

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Aberdeen Standard SICAV I - UK Sustainable Equity Fund

Legal entity identifier: 549300SD6BLK4ZX63T91

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ____% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 0% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ____%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund has closed to all investors and holds no investments at the year end reporting date.

Prior to closure and during the reporting period, to promote the environmental and social characteristics, the Fund applied ESG assessment criteria, ESG screening criteria and promoted good governance including social factors.

We used our proprietary research framework to identify companies which we believe to be sustainable leaders or improvers. Sustainable leaders are viewed as companies with the best in class ESG credentials or

products and services which address global environmental and societal challenges, whilst improvers are typically companies with average governance, ESG management practices and disclosure with potential for improvement.

Within our equity investment process, for all companies under coverage we analysed the foundations of each business to ensure proper context for our investments. This included the durability of its business model, the attractiveness of its industry, the strength of its financials and the sustainability of its economic moat. We also considered the quality of its management team and analyse the environmental, social and governance (ESG) opportunities and risks impacting the business and appraise how well these are managed. We assigned a proprietary score to articulate the quality attributes of each company, one of which is the ESG Quality rating. This enabled the portfolio managers to exclude companies with material ESG risks and positively skew the portfolio towards ESG opportunities and to build well-diversified, risk adjusted portfolios.

Additionally, our proprietary ESG House Score, developed by our central ESG investment team in collaboration with the Quantitative investment team, was used to identify companies with potentially high or poorly managed ESG risks. The score is calculated by combining a variety of data inputs within a proprietary framework in which different ESG factors are weighted according to how material they are for each sector. This allowed us to see how companies ranked in a global context.

The abrdn ESG House Score was designed so that it can be broken down into specific themes and categories. The ESG score comprises of two scores; the Operational score and Governance score. This allows a quick view of a company's relative positioning on its management of ESG issues at a granular level.

- The Governance score assesses the corporate governance structure and the quality and behaviour of corporate leadership and executive management.
- The Operational score assesses the ability of the company's leadership team to implement effective environmental and social risk reduction and mitigation strategies in its operations.

To complement this, we also utilised our active stewardship and engagement activities.

### ● **How did the sustainability indicators perform?**

The fund has closed to all investors and holds no investments at the year end reporting date.

- ESG assessment criteria,
- ESG screening criteria,
- a carbon intensity targeting lower than benchmark,
- targets an ESG rating better than or equal to benchmark and
- promotes good governance including social factors.

To complement this, we also utilise our active stewardship and engagement activities.

The Fund also targets to exclude at least 20% of the Fund's benchmark investable universe, through a combination of in-house proprietary scoring tools and the use of negative criteria to avoid investing in certain industries and activities.

### ● **...and compared to previous periods?**

N/A

### ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The fund has closed to all investors and holds no investments at the year end reporting date. Prior to closure and during the reporting period the following objectives were applicable:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

[1] The Fund's sustainable investments will contribute to either environmental or social objectives, or both. Where the objective relates to the environment, the investment will contribute to at least one of the following objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. Where the objective relates to social matters, the investment will contribute to social objectives in line with one of the Sustainable Development Goals. [The objectives of the sustainable investments may vary from time to time depending on the specific activity or investment. No specific environmental or social objective is being targeted, from those listed above.]

#### [2] Sustainable Investing Methodology

The objective of the sustainable investment is to make a contribution to solving an environmental or social challenge, in addition to not causing significant harm, and being well governed. Each sustainable investment may make a contribution to Environmental or Social issues. In fact, many companies will make a positive contribution to both. abrdn use the six environmental objectives of the Taxonomy to inform Environmental contributions, including: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems. In addition, abrdn use the 17 Sustainable Development Goals and their sub-goals to supplement the EU Taxonomy topics and provide a framework for considering Social objectives

An economic activity must have a positive economic contribution to qualify as a Sustainable investment, this includes consideration of Environmental or Socially aligned revenues, Capex, Opex or sustainable operations. abrdn seek to establish or estimate the share of the investee company's economic activities/contribution towards a sustainable objective and it is this element that is weighted and counted towards the Sub-fund's total aggregated proportion of Sustainable Investments.

The Fund follows abrdn's Sustainable Leaders equity framework and only invests in companies that we deem are Sustainable Leaders. We define Sustainable Leaders based on the company's management of sustainability risks and opportunities, incorporating internal data sources (abrdn ESG House Score), external sources (e.g. MSCI reports), thematic expertise from our Sustainability Group and regional expertise from our on-desk ESG analysts to.

These three categories are:

- **Operational Leaders:** Companies demonstrating ESG leadership across their operations, with excellent governance, strong management of material environmental and social issues, with identifiable contributions to Environmental or Social issues either from aligned revenue, capex, opex, or sustainable operations
- **Improving Leaders:** Companies where we can identify ongoing and future improvement in the management of material ESG risks and opportunities, with identifiable contributions to Environmental or Social issues either from aligned revenue, capex, opex, or sustainable operations
- **Solutions Providers:** Companies selling goods and services to solve society's greatest challenges, with identifiable contributions to Environmental or Social issues either from aligned revenue, capex, opex or sustainable operations

We use our proprietary research framework to identify Sustainable leaders, leveraging the ESG analysis which is integrated into the research done for all our equities holdings. Our analysts conclude their ESG analysis with a proprietary overall ESG Quality Rating (1 indicates best in class and 5 indicates laggards). In order to qualify for inclusion in the fund, companies must be rated 1 or 2, or be rated 3 where we have identified potential for improvement in the future.

**How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

As required by the SFDR Delegated Regulation, the investment does not cause Significant Harm (“Do No Significant Harm”/ “DNSH”) to any of the sustainable investment objectives. abrdn have created a 3-step process to ensure consideration of DNSH:

*i. Sector Exclusions*

abrdn have identified a number of sectors which automatically do not qualify for inclusion as a Sustainable Investment as they are considered to be causing significant harm. These include but are not limited to: (1) Defence, (2) Coal, (3) Oil & Gas Exploration, Production and associated activities, (4) tobacco, (5) gambling and (6) alcohol.

*ii. DNSH Binary Test*

The DNSH test, is a binary pass/fail test which signals if the company passes or fails criteria for the SFDR Article 2 (17) “do no significant harm”. Pass indicates under abrdn’s methodology the company has no ties to controversial weapons, less than 1% of revenue from thermal coal, less than 5% of revenue from tobacco related activities, is not a tobacco producer, and has no red/severe ESG Controversies. If the company fails this test, it cannot be considered a Sustainable Investment. Abrdn’s approach is aligned with the SFDR PAIs included within tables 1, 2 & 3 of the SFDR Delegated Regulation and is based on external data sources and abrdn internal insights.

*iii. DNSH Materiality Flag*

Using a number of additional screens and flags, abrdn consider the additional SFDR PAI’s indicators as defined by the SFDR Delegated Regulation to identify areas for improvement or potential future concern. These indicators are not considered to cause significant harm and therefore a company with active DNSH materiality flags may still be considered to be a Sustainable Investment. abrdn aim to enhance the engagement activities to focus on these areas and seek to deliver better outcomes by resolving the issue.

— — — *How were the indicators for adverse impacts on sustainability factors taken into account?*

*Principal adverse impacts consideration*

The fund has closed to all investors and holds no investments at the year end reporting date. Prior to closure and during the reporting, the Fund considered the following PAIs in its investment process, this means that there is pre- and post-trade monitoring is in place and that every investment for the Fund is assessed on these factors to determine its appropriateness for the Fund.

- PAI 1: GHG emissions (scope 1 and 2)
- PAI 10: Violations of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

*Adverse impacts monitoring*

Pre investment, abrdn applies a number of norms and activity-based screens related to the above PAIs, including but not limited to:

- UNGC: The Fund uses norms-based screens and controversy filters to exclude companies that may be in breach of international norms described in the OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights, as well as state owned entities in countries which violate norms.
- Controversial Weapons: The Fund excludes companies with business activities related to controversial weapons (cluster munitions, anti-personnel landmines, nuclear weapons, chemical and biological weapons, white phosphorus, non-detectable fragments, incendiary devices, depleted uranium ammunition or blinding lasers).

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *Thermal Coal Extraction: The Fund excludes companies with exposure to the fossil fuels sector based on percentage of revenue from thermal coal extraction.*

*abrdn apply a fund specific set of company exclusions, more detail on these and the overall process is captured within the Investment Approach, which is published at [www.abrdn.com](http://www.abrdn.com) under "Fund Centre".*

*Post-investment the above PAI indicators are monitored in the following way:*

*o company carbon intensity and GHG emissions is monitored via our Climate tools and risk analysis*

*o On an on-going basis the investment universe is scanned for companies that may be in breach of international norms described in the OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights.*

*Post-investment we also undertake the following activities in relation to additional PAI's:*

*o Dependent on data availability, quality and relevance to the investments the consideration of additional PAI indicators will be on a case-by- case basis.*

*o abrdn monitors PAI indicators via our ESG integration investment process using a combination of our proprietary house score and 3rd party data feeds.*

*o Governance indicators are monitored via our proprietary governance scores and risk framework, including consideration of sound management structures, and remuneration.*

*Adverse impacts mitigation*

*o PAI indicators that fail a defined pre-investment screen are excluded from the investment universe and can not be held by the fund.*

*o PAI indicators that are monitored post investment which fail a specific binary test or are considered above typical are flagged for review and may be selected for company engagement. These adverse indicators may be used as a tool for engagement, for example where there is no policy in place and this would be beneficial abrdn may engage with the issuer or company to develop one, or where carbon emissions are considered to be high, abrdn may engage to seek the creation of a long-term target and reduction plan.*

*— — — Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

*Yes, all sustainable investments are aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human rights. Breaches and violations of these international norms are flagged by an event-driven controversy and are captured in the investment process, and in turn excluded from consideration as a sustainable investment.*

## How did this financial product consider principal adverse impacts on sustainability factors?



The fund has closed to all investors and holds no investments at the year end reporting date. Prior to closure and during the reporting, the Fund considered the following:

(1) GHG Emissions Scope 1 & 2 and carbon footprint: This is undertaken via monitoring of the carbon benchmark and we confirm that during the reporting period that the portfolio performed better than the benchmark and in line with our overall commitment.

(2) Fossil Fuel Sector Exposure: This figure represents companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. It is not indicative of how active a company is in the fossil fuel sector in terms of percentage revenue, for which this fund deploys maximum revenue threshold criteria to actively minimise exposure to fossil fuels.

(3) The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Exclusions: We confirm that screening in line with our approach documents has been undertaken during the reporting period

## What were the top investments of this financial product?



<u>Largest Investments</u>	<u>Sector</u>	<u>% Assets</u>	<u>Country</u>
AstraZeneca PLC	United Kingdom	Health Care	8.67%
Unilever PLC	United Kingdom	Consumer Staples	4.96%
RELX PLC	United Kingdom	Technology	4.67%
MISSING	United Kingdom	Unclassified	3.70%
SSE PLC	United Kingdom	Utilities	3.57%
Prudential PLC	Hong Kong	Financials	3.31%
Ashtead Group PLC	United Kingdom	Industrials	3.13%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

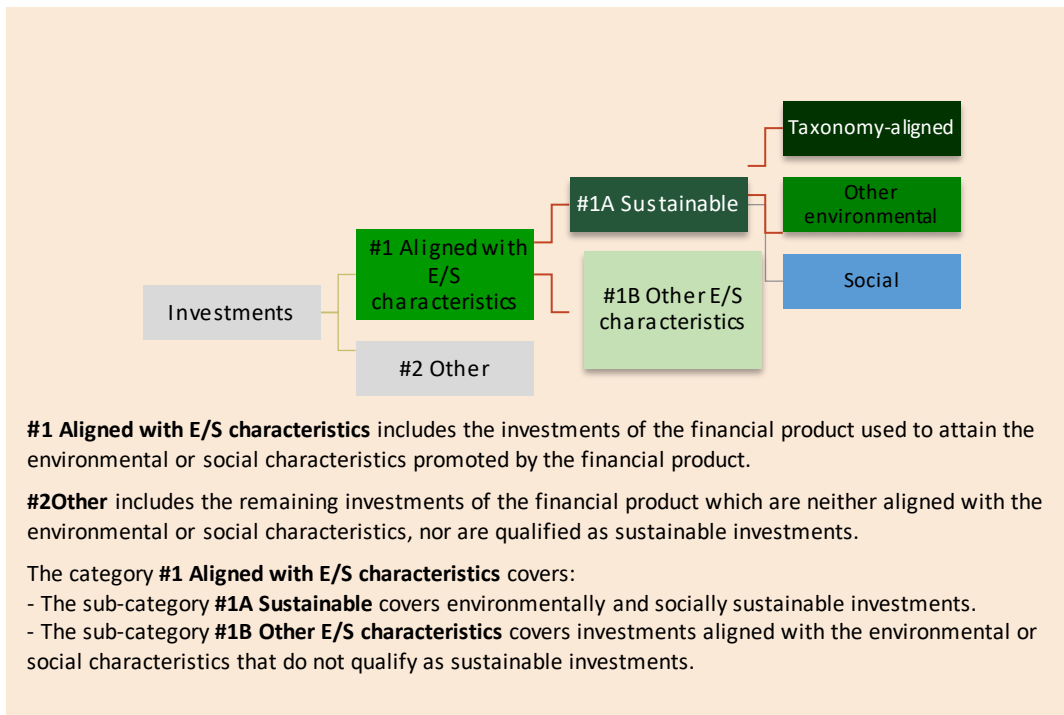


Natwest Group PLC	United Kingdom	Financials	3.12%
Diageo PLC	United Kingdom	Consumer Staples	3.07%
Bellway PLC	United Kingdom	Consumer Discretionary	2.85%
Drax Group PLC	United Kingdom	Utilities	2.79%
ConvaTec Group PLC	United Kingdom	Health Care	2.56%
Close Brothers Group PLC	United Kingdom	Financials	2.56%
Lloyds Banking Group PLC	United Kingdom	Financials	2.38%
Mondi PLC	Austria	Materials	2.30%

### What was the proportion of sustainability-related investments?

The fund has closed to all investors and holds no investments at the year end reporting date

### What was the asset allocation?



### In which economic sectors were the investments made?

The fund has closed to all investors and holds no investments at the year end reporting date

### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?



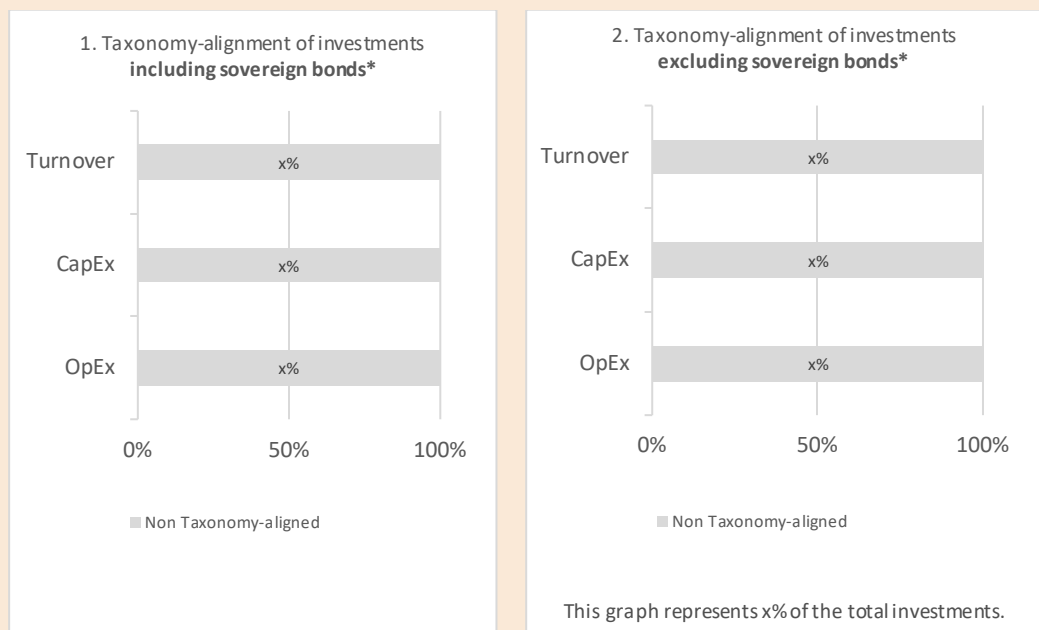
The fund has closed to all investors and holds no investments at the year end reporting date

**Asset allocation** describes the share of investments in specific assets.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

- Yes:
  - In fossil gas
  - In nuclear energy
- No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

The fund has closed to all investors and holds no investments at the year end reporting date

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods? n/a**

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- operational expenditure (OpEx) reflecting green operational activities of investee





### What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The fund has closed to all investors and holds no investments at the year end reporting date



### What was the share of socially sustainable investments?

The fund has closed to all investors and holds no investments at the year end reporting date

### What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?



The fund has closed to all investors and holds no investments at the year end reporting date



### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The fund has closed to all investors and holds no investments at the year end reporting date. Prior to closure the Fund has applied ESG assessment criteria, ESG screening criteria and promoted good governance including social factors. The fund has also engaged with issuers on the topics Climate change, Environment, Labour, Human rights, Corporate Governance and Behaviour



### How did this financial product perform compared to the reference benchmark?

N/A

- **How does the reference benchmark differ from a broad market index?**

N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

N/A

- **How did this financial product perform compared with the reference benchmark?**

N/A

- **How did this financial product perform compared with the broad market index?**

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.