferred share awards	4.9	4.6
Other long-term benefits	Deferred cash awards	2.4	1.9
		13.3	**13.3**

31 Trade and other receivables

	2024 £m	2023 £m
Amounts due from subsidiaries	1,701.9	1,426.2
Prepayments and accrued income	–	0.2
Other receivables	0.6	0.5
	1,702.5	**1,426.9**

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.

Expected credit losses on trade and other receivables at 31 December 2024 were £1.7 million (2023: £1.4 million). Note 19 sets out the details of the expected credit loss calculation.

32 Trade and other payables

	2024			2023		
Trade and other payables amortised at cost:	Non-current £m	Current £m	Total £m	Non-current £m	Current £m	Total £m
Social security	1.5	1.0	2.5	1.3	1.0	2.3
Accruals	2.0	9.2	11.2	1.6	8.0	9.6
Amounts owed to subsidiaries	–	14.8	14.8	–	6.4	6.4
Other payables	–	0.3	0.3	–	0.1	0.1
	3.5	**25.3**	**28.8**	**2.9**	**15.5**	**18.4**

The Company's trade and other payables mature in the following time periods:

	2024 £m	2023 £m
Less than one year	25.3	15.5
1 - 2 years	1.4	1.1
2 - 5 years	2.1	1.8
	3.5	**2.9**
	28.8	**18.4**

Amounts owed to subsidiaries include an interest-bearing loan of £8.9 million (2023: £2.1 million) that is repayable on demand.

33 Deferred tax

	2024				2023			
	Deferred employees awards £m	**Losses £m**	**Pension surplus £m**	**Total £m**	Deferred employees awards £m	Losses £m	Pension surplus £m	Total £m
At 1 January	(3.3)	(34.9)	34.6	(3.6)	(2.7)	(34.8)	34.1	(3.4)
Income statement (credit)/charge	(0.2)	2.6	0.1	2.5	(0.4)	(0.1)	1.5	1.0
Income statement credit due to changes in tax rates	–	–	–	–	(0.2)	–	–	(0.2)
Credit to statement of other comprehensive income	–	–	(1.9)	(1.9)	–	–	(1.1)	(1.1)
Charge to statement of other comprehensive income due to changes in tax rates	–	–	–	–	–	–	0.1	0.1
At 31 December	**(3.5)**	**(32.3)**	**32.8**	**(3.0)**	**(3.3)**	**(34.9)**	**34.6**	**(3.6)**

A deferred asset of £3.4 million (2023: £3.6 million) relating to £13.6 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 £35.8 million (2023: £38.2 million) and a deferred tax liability of £32.8 million (2023: £34.6 million).

34 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. Details of the Group's risk management processes are outlined in the 'Risk management' section within the Strategic report and the 'Risk and internal controls' section within the Audit and Risk Committee report 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

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due or can only do so at a cost. The Group's liquidity policy is to maintain sufficient liquidity to cover any cash flow funding, meet all obligations as they fall due and maintain solvency. 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

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates.

At 31 December 2024, if interest rates had been 25 bps higher (2023: 50 bps lower) or 50 bps lower (2023: 150 bps lower) with all other variables held constant, the Company estimates that profit after tax for the year would have increased by £3.1 million (2023: decreased by £5.2 million) or decreased by £6.2 million (2023: decreased by £15.6 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 other assets and liabilities.

Foreign exchange and pricing 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. Pricing risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. 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.

35 Own shares

Movements in own shares during the year were as follows:

	2024 £m	2023 £m
At 1 January	(158.2)	(167.8)
Own shares purchased	(55.8)	(60.8)
Awards vested	65.5	70.4
At 31 December	**(148.5)**	**(158.2)**

During the year, 9.4 million own shares (2023: 13.1 million) were purchased and held for hedging share-based awards. 6.4 million (2023: nil) shares were purchased and are held in treasury. 13.8 million shares (2023: 14.2 million) 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 comprise:

	2024			2023		
	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	**22.0**	**34.0**	**56.0**	**23.0**	**32.0**	**55.0**

	2024			2023		
	Vested shares £m	Unvested shares £m	Total £m	Vested shares £m	Unvested shares £m	Total £m
Total ordinary shares:						
Cost	**103.1**	**148.5**	**251.6**	**106.9**	**158.2**	**265.1**
Fair value	**71.4**	**109.9**	**181.3**	**98.9**	**137.5**	**236.4**

36 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 30), are disclosed below:

	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)

	2023					
	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	454.0	(24.3)	50.4	(1.4)	1,426.2	(6.4)
Key management personnel	0.6	–	–	(0.3)	0.1	(17.0)

Transactions with related parties were made at market rates. The amounts outstanding are unsecured and will be settled in cash.

37 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 2024 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 163 to 166.

(a) Related undertakings arising from the Company's corporate structure

Principal subsidiaries

The principal subsidiaries listed below are those that, in the opinion of the Directors, principally affect the consolidated profits or net assets of the Company. The principal subsidiary entities are wholly owned subsidiary undertakings of the Company, unless otherwise stated. All undertakings operate in the countries where they are registered or incorporated and are stated at cost less, where appropriate, provision for impairment.

Name	Share class	Footnote	%	Address
UK				
Leadenhall Securities Corporation Limited	OS		100%	1 London Wall Place, London, EC2Y 5AU, England
Schroder & Co. Limited	OS	a	80.9%	
Schroder Administration Limited	OS	b	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		80.9%	
Schroder Wealth International Holdings Limited	OS		100%	
Australia				
Schroder Investment Management Australia Limited	OS, CPS		100%	Level 20, Angel Place, 123 Pitt Street, Sydney, NSW 2000, Australia
Guernsey				
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%	
Hong Kong				
Schroder Investment Management (Hong Kong) Limited	OS		100%	Level 33, Two Pacific Place, 88 Queensway, Hong Kong
Luxembourg				
Schroder Investment Management (Europe) S.A.	OS		100%	5 rue Höhenhof, L-1736 Senningerberg, Luxembourg
Singapore				
Schroder Investment Management (Singapore) Ltd.	OS		100%	138 Market Street, #23-01, CapitaGreen, Singapore, 048946
Switzerland				
Schroder & Co Bank AG	OS		100%	Talstrasse 11, 8001 Zurich, Switzerland
Schroder Investment Management (Switzerland) AG	OS		100%	
Schroders Capital Management (Switzerland) AG	OS		100%	
United States				
Schroder Investment Management North America Inc.	COS		100%	7 Bryant Park, New York, New York, 10018, USA
Schroder US Holdings Inc.	COS		100%	National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware, 19904, USA

37 Subsidiaries and other related undertakings continued

(a) Related undertakings arising from the Company's corporate structure continued

Fully owned subsidiaries

Name	Share class	Footnote	%	Address
UK				
Croydon Gateway Nominee 1 Limited	OS		100%	1 London Wall Place, London, EC2Y 5AU, England
Croydon Gateway Nominee 2 Limited	OS		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	c	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 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%	
Schroders Capital Private Equity GP LLP	PI		100%	
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%	
Champain Financial Services Limited	OS	n	100%	
Creative Technologies Ltd	OS		100%	
Evolution Wealth Network Limited	OS		100%	
Fusion Wealth Limited	OS		100%	
Kingston Bishop Limited	OS	l	100%	
Mark Cardy Consultancy Limited	OS	p	100%	
Oculus Wealth Management (North Dorset) Limited	OS		100%	
PP Nominees Limited	OS		100%	
PP Trustees Limited	OS		100%	
RIA Pension Trustees Limited	OS		100%	
Unique Financial Planning Limited	OS	m	100%	
Vercern Limited	OS	i	100%	
Wealth Planning Limited	OS	h	100%	
Retirement Planning Partnership Ltd	OS	e	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
Chilcomb Wealth Ltd (In Liquidation)	OS		100%	
McPhersons Walpole Harding (Financial Services) Limited (In Liquidation)	OS		100%	
Mitchell & Company (IFA) Limited (In Liquidation)	OS		100%	
Mitchell & Company Holdings (Reigate) Limited (In Liquidation)	OS		100%	
Redbourne Wealth Management Ltd (In Liquidation)	OS		100%	
Regents Park Financial Solutions Limited (In Liquidation)	OS	i	100%	
The Workplace Benefits Company Limited (In Liquidation)	OS	i	100%	
Waterhouse Financial Planning Limited (In Liquidation)	OS		100%	Begbies Traynor Scottish Provident Building, 7 Donegall Square, West Belfast, BT1 6JH, Northern Ireland

37 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
Australia				
Schroder Australia Holdings Pty Limited	OS		100%	Level 20, Angel Place, 123 Pitt Street, Sydney, NSW 2000, Australia
Austria				
Schroder Real Estate Asset Management Österreich GmbH	OS		100%	Zwerchäckerweg 2-10, 1220 Vienna, 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 Limited	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 cPl 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 9008, Cayman Islands
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%	33T72B, 33F, No. 100 Century Avenue, Pudong, Shanghai China
Schroders Capital Investment Management (Beijing) Co., Ltd.	OS		100%	Room 1929-1932, Winland International Finance Centre, 7 Finance Street, Xicheng District, Beijing, China
Schroders Capital GP Management (Shanghai) Co., Ltd.	OS		100%	Room E-F, No. 828-838 Zhangyang Road, Shanghai Free Trade Zone, Shanghai, China
Curaçao				
cPl 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)	OS		100%	1 rue Euler, 75008, Paris, France
Schroders Capital Management (France)	OS		100%	
Schroders Capital Mid Infra II UP	OS		100%	
Schroder Mid Infra UP	OS		100%	
Schroders IDF IV UP	OS		100%	
Germany				
Blitz 06-953 GmbH	OS		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%	

37 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
Germany (continued)				
Schroder Real Estate Kapitalverwaltungsgesellschaft mbH	OS		100%	Taunustor 1, 60310, Frankfurt, Germany
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%	
Secquaero Re (Guernsey) ICC Ltd	OS		100%	PO Box 33, Dorey Court, Admiral Park, St.Peter Port, Guernsey, GY1 4AT, Channel Islands
Hong Kong				
Schroder & Co. (Hong Kong) Limited (In Liquidation)	OS		100%	5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
Schroders Greencoat HK SLP Limited	OS		100%	37/F One Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, 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%	
BKMS Management L.P.	PI		100%	
BKMS Management II 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%	
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%	

37 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)				
GPEP Partners V L.P.	PI		100%	26 New Street, St. Helier, Jersey, JE2 3RA, Channel Islands
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%	
SA-EL Partners II L.P.	PI		100%	
SC-SA Co-Invest Opportunities 2018 Management L.P.	PI		100%	
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%	
SC Global Opportunities Management L.P.	PI		100%	
Schroder Adveq Shanghai Private Equity Investment Management L.P.	PI		100%	
Schroders Capital cPl Global Partners IV L.P.	PI		100%	
Schroders Capital cPl Global Partners V L.P.	PI		100%	
Schroders Capital Multi Private Credit Management 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 II L.P.	PI		100%	
Schroders Capital Private Equity Europe Direct Partners III L.P.	PI		100%	
Schroders Capital Private Equity Europe Partners VII L.P	PI		100%	
Schroders Capital Private Equity Europe Partners VIII 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 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%	

37 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)				
Schroders Capital Private Equity Mature Secondaries (Orthros) Management L.P.	PI		100%	26 New Street, St. Helier, Jersey, JE2 3RA, Channel Islands
Schroders Capital Private Equity Mature Secondaries (Orthros) Management II L.P.	PI		100%	
Schroders Capital Private Equity Mature Secondaries (Orthros) Management III L.P.	PI		100%	
Schroders Capital Private Equity Mature Secondaries (Orthros) Management IV 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 Taft-Hartley Ventures Partners L.P.	PI		100%	
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 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%	
Croydon Gateway GP Limited	OS		100%	47 Esplanade, St. Helier, Jersey, JE1 0BD, Channel Islands
Croydon Gateway Investments Limited	OS		100%	
Income Plus Real Estate Debt GP Limited	OS		100%	
Schroder Real Estate Managers (Jersey) Limited	OS		100%	
Schroder RECaP SSF Nominee 1 Limited	OS	k	100%	
Schroder RECaP Nominee 2 Limited	OS	k	100%	
SRECaP SSF GP Ltd	OS		100%	
UK Retirement Living Fund (ReLF) GP Limited	OS		100%	
Luxembourg				
Confluentes Management S.à r.l.	OS		100%	17, boulevard F.W. Raiffeisen, L-2411, Luxembourg
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 cPl Global Management S.à r.l.	OS		100%	
Schroders Capital Management (Luxembourg) S.à r.l.	OS		100%	

37 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
Luxembourg (continued)				
Schroders Capital Private Equity Asia Management V S.à r.l.	OS		100%	17, boulevard F.W. Raiffeisen, L-2411, Luxembourg
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 Capital Private Equity Europe Management VIII S.à r.l.	OS		100%	
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 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 Global Private Equity Holding Management S.à r.l.	OS		100%	
Schroders Capital Solutions Management S.à r.l.	OS		100%	
Schroders Capital Hybrid Enhanced Return Infrastructure GP S.à r.l.	OS		100%	60, avenue J.F. Kennedy, L-1855 Luxembourg
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%	
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%	
Schroder Real Estate (CIP) GP S.à r.l.	OS		100%	5 rue Höhenhof, L-1736 Senningerberg, Luxembourg
Schroder Real Estate Investment Management (Luxembourg) S.à r.l.	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.àr.l.	OS		100%	
Schroders Capital Real Estate Asia IV SCSp	PI		100%	4 Rue du Fort Wallis, L-2714, Luxembourg
Netherlands				
Schroders Capital Real Estate Netherlands B.V.	OS		100%	Strawinskylaan 1547, WTC, Level 14, 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

37 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
Singapore				
Schroder & Co. (Asia) Limited	OS		100%	138 Market Street, #23-02, CapitaGreen, Singapore, 048946
SWM Capital VCC	OS		100%	
Schroder Singapore Holdings Private Limited	OS		100%	
China Renewable Energy Fund GP Pte. Ltd	OS		100%	77 Robinson Road, #13-00, Robinson 77, Singapore, 068896
South Korea				
Schroders Korea Limited	OS		100%	15th fl., Centropolis A, 26, Ujeongguk-ro, Jongno-gu, Seoul, Republic of Korea
Switzerland				
Schroder Real Estate Asset Management Switzerland GmbH (In Liquidation)	OS		100%	Lavaterstrasse 40, 8002, Zurich, Switzerland
Schroders Capital Holding (Switzerland) AG	OS		100%	Talstrasse 11, 8001 Zurich, Switzerland
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 Canada Inc.	OS		100%	7 Bryant Park, New York, New York, 10018, USA
Schroder Fund Advisors LLC	COS		100%	
Schroder Taft-Hartley Income GP, LLC	PI		100%	
Schroder Venture Managers Inc.	COS		100%	
Schroders Incorporated	COS		100%	
Schroder FOCUS II GP, LLC	PI		100%	Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA
Schroder Flexible Secured Income GP, LLC	PI		100%	
Schroders Capital PILLARS GP, LLC	PI		100%	
Schroders Capital ERISA Flexible Secured Income GP, LLC	PI		100%	
Schroders Capital FOCUS III GP, LLC	PI		100%	
Schroders Capital Management (US) Inc.	OS		100%	
Schroders Capital PERLS GP, LLC	PI		100%	
Schroders Capital Securitized Hi-Grade Flexible Total Return GP, LLC	PI		100%	
Schroders Greencoat US GP LLC	OS		100%	

Subsidiaries where the ownership is less than 100%

Name	Share class	Footnote	%	Address
UK				
Cazenove New Europe (CFM1) Limited	OS	a, c	80.9%	1 London Wall Place, London, EC2Y 5AU, England
Cazenove New Europe (PPI) Limited	OS	a, c	80.9%	
Cazenove New Europe Staff Interest Limited	OS	a, c	80.9%	
Residential Land Development (GP) LLP	PI	i	67%	
Ruskin Square Phase One LLP	PI		50%	
Sand Aire Limited	OS	a	80.9%	
Schroder & Co Nominees Limited	OS	a, c	80.9%	
Schroder Wealth Management (US) Limited	OS	a	80.9%	
The Lexicon Management Company Limited	OS	i	50%	
Greencoat Buckingham GP Unlimited	OS	h	75%	
Greencoat Buckingham Investments LLP	PI	h	75%	
Greencoat Capital Management Investment Limited	OS	h	75%	
Greencoat Carlisle Place GP LLP	PI	h	75%	
Greencoat Carlisle Place Investments Limited	OS	h	75%	
Greencoat Cornwall Gardens GP LLP	PI	h	75%	

37 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	Footnote	%	Address
UK (continued)				
Greencoat Cornwall Gardens Investments Limited	OS	h	75%	1 London Wall Place, London, EC2Y 5AU, England
Greencoat Embankment GP LLP	PI	h	75%	
Greencoat Embankment Investments Limited	OS	h	75%	
Greencoat GRI Investments Limited	OS	h	75%	
Greencoat Hudson GP LLP	PI	h	75%	
Greencoat Hudson Investments Limited	OS	h	75%	
Greencoat Sejong GP LLP	PI	h	75%	
Greencoat Sejong Investments Limited	OS	h	75%	
Greencoat Solar GP Unlimited	OS	h	75%	
Greencoat Solar II GP Unlimited	OS	h	75%	
Greencoat Solar II Investments LLP	PI	h	75%	
Greencoat Solar Investments LLP	PI	h	75%	
Greencoat Tachbrook GP LLP	PI	h	75%	
Greencoat Tachbrook Investments Limited	OS	h	75%	
Greencoat Tothill GP LLP	PI	h	75%	
Greencoat Tothill Investments Limited	OS	h	75%	
Greencoat Villiers GP LLP	PI	h	75%	
Greencoat Villiers Investments Limited	OS	h	75%	
Greencoat Wilton GP LLP	PI	h	75%	
Greencoat Wilton Investments Limited	OS	h	75%	
Greencoat York GP LLP	PI	h	75%	
Greencoat York Investments Limited	OS	h	75%	
Greencoat GRI (Feeder) GP Unlimited	OS	h	75%	
Schroders Greencoat Francis Investments LLP	PI	h	75%	
Schroders Greencoat Glasgow Terrace GP LLP	PI	h	75%	
Schroders Greencoat Holdings Limited	OS		75%	
Schroders Greencoat Investment Limited	OS	h	75%	
Schroders Greencoat LLP	PI	h	75%	
Schroders Greencoat Wessex Gardens GP LLP	PI	h	75%	
Schroders Greencoat Willow GP LLP	PI	h	75%	
Schroders Greencoat Woodmont Renewables GP LLP	PI	h	75%	
Social Supported Housing CIP LLP	PI		50%	
Social Supported Housing GP LLP	PI		50%	
Whitley Asset Management Limited	OS		80.9%	
Clarke-Walker Financial Management Limited	OS	j	49.5%	C/O Mcphersons Walpole Harding, Citibase Brighton, 95 Ditchling Road, Brighton, BN1 4ST, England
Finura Partners Limited	OS		75%	C/O Cantelowes Limited, 4th Floor, 20 Aldermanbury, London, EC2V 7HY, England
Greencoat GRI GP LLP	PI	h	75%	50 Lothian Road, Festival Square, EH3 9WJ, Edinburgh, Scotland
Greencoat Sejong FP LP	PI	h	75%	
Schroders Greencoat Francis GP	PI	h	75%	
Oculus Wealth Management Limited	OS		51%	Bridge House Main Street, Weeton, Leeds, LS17 0AY, England
Oculus (Holdings) Limited	OS		51%	
Tenacity Wealth Management Limited	OS	o	75%	Haslemere House, Lower Street, Haslemere, Surrey, GU27 2PE, England
Argentina				
Schroder Investment Management S.A.	OS		95%	Ing.Enrique Butty 220, Piso 12, Buenos Aires, C1001AFB, Argentina
Schroder S.A. Sociedad Gerente de Fondos Comunes de Inversion	OS		95%	

37 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	Footnote	%	Address
British Virgin Islands				
Alpha Park Limited	OS	g	77.4%	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Flete Holdings Limited	OS	g	77.4%	
Pamfleet China Limited	OS	g	77.4%	
Cayman Islands				
Pamfleet China Investment Management Limited	OS	g	77.4%	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Pamfleet China Investment Management II Limited	OS	g	54.2%	
Pamfleet International Limited	OS	g	77.4%	
Schroders HKHS G.P.	OS	g	77.4%	
Schroder Adveq Europe Management II L.P.	PI		20%	
Schroder Adveq Europe Management III L.P.	PI		87.9%	
Schroder Adveq Technology Management V L.P.	PI		89%	
Schroder Adveq Technology Management VI L.P.	PI		65%	
Schroder Adveq US Management I L.P.	PI		76%	
Schroders Capital cPl Global Management L.P.	PI		63%	
Schroders Capital cPl Global Management II L.P.	PI		88%	
Schroders Capital Private Equity Asia Management L.P.	PI		75%	
Schroders Capital Private Equity Asia Management II L.P.	PI		65%	
Schroders Capital Private Equity Europe Management IV A L.P.	PI		59%	
Schroders Capital Private Equity Europe Management IV B L.P.	PI		70%	
Schroders Capital Private Equity US Management II L.P.	PI		87%	
China				
Pamfleet (Shanghai) Enterprise Management Limited	OS	g	77.4%	302 Block 9 No 697 Weihai Road, Jing'An, Shanghai, China
France				
Terre et Mer Holding SAS	OS		80%	1 rue Euler, 75008, Paris, France
Germany				
CM Komplementr 06-379 GmbH & Co KG	OS		95%	
Schroders Greencoat (Deutschland) GmbH	CS	i, h	75%	Taunustor 1, 60310, Frankfurt, Germany
Guernsey				
SV (Nominees) Limited	OS	k	50%	PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands
Hong Kong				
Pamfleet Asset Management (China) Limited	OS	g	77.4%	Level 33, 88 Queensway, Hong Kong
Pamfleet Asset Management (HK) Limited	OS	g	77.4%	
Pamfleet (China II) Asset Management Limited	OS	g	54.2%	
Pamfleet (HK) Limited	OS	g	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	i, h	75%	Riverside One, 37-42 Sir John Rogerson's Quay, Dublin 2, D02 X576, Ireland

37 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	Footnote	%	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		70%	
GPEP Management III L.P.	PI		70%	
Schroders Capital Private Equity Asia Management III L.P.	PI		53%	
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		73%	
Schroders Capital Private Equity Europe Management VI L.P.	PI		74%	
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		53%	
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		54%	
TMC Management II L.P.	PI		49%	
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				
BlueOrchard Asset Management (Luxembourg) S.A.	OS	k, f	90%	5 rue Höhenhof, L-1736 Senningerberg, Luxembourg
BlueOrchard Invest S.à r.l.	OS	k, f	90%	
Schroder Property Services B.V. (In Liquidation)	OS		70%	
Schroders Capital Hotels (CIP) SCSp	PI		75.2%	
SEOHF (CIP) SCSp	PI		99.9%	
SEOHF AGGREGATOR (CIP) SCSp	PI		78.6%	
SRE ReLF (CIP) SCSp	PI		74.7%	
SRE SoHo (CIP) SCSp	PI		83.1%	
Schroders Capital Real Estate Asia IV GP S.à r.l.	OS	g	77.4%	4 rue du Fort Wallis, 2714 Luxembourg
SRE Invest SCSp	PI		99.7%	15 boulevard F.W. Raiffeisen, L-2411, Luxembourg
Mexico				
Consultora Schroders, S.A. de C.V.	OS	d, e	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
Frame Offices B.V.	OS		40%	
ITC Invest B.V.	OS		30.4%	
RES Retail B.V.	OS		51.5%	
Schroders Greencoat (Nederland) B.V.	OS	i, h	75.0%	World Trade Center, Tower C, Level 15, Strawinskylaan 1547, 1077 XX, Amsterdam, Netherlands
Peru				
BlueOrchard America Latina S.A.C.	OS	f	90%	Calle Dean, Valdivia 227, Office 501, San Isidro, Lima, Peru

37 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	Footnote	%	Address
Singapore				
BlueOrchard Investments Singapore Pte. Ltd	OS	f	90%	138 Market Street, #23-01, CapitaGreen, Singapore, 048946
Pamfleet Asset Management (Singapore) Pte. Limited	OS	g	77.4%	
Switzerland				
BlueOrchard Finance AG	OS		90%	Talstrasse 11, 8001 Zurich, Switzerland
United States				
Schroders Greencoat US LLC	PI	i, h	75%	251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808, USA
Greencoat Columbus GP LLC	PI	h	75%	Maples Fiduciary Services (Delaware) Inc., 4001 Kennett Pike, Suite 302, Wilmington, Delaware 19807, USA
Greencoat Columbus II GP LLC	PI	h	75%	
SG US Blocker LLC	PI		75%	The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801, USA
SG US Aggregator LLC	PI		75%	

Associates and joint ventures

Name	Share class	Footnote	%	Address
UK				
Chartered Independent Limited	OS	j	49%	6 Church Street, Wellington, Telford, TF1 1DG, England
Kellands (Bristol) Limited	OS		31%	Quays Office Park, Conference Avenue, Portishead, Bristol, BS20 7LZ, England
Rayner Spencer Mills Research Limited	OS		49%	20 Ryefield Business Park, Belton Road, Silsden, Keighley, West Yorkshire, BD20 0EE, England
Future Growth Capital (Holdings) Limited	OS		50.1%	1 London Wall Place, London, EC2Y 5AU, England
Nippon Life Schroders Asset Management Europe Limited	OS	d	33%	
Robertson Baxter Limited	OS		24%	Beck House, Abbey Road, Shepley, Huddersfield, HD8 8EP, England
Scottish Widows Schroder Wealth Holdings Limited	OS		49.9%	25 Gresham Street, London, EC2V 7HN, England
Australia				
Schroders RF Limited	OS	k	50.1%	Level 20, Angel Place, 123 Pitt Street, Sydney, NSW 2000, Australia
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 Company 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		50%	PO Box 255, Trafalgar Court Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands

37 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	Footnote	%	Address
India				
Axis Asset Management Company Limited	OS	i	25%	1st Floor, Axis House C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli-Mumbai, 400025, India
Axis Mutual Fund Trustee Limited	OS	i	25%	
Jersey				
Bracknell General Partner Limited	OS	e	50%	47 Esplanade, St. Helier, Jersey, JE1 0BD, Channel Islands
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%	1209 Orange Street, Wilmington, Delaware, 19801, USA

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 Owned through Schroder Wealth Holdings Limited.
b Held directly by the Company.
c Dormant company.
d The Company holds ordinary B shares.
e The Company holds ordinary A shares.
f Owned through BlueOrchard Finance AG.
g Owned through Pamfleet Holdings (Hong Kong) Limited.
h Owned through Schroders Greencoat Holdings Limited.
i Financial year end 31 March.*
j Financial year end 31 May.*
k Financial year end 30 June.*
l Financial year end 31 August.*
m Financial year end 30 April.*
n Financial year end 30 November.*
o Financial year end 28 February.*
p Financial year end 31 January.*

* Entities where the year end is not coterminous with the Group primarily relate to those which were acquired in recent years.

37 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 Diversified Growth Fund*	I Accumulation	89%	89%
Schroder Flexible Retirement Fund*	X Accumulation	100%	87%
Schroder Global Emerging Markets Fund*	A Accumulation	100%	39%
Schroder Global Sovereign Bond Tracker Component Fund	I Accumulation	22%	13%
Schroder Global Sustainable Food And Water Fund*	X Accumulation	60%	50%
Schroder India Equity Fund*	X Accumulation	100%	73%
Schroder Institutional UK Smaller Companies	X Accumulation	100%	15%
Schroder Life UK Equity Portfolio	IES 1	67%	18%
Schroder Long Dated Corporate Bond Fund	I Accumulation	20%	7%
Schroder QEP Global Active Value Fund	I Accumulation	49%	14%
Schroder Sustainable Bond Fund	X Accumulation	61%	25%
Schroder Sustainable Future Multi-Asset Fund*	Z Accumulation	51%	39%
Schroder Sustainable Multi-Factor Equity Fund*	X Accumulation	92%	56%
Schroders Capital Global Private Equity LTAF	Z Accumulation	98%	49%
Schroders Capital UK Innovation LTAF	XT Accumulation	100%	1%
Schroders Capital UK Real Estate Fund Feeder Trust	I Distribution	36%	36%
Schroders Greencoat Global Renewables+ LTAF*	A Accumulation	87%	47%
Australia			
Schroder Equity Opportunities Fund	I Accumulation	100%	1%
Brazil			
Schroder Alternative Securitised Income BRL FIF RF CP IE RL	Unspecified	55%	55%
Schroder Best Ideas FIA	Unspecified	30%	30%
Schroder Premium Diversified Credit Vintage A FIC FIM CP	Unspecified	78%	78%
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%	1%
China			
Schroder China Dynamic Equity Fund	A Accumulation	55%	33%
Guernsey			
Schroder Institutional Developing Markets Fund	B Distribution	100%	4%
Hong Kong			
Schroder Asian Asset Income Fund	I Accumulation USD	100%	0%
Schroder Global Multi-Asset Thematic Fund*	A Distribution MV AUD Hedged	31%	2%
Schroder Global Multi-Asset Thematic Fund*	A Distribution MV2 AUD Hedged	93%	2%
Schroder Global Multi-Asset Thematic Fund*	A Distribution MV2 CNY Hedged	74%	2%
Schroder Global Multi-Asset Thematic Fund*	A Distribution MV HKD	7%	2%
Schroder Global Multi-Asset Thematic Fund*	A Distribution MV2 HKD	58%	2%
Schroder Global Multi-Asset Thematic Fund*	A Distribution MV CNY Hedged	27%	2%
Schroder Global Multi-Asset Thematic Fund*	A Accumulation	42%	2%
Schroder Global Multi-Asset Thematic Fund*	A Distribution MV	10%	2%
Schroder Global Multi-Asset Thematic Fund*	A Distribution MV2	95%	2%
Schroder Global Multi-Asset Thematic Fund*	I Accumulation	100%	23%
Japan			
Schroder YEN Target (Annual)	Unspecified	35%	35%
Schroder YEN Target (Semi-Annual)	Unspecified	75%	75%
Luxembourg			
BlueOrchard Covid-19 Fund	Unspecified	27%	8%
BlueOrchard Impact Credit Fund	BO	100%	33%

37 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 LAC GDI	Unspecified	100%	3%
BlueOrchard Sustainable Asset Fund	Unspecified	48%	22%
Schroder Alternative Solutions Commodity Fund	I Accumulation GBP Hedged	98%	0%
Schroder Alternative Solutions Commodity Total Return Fund	I Accumulation GBP Hedged	96%	0%
Schroder GAIA Oaktree Credit	I Accumulation	50%	14%
Schroder ISF Alternative Securitised Income	IZ Accumulation	41%	0%
Schroder ISF Asian Equity Impact	IZ Accumulation	50%	49%
Schroder ISF BlueOrchard Emerging Markets Climate Bond*	I Accumulation	20%	13%
Schroder ISF Carbon Neutral Credit*	I Accumulation	47%	14%
Schroder ISF Carbon Neutral Credit*	I Accumulation GBP Hedged	100%	50%
Schroder ISF Changing Lifestyles*	I Accumulation	100%	71%
Schroder ISF Circular Economy*	I Accumulation	100%	99%
Schroder ISF Cross Asset Momentum	IZ Accumulation	100%	9%
Schroder ISF Cross Asset Momentum	I Accumulation	32%	9%
Schroder ISF Emerging Europe	I Accumulation	26%	0%
Schroder ISF Emerging Europe	X9 Accumulation	51%	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	27%	26%
Schroder ISF Emerging Markets Local Currency Bond*	I Accumulation	58%	19%
Schroder ISF EURO Credit Conviction	I Accumulation	100%	0%
Schroder ISF European Equity Impact*	I Accumulation	100%	46%
Schroder ISF European Sustainable Equity*	I Accumulation	24%	15%
Schroder ISF Global Bond	I Accumulation	100%	0%
Schroder ISF Global Climate Leaders*	I Accumulation	54%	53%
Schroder ISF Global Energy	I Accumulation	97%	1%
Schroder ISF Global Equity Impact	I Accumulation	100%	97%
Schroder ISF Global Equity Yield	I Accumulation EUR	99%	0%
Schroder ISF Global Inflation Linked Bond	I Accumulation	100%	0%
Schroder ISF Global Managed Growth*	I Accumulation	100%	84%
Schroder ISF Global Multi-Asset Balanced	I Accumulation CHF Hedged	96%	0%
Schroder ISF Global Multi-Asset Income	I Accumulation	100%	0%
Schroder ISF Global Recovery	I Accumulation	87%	1%
Schroder ISF Global Social Growth	I Accumulation	100%	98%
Schroder ISF Global Sustainable Convertible Bond*	I Accumulation	32%	26%
Schroder ISF Inflation Plus	I Accumulation	27%	4%
Schroder ISF Japanese Opportunities	I Accumulation	29%	1%
Schroder ISF Nordic Micro Cap	I Accumulation	100%	0%
Schroder ISF Nordic Smaller Companies	I Accumulation	100%	0%
Schroder ISF QEP Global Emerging Markets	I Accumulation GBP	99%	4%
Schroder ISF Smart Manufacturing	I Accumulation	100%	9%
Schroder ISF Social Impact Credit*	I Accumulation	100%	100%
Schroder ISF Sustainable Asian Equity	I Accumulation	32%	19%
Schroder ISF Sustainable Emerging Markets ex China Synergy*	I Accumulation	100%	95%
Schroder ISF Sustainable Euro Credit	I Accumulation	32%	19%
Schroder ISF Sustainable Global Credit Income Short Duration	I Accumulation GBP Hedged	99%	0%
Schroder ISF Sustainable Global Multi Credit	I Accumulation EUR Hedged	96%	0%
Schroder ISF Sustainable Global Sovereign Bond	I Accumulation USD Hedged	50%	0%
Schroder ISF Sustainable Infrastructure	I Accumulation	100%	91%
Schroder ISF Sustainable US Dollar Corporate Bond*	I Accumulation	100%	98%
Schroder ISF Sustainable US Dollar Short Duration Bond*	I Accumulation	49%	48%
Schroder ISF Swiss Equity	I Accumulation	100%	0%
Schroder ISF US Small & Mid-Cap Equity	I Accumulation	99%	1%
Schroder Matching Plus Buy and Maintain Credit Sterling Cashflow (2032-2040)	I Distribution	42%	22%

37 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)			
Schroder Matching Plus Buy and Maintain Credit Sterling Cashflow (2032-2040)	IZ Distribution	19%	5%
Schroder Property Eurologistics Fund No.1 (B)	A	23%	52%
Schroder Property Eurologistics Fund No.1 (B)	B	28%	52%
Schroders Capital Real Estate Debt SCSp SICAV-RAIF Senior Loans EUR	Unspecified	100%	100%
Schroders Capital Real Estate Debt Senior Loan EUR	Unspecified	100%	100%
Schroders Capital Semi-Liquid Circular Economy Private Plus*	I Accumulation	53%	50%
Schroders Capital Semi-Liquid Energy Transition	C Accumulation	97%	1%
Schroders Capital Semi-Liquid European Loans	C Accumulation	98%	1%
Schroders Capital Semi-Liquid Global Innovation Private Plus*	I Accumulation	100%	42%
Schroders Capital Semi-Liquid Global Real Estate Total Return	I Accumulation	100%	33%
SIF Core Insurance Linked Securities	I Accumulation	20%	12%
SSSF Structured Income	I Accumulation	99%	3%
Schroder ISF Sustainable Future Trends	I Accumulation	100%	13%
Schroder Special Situations Fund Wealth Management USD Growth	IS Accumulation	64%	48%
United States			
Hartford Schroders China A Fund	SD Accumulation	100%	17%
Hartford Schroders Commodity Strategy ETF	SD Accumulation	36%	36%
Hartford Schroders Diversified Emerging Markets Fund	SD Accumulation	37%	27%
Hartford Schroders International Contrarian Value Fund	Unspecified	100%	22%
Hartford Schroders Private Opportunities Fund	SD Accumulation	48%	48%
Hartford Schroders Sustainable International Core Fund	Unspecified	94%	94%
Schroder FOCUS II Fund, L.P.	Unspecified	54%	6%
Schroders Capital Securitized Hi-Grade Flexible Total Return, L.P.	Unspecified	90%	0%
Lincoln Inflation Plus I	I Accumulation	100%	49%
Lincoln U.S. Equity Inc Maximizer I	I Accumulation	100%	50%

*Investments in structured entities that are consolidated.

37 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 163 to 165 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

The registered office for the following related undertakings is Av. Presidente Wilson, nº 231, 11º andar, Rio de Janeiro, Brazil

Schroder Premium Diversified Credit Vintage A FIC FIM CP

The registered office for the following related undertakings is Núcleo Cidade de Deus, Prédio Amarelo, 1o andar, Vila Yara, Osasco, SP, Brazil

Schroder Best Ideas FIA

The registered office for the following related undertakings is Av. Brigadeiro Faria Lima, nº 3.500, 4º andar, Itaim Bibi, São Paulo, Brazil

Schroder Alternative Securitised Income BRL FIF RF CP IE RL

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

Japan

1-1 Chuo-ku, Saitama City, Saitama Shintoshin Godo Choushya 1st Building, Saitama Prefecture, 330-9716, Japan

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 80, route d'Esch, L-1470 Luxembourg

Schroder Property Eurologistics Fund No.1 (B)

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 United States related undertakings is 7 Bryant Park, New York, New York, 10018, USA, except for the following:

The registered office for the following related undertakings is 690 Lee Road, Wayne, Pennsylvania, 19087, USA

Hartford Schroders China A Fund
Hartford Schroders Commodity Strategy ETF
Hartford Schroders Diversified Emerging Markets Fund
Hartford Schroders International Contrarian Value Fund
Hartford Schroders Sustainable International Core 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

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 2024 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 2024 which comprise:

Group	Parent company
Consolidated income statement for the year ended 31 December 2024	Schroders plc - Statement of financial position at 31 December 2024
Consolidated statement of comprehensive income for the year ended 31 December 2024	Schroders plc - Statement of changes in equity for the year ended 31 December 2024
Consolidated statement of financial position at 31 December 2024	Schroders plc - Cash flow statement for the year ended 31 December 2024
Consolidated statement of changes in equity for the year ended 31 December 2024	Schroders plc – Notes to the accounts 29 to 37, including material accounting policy information
Consolidated cash flow statement for the year ended 31 December 2024	
Notes to the accounts 1 to 28, including Presentation of the financial statements and material accounting policy information	

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. To evaluate the Directors' assessment of the Group and Parent company's ability to continue to adopt the going concern basis of accounting, we have:

- assessed 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;
- evaluated 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;
- assessed 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;
- assessed 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;
- performed 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
- assessed 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.

Overview of our audit approach

Audit scope	– The Group is comprised of over 300 legal entities domiciled in 27 countries. – We performed an audit of the complete financial information of six legal entities and audit procedures on specific balances for a further 26 legal entities. – Certain of the Group's processes over financial reporting are centralised in the finance operations hubs of London, Luxembourg, Singapore, Zurich and Horsham. Where appropriate, our testing was performed in these locations.
Key audit matters	– Improper recognition of revenue. – Improper recognition of cost of sales.
Materiality	– Overall Group materiality of £32 million, which represents 5% of operating profit.

An overview of the scope of the Parent company and Group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). 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 component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying entities for which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial reporting framework, the Group's system of internal control at the entity level, the existence of centralised processes, IT applications and any relevant internal audit results.

We identified 32 entities as individually relevant to the Group. This determination was based on one or more of the following factors applying to each of the entities identified:

- relevant events and conditions underlying the identified risks of material misstatement of the Group financial statements;
- pervasive risks of material misstatement of the Group financial statements; or
- significant risk or an area of higher assessed risk of material misstatement of the Group financial statements.

Of the 32 entities selected, we designed and performed audit procedures on the entire financial information of six entities ("full scope entities"). Four of those full scope entities were deemed relevant due to the materiality or financial size of the entity relative to the Group. The other two were deemed relevant due to the number and significance of in-scope accounts.

For 26 entities, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope entities"). For 43 entities, we performed specified audit procedures to obtain evidence for one or more relevant account assertions.

We determined that centralised audit procedures can be performed across the identified entities in the following audit areas:

Key audit area on which certain procedures were performed centrally	Entities subject to central procedures
Revenue	All relevant entities
Cost of sales	All relevant entities
Journal entries	All relevant entities
Taxation	All relevant entities
Variable compensation	All relevant entities
Defined benefit pension plan	Schroders plc only
Provisions	All relevant entities
Information technology	All relevant entities

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We did not identify any additional components to be included in our audit scope.

The table below illustrates the percentage of each account or financial statement item covered by the work performed by our audit teams.

	Full scope[1]	Specific scope[2]	Specified procedures[3]	Out of scope	Total
Total assets	26%	70%	1%	3%	**100%**
Profit before tax	64%	34%	N/A	2%	**100%**
Total revenue	64%	29%	N/A	7%	**100%**

1. Full scope: audit procedures on all significant accounts.
2. Specific scope: audit procedures on selected accounts.
3. Specified procedures: audit procedures as designed by the Group audit team.

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 components by us, as the Group audit engagement team, or by component auditors operating under our instruction.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits all full scope locations and key finance operation hubs. During the current year, visits were undertaken by the primary audit team to the component teams in Luxembourg, Singapore, Zurich and US. 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 audit 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 on page 10 in the Task Force for Climate related Financial Disclosures and on pages 28 to 31 in the Risk Management section of the Annual Report and Accounts. The Group has also explained their climate-related commitments on pages 24 to 25. All of these disclosures form part of the 'Other information'. 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.

As explained in the Estimates and Judgements section of the Presentation of the financial statements on page 143, climate risks have been considered in the preparation of the consolidated financial statements where management consider it appropriate. The principal areas of consideration by management include the measurement of financial assets and impairment assessments.

Our audit effort in considering the impact of climate change on the financial statements was focused on assessing whether the effects of potential climate risks have been appropriately reflected by management in reaching their judgments in relation to the measurement of financial assets and their impairment assessments. As part of this evaluation, we performed our own risk assessment, 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 judgment, 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.

Risk	Our response to the risk
Group only risk: ***Improper recognition of revenue (£2,970.0 million, 2023: £2,936.7 million)*** *Refer to the Audit and Risk Committee report (page 54) and Note 2 of the Consolidated financial statements (pages 97 to 99)* Schroders manages mutual funds and private funds (collectively termed as 'gross fund fees') in numerous domiciles, which consist of many share classes. 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 bespoke calculation methodologies. For certain revenue streams, management must apply judgment 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. The following are identified as the key risks or subjective areas of revenue recognition: – Not all agreements in place have been identified and accounted for; – Fee terms have not been correctly interpreted or entered into the fee calculation and billing systems; – Assets under management ('AUM') is not accurate and has not been properly attributed to fee agreements; – Errors occur in externally calculated revenues and manually calculated revenues, such as performance fees, certain private assets fees and carried interest; and – Inappropriate judgments are made by management in the calculation and recognition of carried interest. There is also the risk that management may influence the timing or recognition of revenue in order to meet market expectations or net operating income-based targets.	We have: – confirmed and updated our understanding of the procedures and controls in place throughout the revenue process, both at Schroders through walkthrough procedures, and at third party administrators ('TPA'), through review of independent controls assurance reports; – IT systems: tested the controls over access to, and changes to, the systems underpinning the revenue process, including testing controls over the flow of data between systems for completeness and accuracy; – fee agreements: tested the controls over new and amended fee agreements. For a sample of fees, agreed the fee terms used in the calculation to investment management agreements ('IMAs'), fee letters or fund prospectuses; – AUM: tested the controls in place for the calculation and existence of AUM used in the fee calculations. For a sample of fees, tested the completeness, existence and accuracy of AUM included in the fee calculation systems to administrator reports or Schroders' investment management systems; – review of other information: inspected the global operational incident log and complaints registers to identify significant errors in revenue or control deficiencies; and – 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. ***Segregated/unitised revenue*** – tested automated controls over the arithmetical accuracy of a sample of fee calculations within the relevant systems; and – tested controls over the billing and cash management process. For a sample of fees, compared the amounts recorded to the invoice sent to the client and the cash received, checking whether the revenue 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. ***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; and – for a sample of gross fund fees billed directly by the TPA, assessed the recoverability of year end debtors through testing to cash receipts and inspection of the aged debtors report. ***Manually calculated revenues*** – carried interest: challenged management over the judgments and estimates used in the valuation of the carried interest receivable, including the constraints applied under IFRS 15; and – for a sample of manually calculated revenues, such as performance fees, certain private assets fees and carried interest, agreed the inputs used in the relevant calculations to third party sources, where applicable, and legal agreements; recalculated the value of the relevant fee and compared the amount invoiced to the revenue recorded. Where applicable, we agreed revenue recorded to the cash receipts.

Key observations communicated to the Schroders Audit and Risk Committee

All transactions tested have been recognised in accordance with the underlying agreements or other supporting documentation. Revenue has been materially recorded 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

We performed full and specific scope audit procedures over this risk area in six locations, which covered 93% of the total revenue. Due to the centralised nature of the revenue process, the majority of our testing was performed in London for Asset Management revenue, and London and Zurich for Wealth Management revenue.

Risk	Our response to the risk
Group only risk: ***Improper recognition of cost of sales (£612.3 million, 2023: £602.3 million)*** *Refer to the Audit and Risk Committee report (page 54) and Note 2 of the Consolidated financial statements (pages 97 to 99)* 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 AUM. The following are identified as the key risks or subjective areas in correctly recognising fee expenses: – Not all agreements in place have been identified and accounted for; – Fee expense terms have not been correctly interpreted; – AUM has not been properly identified or attributed to clients or third parties with fee expense arrangements; and – Inappropriate judgments are made by management in the calculation of carried interest payable. There is also the risk that management may influence the recognition of cost of sales in order to meet market expectations or net operating income-based targets.	We have: – confirmed and updated our understanding of the procedures and controls in place throughout the cost of sales process, both at Schroders through walkthrough procedures, and at TPAs through review of independent controls assurance reports; – IT systems: tested the controls over access to, and changes to, the systems underpinning the fee expense process, including testing controls over the flow of data between systems to test completeness and accuracy; – review of other information: inspected the global operational incident log and complaints registers to identify significant errors in fee expenses or control deficiencies, and determined whether any fee expense risk events have been appropriately addressed; and – 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. ***Cost of sales processed on Group finance operations model:*** – fee expense agreements: 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; – AUM: tested the controls in place over the calculation and existence of AUM used in the fee expense calculations. For a sample of fee expenses, tested the completeness and accuracy of the AUM included in the calculation to Schroders' transfer agency or investment management systems; – calculation: tested automated controls over the arithmetical accuracy of a sample of fee expense calculations within the relevant systems; and – billing: tested controls over the cash management process. For a sample of fee expenses, compared the amount recorded to the rebate statement sent to the client and to the cash paid. ***Carried interest payable:*** – challenged management over the judgments and estimates used in the valuation of the carried interest liability. For a sample of funds with carried interest arrangements: agreed the inputs used in the carried interest calculations to accounting records, third party sources and legal agreements; recalculated the value of the carried interest liability; and compared the discounted carried interest expense to the cost of sales recorded.

Key observations communicated to the Schroders Audit and Risk Committee
All transactions tested have been recognised in accordance with the underlying agreements or other supporting documentation. Cost of sales has been materially recorded in accordance with IAS 1 – *Presentation of Financial Statements* ('IAS 1'). Based on the procedures performed, we have no matters to report in respect of cost of sales.

How we scoped our audit to respond to the risk
We performed full and specific scope audit procedures over this risk area in six locations, which covered 96% of the total cost of sales.

Prior year comparison
There have been no significant changes to our overall risk assessment from the 2023 audit.

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 £32 million (2023: £33 million), which is 5% of operating profit (2023: 5% of operating profit). We believe that operating profit is the most relevant performance measure to the stakeholders of the Group.

We determined materiality for the Parent company to be £46 million (2023: £47 million), which is 1% (2023: 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 2024 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 judgment was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £24 million (2023: £25 million). We have used a threshold consistent with 2023 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 £4.8 million to £13.2 million (2023: £5.0 million to £13.6 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 £1.6 million (2023: £1.7 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 88 and 174 to 188, 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 in 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.

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 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:

- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities, as set out on page 34;
- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, as set out on page 34;
- Directors' explanation as to its assessment of the Parent company's prospects, the period this assessment covers and why the period is appropriate, as set out on page 34;
- Directors' statement on fair, balanced and understandable, as set out on page 88;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, as set out on pages 28-31;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems, as set out on page 28-31; and
- the section describing the work of the Audit and Risk Committee, as set out on pages 54-61.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 88, 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.

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 identified in the paragraphs above. 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 at full and specific scope entities; 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 seven years, covering the years ended 2018 to 2024.
- 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.

James Beszant
Senior statutory auditor

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

5 March 2025

Notes:

1. The maintenance and integrity of the Schroders plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Shareholder and sustainability 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: investorcentre.co.uk

Financial calendar

Ex-dividend date	27 March 2025
Record date	28 March 2025
DRIP election date deadline	14 April 2025
Annual General Meeting	1 May 2025
Final dividend payment date	8 May 2025
Half-year results announcement	31 July 2025
Interim dividend paid*	September 2025

* Date to be confirmed.

Annual General Meeting

Our AGM will be held at 1 London Wall Place, London, EC2Y 5AU and electronically via a live broadcast on Thursday 1 May 2025 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 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 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 85.

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 FCA before getting involved by visiting register.fca.org.uk
– report the matter to the FCA by calling 0800 111 6768 or visiting 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 fca.org.uk/consumers/warning-list-unauthorised-firms.

More detailed information on this or similar activity can be found on the FCA website at 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 (unaudited)

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Operating profit before tax	640.5	661.0	723.0	841.0	698.5
Tax	(144.3)	(128.0)	(123.6)	(147.4)	(134.9)
Operating profit after tax	**496.2**	533.0	599.4	693.6	563.6

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Profit before tax	558.1	487.6	586.9	764.1	610.5
Tax	(125.1)	(85.0)	(100.7)	(140.3)	(124.5)
Profit after tax	**433.0**	402.6	486.2	623.8	486.0

Operating earnings per share	2024 Pence	2023 Pence	2022 Pence	2021 Pence	2020 Pence
Basic earnings per share[1]	**30.1**	32.5	37.4	43.0	34.9
Diluted earnings per share[1]	**29.6**	31.9	36.7	42.2	34.3

Earnings per share	2024 Pence	2023 Pence	2022 Pence	2021 Pence	2020 Pence
Basic earnings per share[1]	**26.4**	24.6	30.4	38.7	30.2
Diluted earnings per share[1]	**26.0**	24.2	29.9	38.1	29.7

Dividends	2024	2023	2022	2021	2020
Cost (£m)	**334.2**	333.0	332.1	318.6	311.7
Pence per share[2]	**21.5**	21.5	21.4	20.4	20.0

Total equity (£m)	**4,495.4**	4,463.7	4,479.7	4,425.7	4,085.9

Net assets per share (pence)[3]	**279**	277	278	275	253

Group employees at year end 31 December	2024 Number	2023 Number	2022 Number	2021 Number	2020 Number
United Kingdom	3,946	3,897	3,788	3,329	3,188
Europe, Middle East and Africa	904	1,016	1,031	940	938
Asia Pacific	1,090	1,089	1,188	1,093	1,066
Americas	423	436	427	388	379
	6,363	6,438	6,434	5,750	5,571

Exchange rates – closing 31 December	2024	2023	2022	2021	2020
Sterling:					
Euro	**1.21**	1.15	1.13	1.19	1.12
US dollar	**1.25**	1.27	1.20	1.35	1.37
Swiss franc	**1.13**	1.07	1.11	1.23	1.21
Australian dollar	**2.02**	1.87	1.77	1.86	1.77
Hong Kong dollar	**9.73**	9.95	9.39	10.56	10.60
Japanese yen	**196.83**	179.72	158.72	155.97	141.13
Singaporean dollar	**1.71**	1.68	1.61	1.83	1.81
Chinese renminbi	**9.14**	9.04	8.36	8.63	8.89

Exchange rates – average	2024	2023	2022	2021	2020
Sterling:					
Euro	**1.18**	1.15	1.17	1.16	1.13
US dollar	**1.28**	1.24	1.24	1.37	1.29
Swiss franc	**1.12**	1.12	1.18	1.25	1.21
Australian dollar	**1.94**	1.87	1.78	1.83	1.87
Hong Kong dollar	**9.97**	9.74	9.71	10.68	10.05
Japanese yen	**192.84**	175.10	161.25	151.02	137.89
Singaporean dollar	**1.71**	1.67	1.71	1.84	1.78
Chinese renminbi	**9.18**	8.81	8.32	8.86	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.
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

Our climate-related financial disclosures are introduced on pages 24 to 25. This section provides additional details on our climate-related financial disclosures, including our strategy, governance, risk management, and metrics and targets.

Strategy

Our sustainability strategy is embedded in our business. Our strategic and financial planning process includes an assessment of any changes needed to respond to climate-related risks and opportunities. Read more on our climate change strategy and targets on pages 24 to 25.

Risks and opportunities

We view the consideration of sustainability as fundamental to our fiduciary responsibilities to deliver long-term returns. The decarbonisation of the global economy presents various risks and opportunities. As a result of our climate change strategy, we expect the assets we invest in will be less exposed to the risks of the transition. Each investment desk considers climate-related risks and opportunities, which is reviewed as part of our internal annual accreditation.

The approach to identifying, assessing and managing climate risks and opportunities differs depending on the category of asset class and business:

- For our Public Markets business, where a growing volume of data is available to assess companies, models support our investment teams in identifying climate-related risks and opportunities, augmenting their own company and industry insights.
- For our Schroders Capital business, data is typically more sparse and we rely more on our knowledge of, and engagement with, portfolio companies to assess climate-related risks and opportunities.
- For our Wealth Management business and multi-manager teams, we assess third-party managers on their alignment to the Paris Agreement and the extent to which they consider climate-related risks and opportunities in their investments.

For our own operations, we identify and assess climate-related risks and opportunities by conducting an annual inventory of all relevant GHG emissions, monitoring transition risks and assessing physical risks using third-party risk analytics. Our key operational risks and opportunities are managed by the relevant business functions, supported by the Corporate Sustainability team.

The following tables outline the potential climate-related risks and opportunities that could have a material financial impact on the organisation, along with the time horizons in which we expect them to materialise.

- Short term: 0–1 year. The current reporting period, which covers existing activities to manage climate risks and opportunities.
- Medium term: 1–5 years. Aligns with our strategic planning, business forecasting, and viability assessment. It also reflects the typical investment duration of our clients. Most of the climate transition risks and opportunities identified will materialise in this timeframe.
- Long term: 5–10 years. Reflects the period in which we expect material changes in the climate exposures of investee companies, including as a result of our engagement with their management teams.
- Extended long term: 10+ years. The physical impacts of climate change will intensify and the level of political action to address climate change will become clearer. Our business may be influenced by different climate scenarios over this extended timeframe.

Most of the climate-related risks and opportunities disclosed emerge across all time horizons; however, we have indicated the time horizon we consider most significant for each risk or opportunity. For the impact ratings, we have made basic assumptions across the different temperature scenarios, recognising that multiple factors could influence different impact outcomes.

This analysis and framework support our ongoing strategic and business model resilience regarding our key risk of "sustainability including climate change", and the appropriate mitigating actions.

Time horizon
Short term: 0–1 year
Medium term: 1–5 years
Long term: 5–10 years
Extended long term: 10+ years

Impact rating
● Low
● Medium
● High

Climate risks

Risk	Description and business impact	Timeframe	Impact 1.5°C	Impact 2°C	Impact 3°C	Assessment	Actions to mitigate risk
Transition: "Market risk"	Failure to establish climate products to meet client demand, resulting in loss of market share and reduced revenues	Medium	High	High	High	Qualitative	We conduct client surveys, for institutional and retail clients, to assess product demand. We have developed a climate product framework, aligning our public and private market products with client decarbonisation objectives.
Transition: "Reputation"	Client perception that our position on sustainability differs to theirs, or that we are not managing climate risks or opportunities appropriately, resulting in a reduction in AUM	Medium	Medium	Medium	Medium	Qualitative	Volume and sentiment of coverage in media publications across all markets in which we operate and on social media is measured and monitored on an ongoing basis. It is reported to our Group Risk Committee and Audit and Risk Committee. We take appropriate action to address areas that either have or may result in impaired reputation.

			Impact				
Risk	**Description and business impact**	**Timeframe**	**1.5°C**	**2°C**	**3°C**	**Assessment**	**Actions to mitigate risk**
Transition: "Policy and legal risk"	Regulatory breaches due to the increasing volume, complexity and scope of climate regulations and legal action arising from e.g. anti-ESG legislation, resulting in fines and reputational damage	Medium	🟠	🟠	🟠	Qualitative	We assess the impact of new climate regulation and implement a suitable operating model with processes and controls.
Transition: "Policy and legal risk"	New climate regulations impact investee company valuations, resulting in reduced profitability of investment portfolios	Medium	🔴	🟠	🟢	Quantitative	We have developed a climate insights dashboard for our investment teams, providing insights into the transition risks and opportunities their portfolio companies are exposed to. This includes assessments of a company's exposure to potential measures such as the introduction of a carbon tax.
Physical: "Acute"	Extreme weather events impact investee companies and their value chains, affecting company valuations and reducing the profitability of investment portfolios	Medium	🟢	🟠	🔴	Quantitative	Where data is available, we undertake scenario analysis to assess the exposure of our investments to the physical risks of climate change. We assess our own global office sites using a physical risk analysis model.
Physical: "Chronic"	Long-term climate change (e.g., temperature rise, sea-level rise) impacts investee companies and their value chains, affecting company valuations and reducing the profitability of investment portfolios	Extended long	🟢	🟢	🔴	Quantitative	Where data is available, we undertake scenario analysis to assess the exposure of our investments to the physical risks of climate change. We assess our own global office sites using a physical risk analysis model.

Time horizon
Short term: 0–1 year
Medium term: 1–5 years
Long term: 5–10 years
Extended long term: 10+ years

Impact rating
🟢 High
🟠 Medium
🔴 Low

Climate opportunities

			Impact				
Opportunity	**Description and business impact**	**Timeframe**	**1.5°C**	**2°C**	**3°C**	**Assessment**	**Actions to take advantage of the opportunity**
"Products and services"	Climate mitigation investment strategies (e.g., renewable infrastructure and/or climate technology) are developed to meet client demand, resulting in increased market share and revenues	Short–medium	🟢	🟠	🔴	Qualitative	We develop investment strategies to help clients achieve their sustainability goals, focusing on themes arising from the net zero transition, including the global energy transition strategy or Schroders Greencoat, our renewable infrastructure management business.
"Products and services"	Climate adaptation investment strategies (e.g., flood defences or nature-based solutions) are developed to meet client demand, resulting in increased market share and revenues	Medium–long	🔴	🟠	🟢	Qualitative	We develop investment strategies to help clients achieve their sustainability goals, focusing on investing in infrastructure and technologies that aim to protect from the physical impacts of climate change, such as the sustainable food and water strategy.
"Market" and "Reputation"	Positive perception of our climate capabilities and solutions place us in a favourable position to serve clients' climate commitments, leading to increased demand and revenues	Medium	🟢	🟢	🟢	Quantitative	We view sustainability as an important source of potential long-term investment performance. Our new tools help investment teams assess companies' exposures to the net zero transition, and we have established a decarbonisation group to support clients' investment objectives.

Our climate strategy

Our climate change strategy covers both the investments we manage and our own operations, leveraging four key capabilities: our insights, our influence, our innovation, and our ability to inspire others. A more detailed description of these levers of action can be found on our climate change strategy diagram on pages 24 to 25.

Investing sustainably

The investments we manage

1 Insights

2 Influence

3 Innovate

Corporate sustainability

Our own operations

4 Inspire

1 Insights: Measure and manage exposure in our clients' investment portfolios

In 2024, both our near-term and long-term targets for our in-scope[1] assets are broadly on track against our linear target pathways. Our mid-term Scope 1 and 2 temperature score was 2.4°C, while our Scope 1, 2 and 3 temperature score in the long-term was 2.8°C.

The investments we manage are exposed to climate risks and opportunities and the net zero transition. This exposure is not consistent across asset class, region or sector, so being globally diversified puts us in a strong position to identify opportunities.

Our exposure to a wide range of asset classes means we cannot take a single approach to integrating climate-related risks and opportunities, although we apply consistent principles and frameworks as far as possible. These frameworks cover Schroders' public markets, private markets and wealth investments. Our ESG Accreditation framework assesses how all in-scope[2] investment desks consider climate risks and opportunities within their investment processes, in a way that is appropriate to their asset class.

In 2024, we developed a Net Zero Alignment framework which could be applied to individual investments and aggregated to portfolio level across different asset classes. It is designed to assess the extent to which a company or asset is aligned to global decarbonisation goals based on its targets, actions and progress. We create a set of data and criteria for each investment type. We also create a maturity scale system to rate each investment type, providing a view of the maturity and strength of their climate strategies, ranging from "not aligned", "aligning", "aligned" through to "achieving net zero".

The framework has been established for five main asset class types: listed equities and corporate bonds; private equities and corporate debt or loans; externally managed funds; and sovereign bonds, with further asset classes, such as real assets, planned.

2024 scenario analysis findings

Climate scenario analysis can be valuable tool for better understanding a range of possible future states. It can inform investment decision-making and strategy for enhancing risk-adjusted returns, in light of expected climate-driven changes to the economy. We have analysed the exposure of our investment holdings to physical and transition climate risks under a range of climate scenarios. For the analysis shown below, we used Morgan Stanley Capital International's (MSCI) aggregated Climate Value-at-Risk (VaR) analysis, which combines physical and transition impacts under three representative temperature pathways. Scenarios vary from an orderly transition to net zero, limiting the global temperature rise to 1.5°C by 2050 through strict climate policies and innovation, to scenarios where climate change mitigation fails and temperatures rise further.

The scenarios used are not intended to be predictions of the future, but rather highlight the risks and opportunities from different possible outcomes. The models assume no change or adaptation from companies over time. This analysis is based on a snapshot of current holdings and does not consider action to mitigate risk, such as engagement or portfolio changes. The analysis is based on our exposure to investments in publicly listed equity and corporate bonds. They are referred to here as "covered investments".

Under the lens of aggregated climate VaR[3] in Figure 1, our covered investments are most exposed to climate risks under a 1.5°C scenario, with a potential impact of −7.1% of current market value. This impact diminishes slightly under 2°C (−4.4%) and 3°C (−3.5%) scenarios. In general, the model shows that transition risks are greater than physical risk. It is important to note that the model outputs are one view of the world and do not necessarily reflect the potential longer-term physical implications of climate change, particularly given the complex and connected nature of physical risks, such as the catalytic effect of tipping points. The horizontal lines in Figure 1 represent the aggregated climate VaR of the covered investments, while the columns represent the value for each individual sector. There are marked differences in the profiles of different sectors of the economy, with aggregated climate risk becoming progressively more concentrated in sectors such as materials and energy under more aggressive transition scenarios.

The negative implications of physical climate impacts are outweighed by the transition risk impacts under the stringent policy scenario that will be needed to deliver global climate goals. The chart in Figure 2 summarises the sector exposures in a high-risk scenario for both physical and transition risks. The size of the bubbles represents the share of our in-scope AUM invested in that sector.

Climate scenario analysis is more challenging for our private markets business, where a consistent quantitative approach is not feasible. Each asset class integrates climate differently, based on how climate change risks or opportunities impact investments and the availability of data and methodologies. Proprietary sustainability scorecards inform this approach, with climate change categories weighted based on their materiality for specific sectors, regions or asset types, and contribute to the overall ESG score for each investment.

1. Directly managed listed equity, corporate bonds, real estate investment trusts, and exchange-traded funds.
2. In-scope investment desks are those that are managing assets. Some desks operating on an advisory basis choose to accredit voluntarily. For certain businesses acquired more recently, we have not yet accredited the integration of ESG factors into investment decision-making. A small portion of our business where the integration of ESG factors is not practicable or possible is also excluded, for example, certain legacy businesses or investments in the process of being liquidated, and certain joint venture businesses.
3. Aggregated climate Value at Risk (VaR) is an assessment of climate-related risks and opportunities across different climate scenarios developed by MSCI.

Figure 1. Covered investments exposure to aggregated climate risk, broken down by sector[1]

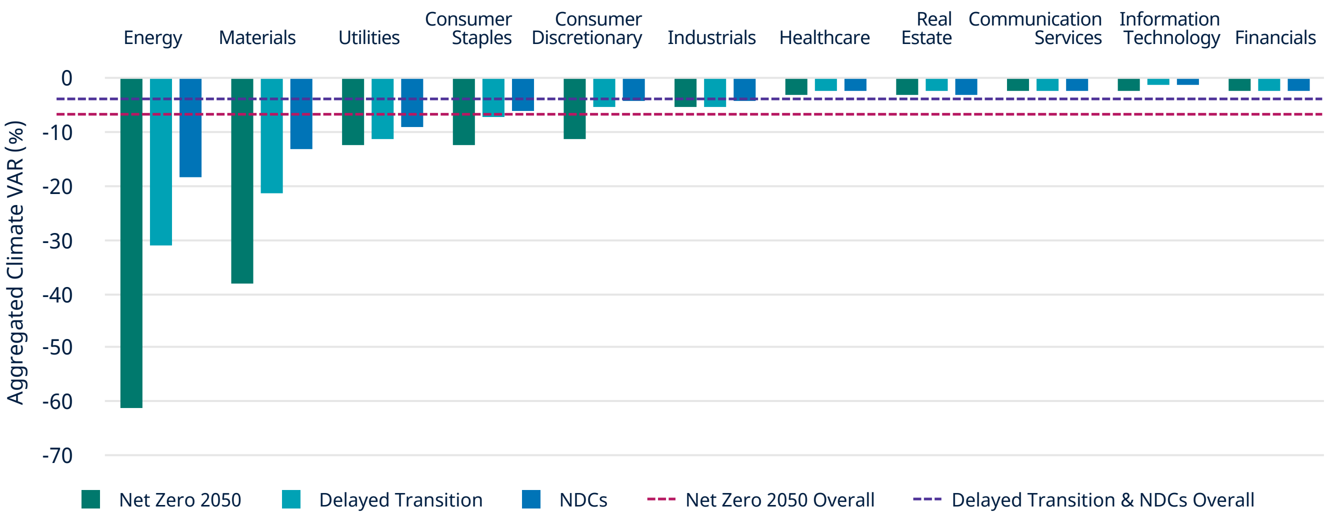
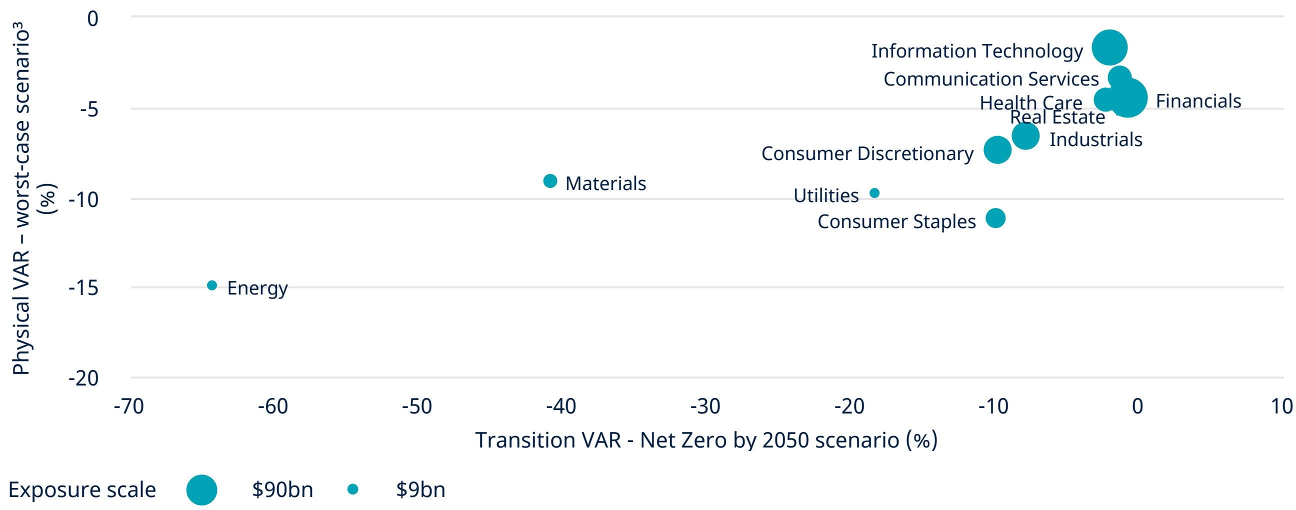


Figure 2. Covered investments physical and transition risk exposure, broken down by sector[2]



1. Schroders' aggregated sectoral climate risk analysis using MSCI Climate VaR. Certain information sourced from MSCI. Reproduced by permission.
2. Schroders' sectoral analysis of extreme physical and transition risk scenarios using MSCI Climate VaR. Certain information sourced from MSCI. Reproduced by permission.
3. We use the Intergovernmental Panel on Climate Change's (IPCC) Shared Socioeconomic Pathway (SSP) 3-7.0 to assess physical climate risks. It assumes emissions close to double due to lack of coordinated global mitigation policy, resulting in global temperature rise exceeding 3.5°C by the end of the century.

2 Influence: Encourage and support companies to act sustainably

We believe we can most effectively manage climate transition risk exposure by engaging with the most carbon-exposed companies among our largest holdings. We consider divestment a failure of engagement, rather than a starting point for portfolio decarbonisation. We apply this principle across both listed equities and corporate bond investments.

Our approach is summarised in a five-point Climate Engagement and Escalation framework:

1. Climate expectations: the climate objectives we target for large and medium-sized companies to adopt.
2. Company prioritisation and selection: how we develop our climate engagement priority list.
3. Monitor progress: how we use our tools to monitor progress against our climate expectations.
4. Voting: we endorse resolutions that align with our assessment of our responsibilities to our clients or provide an explanation for our non-endorsement where they do not.
5. Escalation: where we see no meaningful progress towards our objectives, we have a framework for escalation.

In 2024, we engaged with 613 companies setting 266 objectives.

The distinct characteristics of private asset investment strategies – typically longer investment horizons – provide us with an opportunity to build operational and financial value from origination to exit. In many cases for private markets, our first goal is to improve the quality and level of disclosure on climate exposure, emissions and decarbonisation, or to gain a deeper understanding of how potential risks have been considered, priced and mitigated. When we directly own a real asset, we look at how the asset's exposure to climate change can be reduced, how the asset will evolve to ensure its resilience to climate risks, and how the asset interacts with local stakeholders.

In Wealth Management, for our direct investments (such as companies), we adopt the same engagement and escalation framework as Public Markets. However, given that we are one step removed from the underlying assets within our indirect investments (such as funds), our approach is slightly different. Much like we do for companies, we set climate expectations with the managers of our funds, but how that expectation is achieved is different. That means the way we prioritise engagement with funds also changes, but importantly, the way we systematically monitor their progress does not. Given that we do not own the assets directly, we cannot vote on them, but we do have a variety of other escalation tactics we can use. Finally, if we fail to see progress, we may divest or limit investment.

3 Innovate: Develop investment products and innovative solutions to meet clients' needs

We understand that many of our clients are at different stages of their net zero transition journeys and have different views of the climate challenge. An increasing number of our clients have set their own climate objectives, which has translated into growing demand for strategies that can help them meet their own goals. On the other hand, we recognise that climate change is not a focus or objective for some others, and consideration of climate-related factors may vary.

A solutions approach to net zero:

1. Lower carbon

Designed for clients with a decarbonisation objective and who want to invest in core strategies

These strategies target specific emissions reduction, either relative to a benchmark or on an absolute basis.

2. Climate action

Designed for clients who want to invest in companies transitioning to net zero

These strategies invest in companies or assets that are actively transitioning to a lower-carbon business model and are reducing their exposure to GHG emissions.

3. Climate solutions

Designed for clients who want to invest in solutions tackling climate change

These strategies invest in companies that have products and services that actively contribute to specific climate-related outcomes through technological development and innovation.

4 Inspire: Lead by example in our own corporate actions

Our operational climate change strategy focuses on reducing GHG emissions and resource use across our operations. We are doing this by decreasing energy demand, increasing energy efficiency and transitioning to low-carbon sources of energy. We also aim to reduce our business travel and engage with our supply chain to encourage them to set their own science-based targets.

In 2024, our total Scope 1 and 2 GHG emissions decreased by 39% from the 2019 base year and decreased by 6% compared with 2023. The SBTi defines a linear annual reduction of 4.2% in GHG emissions to align with a 1.5°C trajectory. Accordingly, our Scope 1 and 2 GHG emissions for 2024 should reflect at least a 21% decrease compared to our 2019 base year emissions. In 2024, we have maintained an average annual reduction greater than the minimum required, having already achieved a 39% reduction from 2019 levels.

We have increased the annual sourcing of renewable electricity to 100%, compared with 98% in 2023. This means that, based on our assessment, we have achieved our target one year ahead of schedule. Our 2024 figures are in line with the RE100 criteria, which will be assessed in our 2025 CDP submission. This increase was primarily due to enhanced purchasing capacity in markets where renewable energy certificates were previously unavailable.

We continue to develop site-specific net zero action plans and to attain ISO 14001 Environmental Management System certification across our largest office sites, as well as transition our company car fleet to hybrid or fully electric by the end of 2025 to support these targets.

Our operational Scope 3 value chain emissions (excluding our financed emissions) are about 39 times larger than our Scope 1 and 2 emissions. As 97% of these Scope 3 emissions relate to business travel and our supply chain, we have chosen to set additional voluntary targets for these areas. Business travel emissions decreased by 39% from the 2019 base year and increased by 1% compared with 2023. We continue to assess methods that could reduce these emissions.

Our supplier engagement strategy aims to encourage and support our suppliers to manage the climate risks and opportunities in their business models. In 2024, 33% of our suppliers in scope[1] (by GHG emissions) had set a science-based target. This is a 10% increase, compared with 2023. We are also seeing progress in the number of suppliers setting other types of climate targets or committing to set science-based targets within the next two years. However, challenges remain including an evolving spend profile, updated emissions factors, and our limited ability to influence a large and diverse global supply chain. In 2023, we launched a Supplier Climate Action Programme, providing advisory support and online tools to guide key suppliers in setting their own science-based targets. During 2024, we successfully guided our first cohort of three strategic suppliers through the process of setting science-based targets.

1. Includes Scope 3 categories: 1 Purchased goods and services; 2 Capital goods; and 4 Upstream transportation and distribution.

Governance

The Board is responsible for approving the Group's strategy, which encompasses our sustainability strategy. The Board has delegated overall responsibility for the execution of this strategy to the Group Chief Executive, who has the authority to delegate further. The Group Chief Executive retains overall responsibility for the delivery of our strategic objectives. In fulfilling its responsibilities, the Board considers the interests of our stakeholders, including clients and wider society. Our Governance framework enables the Board to oversee the climate and nature-related risks and opportunities that impact our business.

In September 2024, the Board received a sustainability briefing and was updated on how sustainability trends are influencing our industry, highlighting climate and nature-related risks and opportunities and shifts in demand from our clients. This briefing also covered our response, exploring short- and long-term goals in light of emerging areas of client interest.The Board also received updates on progress in key areas including climate change, decarbonisation, biodiversity and human rights.

At our annual Board strategy meeting, the Board discussed the role of sustainability and the extent to which it had been embedded within the Group, particularly within the strategy of Public Markets and Schroders Capital. Key developments were also noted over the course of the year, including an update on our approach to the Taskforce on Nature-related Financial Disclosures[1] recommendations and guidance as well as the upcoming Corporate Sustainability Reporting Directive[2].

The Audit and Risk Committee receives reports from management on key risks to ensure they are considered at Board level. As "sustainability risk including climate change" is identified as a key business risk, the Audit and Risk Committee received information quarterly to assess how it is being managed. For more information on the Audit and Risk Committee, see pages 54 to 61.

Sustainability is integrated across our business segments and is supported by our governance structure via key management committees and working groups that assess, advise on and oversee climate and nature-related risks and opportunities.

Our key sustainability management committee is the Group Sustainability and Impact (GSI) Committee. The GSI Committee provides advice to the Group Chief Executive to assist him in discharging his responsibilities regarding sustainability and impact. The GSI Committee monitors our climate and nature-related targets with progress reported to the Board (for more information on our targets, see our Climate Report 2024)[3]. The obligations of our Climate Transition Action Plan are monitored by the GSI Committee as part of reviewing our sustainability strategy. This includes monitoring progress towards our science-based targets. During 2024, the GSI Committee had four meetings. For further information on our climate and nature governance structure, see our Climate Report 2024[3].

Our remuneration structures reflect the importance of climate-related issues. Executive Directors have sustainability-related measures included within their annual bonus scorecard. The measures are reviewed by the Remuneration Committee each year to align with our key priorities. Performance against these measures impacts their compensation outcomes. For further information on our remuneration structure, see the Remuneration report from page 62.

1. https://tnfd.global/
2. https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en#legislation
3. www.schroders.com/tcfd

Risk management

Our principal risks are set out on pages 28 to 31. Given the importance of climate-related risks to our business, "sustainability risk including climate change" has been identified as one of our principal risks. There is an accompanying risk appetite statement, approved by the Board, which enables us to provide an assessment of risk position versus our risk appetite on an annual basis, while monitoring performance throughout the year.

Climate and nature-related risks are managed in accordance with the same "three lines of defence" model we use for all risks. The heads of each function are ultimately responsible for ensuring that risks are identified, assessed and managed. Independent monitoring is carried out by the second line of defence. Internal Audit provides independent assurance over the operation of controls. We recognise that climate change in particular is a pervasive risk across many of our key risk types.

Heads of functions across the Group are responsible for identifying these risks and assessing the impacts to their business areas in line with their functional responsibilities.

Metrics and targets

We use a number of metrics and targets to track progress against our climate change strategy to make sure we respond effectively to the climate-related risks and opportunities facing our business. Please refer to page 25 for more detail on our climate targets.

We have developed a dashboard to monitor financed emissions and portfolio risks. This is incorporated into the investment risk management processes and includes, among other sustainability metrics, a product's carbon footprint weighted average carbon intensity (WACI) for Scope 1 and 2 emissions.

We recognise that emissions data is frequently based on estimates or proxy data and, as a result, can provide an imperfect view of portfolio exposures or risks. The data we rely on can also change materially from one year to the next, as data quality improves or estimation methods evolve. We strive to ensure that the data we use is as accurate as possible, but highlight that any outputs should be interpreted as approximate and not precise.

Our global operations emissions inventory is reported using the Greenhouse Gas Protocol standard. We review our operational data internally and use an environmental accounting tool that enables us to log targets and track progress. This system employs the latest relevant emission factors in accordance with the Greenhouse Gas Protocol.

Our operational GHG emissions and progress towards targets are externally assured by Incendium Consulting Ltd.

The SBTi requires that targets be reviewed and, if necessary, recalculated and revalidated at least every five years to reflect material changes in climate science and business context. We review our GHG inventory annually and will restate our data or recalculate our science-based targets as needed.

2024 metrics

Our financed GHG emissions for in-scope assets

Metrics	Scope	2024	2023	2019 (base year)	Units
Total carbon emissions	Scope 1 and 2	**18.5**	22.4	39.1	$MtCO_2e$
	Scope 3	**141.9**	149.6	223.1	$MtCO_2e$
Carbon footprint	Scope 1 and 2	**43.4**	53.9	95.5	tCO_2e/$m invested
	Scope 3	**331.2**	360.3	550	tCO_2e/$m invested
Weighted average carbon intensity (WACI)	Scope 1 and 2	**95.5**	105.7	176.7	tCO_2e/$m invested
Portfolio temperature score	Scope 1 and 2	**2.4 °C**	2.5 °C	2.9 °C	Celsius

This table includes our Scope 3 category 15 carbon emissions and the implied temperature rise of our entire portfolio across all in-scope asset classes (listed equities, corporate bonds, real estate investment trusts (REITs) and exchange-traded funds (ETFs)). The table provides totals for our directly managed and externally managed corporate holdings. Where available, we use the estimates provided by our data vendor; and where not available, we use our own methodology, which is based on Partnership of Carbon Accounting Financials (PCAF) principles. The objective of estimation is to provide as complete and representative a picture of portfolio emissions as we believe is feasible. Carbon and climate data reported by companies is frequently incomplete and based on inconsistent assumptions. This data forms the basis of our financed emissions calculations, which should be considered estimates rather than precise figures. We have followed PCAF principles in calculating our financed emissions, but recognise that the underlying data can change materially as reported data increases and estimation methodologies change.

2024 metrics

Our operational GHG emissions

Greenhouse gas emissions (tCO_2e)	2024	2023	2019 (base year)
Total Scope 1 emissions	**483**	661	1,110
Total Scope 2 emissions (location-based)	**3,679**	3,748	5,718
Total Scope 2 emissions (market-based)	**380**	504	3,255
Total Scope 1 and 2 emissions (location-based)	**4,162**	4,409	6,828
Of which UK Scope 1 and 2 (location-based)	2,366	2,725	4,621
Total Scope 1 and 2 emissions (market-based)	**863**	1,165	4,365
Of which UK Scope 1 and 2 (market-based)	494	625	2,408
Total Scope 3 operational emissions	**161,948**	136,582	115,048
Metrics			
Scope 1 and 2 (location-based) tCO_2e per employee	0.65	0.69	1.27
Global energy consumption (kWhs)			
Total energy consumption	**17,710,047**	18,608,188	26,265,797
Of which UK energy consumption	12,036,727	12,810,625	18,495,195

Streamlined Energy and Carbon Reporting (SECR)

Our 2024 operational metrics provide details on our total operational GHG emissions and energy data, in line with the Streamlined Energy and Carbon Reporting (SECR) requirements. These disclosures have been incorporated by reference in the Directors report on page 86.

For more information on our operational emissions, please refer to our Climate Report 2024[1].

Energy-efficiency measures

We are committed to minimising the environmental impact of our operations and continuously improving our environmental performance. We are doing this by reducing energy demand and switching to low-carbon electricity sources. Our office energy-efficiency measures in 2024 included upgrading lighting equipment, replacing gas catering appliances with electric equivalents, and commissioning a solar panel installation at the Schroders Campus in Horsham.

1. www.schroders.com/tcfd

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 22 to 23, 24 to 25, and 177 to 183.	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.
Employees Further information on pages 16 to 17, 53, and 62 to 72.	We seek to cultivate a purpose-led, high-performing culture that is inclusive and empowers all to have the opportunities to grow. **Our guiding principles and values**, and policy on **Board diversity** serve to achieve this outcome. Our **Directors' Remuneration Policy** outlines our approach for setting Directors' remuneration. Furthermore, our **Group Whistleblowing Policy** outlines the process for staff and third parties to report any concerns in confidence and anonymously. We have a number of internal policies and standards that are not published externally. These policies cover our commitment to providing 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 17 and 32 to 33.	Community investment is a core part of our culture. We have an internal policy that provides a framework for volunteering at Schroders.
Human rights Further information on pages 32 to 33.	Schroders is committed to upholding human rights. Our **Group Human Rights Position Statement** outlines our stance on respecting human rights. 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 28 to 29 and 54 to 61.	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. 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. 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 Blueprint** outlines our principles towards engaging with investee companies. It includes 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 of 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 business areas

Schroders Capital
Gives investors access to opportunities in private markets, such as real estate, private equity and infrastructure, as well as alternatives.

Solutions
Provides complete solutions and partnerships, including liability offsets and risk mitigation.

Mutual Funds
Offers retail and institutional clients access to our investment capabilities through intermediary networks.

Institutional
Makes investment components available directly to institutions and includes sub-advisory mandates.

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.

Alternative Performance Measures

An Alternative Performance Measure (APM) is a financial measure of historical or future financial performance, financial position, or cashflows, other than a financial measure defined or specified in the applicable financial reporting framework. The Group's APMs are defined below.

Operating compensation ratio
Operating compensation costs divided by net operating income. By targeting an operating compensation ratio, we align the interests of shareholders and employees.

Operating earnings per share
Operating profit after tax excluding non-controlling operating earnings divided by the relevant weighted average number of shares (see note 5). The presentation of operating earnings per share provides transparency as to our operational activities to aid understanding of the financial performance.

Payout ratio
The total dividend per share in respect of the year (see note 6) divided by the basic 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.

Adjusted operating profit/adjusted operating EPS
In 2025 we will redefine the structure of our income statement and associated performance measures. The most significant change under the revised presentation is that central costs, acquisition related items and one-off costs are to be included within statutory operating expenses and operating profit. We will separately present an adjusted operating profit measure that excludes acquisition related items and one-off costs. For more information see our year-end press release. www.schroders.com/results2024

Adjusted cost:income ratio
See adjusted operating profit/adjusted operating EPS.This is adjusted operating expenses as a ratio of adjusted net operating income.

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 better assess 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 Benchmark Fusion platform. The Fusion platform 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 Group
The Client Group brings together our key client-facing functions, including Sales, Client Servicing, Product and Marketing.

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. All 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 £87.1 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 as well as 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 11% 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 13% 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.

Clients
Within Asset Management, we work with institutional clients, including pensions funds, insurance companies and sovereign wealth funds, as well as intermediaries, including financial advisers, private wealth managers, distributors and online platforms. We also provide a range of wealth management services to private clients, family offices and charities.

At times, "client" is used to refer to investors in our funds or strategies, i.e. the end client.

We are increasingly focused on building closer relationships with the end client, whose money is invested with us, often via an intermediary or institution.

Defined benefit (DB) pension scheme
A pension benefit 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 benefit 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.

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.

EPS
Earnings per share.

ESG
Environmental, social and governance.

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, 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 comprising 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) – 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.

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.

GRC
Group Risk Committee.

Highly rated employees
Employees who have received an exceptional rating in their annual performance review.

ICAAP
Internal Capital Adequacy Assessment Process.

IFRS
International Financial Reporting Standards.

ILAAP
Internal Liquidity Adequacy Assessment Process.

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.

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.

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 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. 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, and other operating income.

Net operating revenue
A sub-total consisting of revenue less cost of sales as defined in note 2 of the financial statements.

Net operating revenue margins
Net operating revenue excluding performance fees and net carried interest divided by the relevant average AUM.

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 represents the profit before tax generated by the Group's Asset Management and Wealth Management operating segments. It excludes central costs, gains and losses from capital management activities, as well as acquisition and restructuring related costs.

Other operating income
Other operating income primarily relates to gains and losses on co-investments and foreign exchange.

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, 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.

Pillar 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 comprises a number of private trustee companies (and investment companies controlled by those trustee 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 711,068,586 ordinary shares (44.28% 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.

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 its criteria.

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.

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 and co-investment capital
Seed capital comprises an 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-investment comprises an investment made alongside our clients.

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 engagement
Sustainability 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.

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
Reflects 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.

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