

Pre-contractual 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: Standard Life European Ethical Equity Fund

Standard Life Citicode: A6X0

Underlying Fund Legal entity identifier: IKNRVTZFJMXVU04INT73

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: ___%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: ___%**

It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

The below information has been provided by the asset manager, abrdn.



What environmental and/or social characteristics are promoted by this financial product?

To promote the environmental and social characteristics, the Fund applies ESG assessment criteria, ESG screening criteria and promotes good governance including social factors.

While we understand the personal nature of everyone's ethics, we aim to ensure that the Fund is reflective of the wider views of those who invest in it. Utilising investor-led ethical criteria, we regularly review the Fund's screens and approach through customer surveys and consultations to ensure they remain relevant and industry leading. Informed by these insights, the key elements that drive our approach to Ethical investment are provided below and expanded on in the following sections.

Defining the investable universe

- The Fund uses negative screening to avoid investing in companies that operate in certain areas that do not align with our investors' views. These are related but not limited to animal testing, weaponry, pornography, gambling, tobacco and alcohol. Further detail on the criteria and application is provided below.
- The Fund will invest (at least 70%) in companies that the abrdn ESG House Score quantitatively identifies as having superior ESG characteristics in a global context. This analysis covers areas such as human rights, labour rights, environmental safeguards and combating bribery and corruption.

Fundamental company research

- Leveraging our extensive sustainable investing heritage and resources, we conduct deep, high-quality fundamental research to fully understand the investment case for every company in our global coverage universe. With ESG integrated throughout our investment process, every stock under coverage is given a forward looking ESG Quality rating between one (best) and five (worst). Supplementing our Ethical criteria, the fund invests only in companies with a rating of three or better.

This Fund has a financial benchmark that is used for portfolio construction but does not incorporate any sustainable criteria and is not selected for the purpose of attaining these characteristics. This financial benchmark is used as a comparator for Fund performance and as a comparison for the Fund's binding commitments.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The measures applied by the Fund are:

- 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 looks to reduce the benchmark investable universe by a minimum of 20% through the aggregated screening criteria.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund has not set a minimum proportion of sustainable investments.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The Fund has not set a minimum proportion of sustainable investments.

Have the indicators for adverse impacts on sustainability factors been taken into account?

The Fund has not set a minimum proportion of sustainable investments.

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

The Fund has not set a minimum proportion of sustainable investments.

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 EU 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.

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

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.



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.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, this Fund considers Principal Adverse Impacts (PAI) on sustainability factors.

Principal Adverse Impact Indicators are metrics that measure the negative effects on environmental and social matters. abrdn consider PAIs within the investment process for the Fund, this may include considering whether to make an investment, or they may be used as an engagement tool for example where there is no policy in place and this would be beneficial, or where carbon emissions are considered to be high, abrdn may engage to seek the creation of a long-term target and reduction plan. abrdn assess PAIs by using, amongst others, the PAI indicators referred to in the SFDR Delegated Regulation; however, dependent on data availability, quality and relevance to the investments not all SFDR PAI indicators may be considered. Where Funds consider PAIs, information on that consideration will be made available in annual reports.

- No

What investment strategy does this financial product follow?

ESG analysis is a key element of our overall equity research process and has three core principles: Informed and constructive engagement helps foster better companies, enhancing the value of our clients' investments.

ESG factors are financially material, and impact corporate performance

Understanding ESG risks and opportunities alongside other financial metrics allows us to make better investment decisions.

We use our proprietary research framework to analyse the foundations of each business to ensure proper context for our investments. This includes 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 consider 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 assign a proprietary score to articulate the quality attributes of each company, one of which is the ESG Quality rating. This enables 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.

Our proprietary ESG House Score, developed by our central ESG investment team in collaboration with the Quantitative investment team, is 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 allows us to see how companies rank 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 utilise our active stewardship and engagement activities.

To further complement the bottom-up research, the portfolio managers also use abrdn's proprietary ESG House Score, which is primarily a quantitative assessment, to identify and exclude those companies exposed to the highest ESG risks. Finally, binary exclusions are applied to exclude the particular areas of investment related to UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements used by the Fund are:

a carbon intensity target lower than benchmark and targeting an ESG rating better than or equal to benchmark.

Binary exclusions are applied to exclude the particular areas of investment related to UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal. These screening criteria apply in a binding manner and on an ongoing basis.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund targets to exclude at least 20% of the Fund's benchmark investable universe, through a combination of in-house proprietary scoring tools and a 'no compromises' approach to negative screening, as set out below:

Screen	Criteria The	Source
	fund excludes investments that:	
UN Global Compact	Fail to uphold one or more principles.	MSCI
Weapons	have any tie to controversial weapons covering: cluster munitions, anti-personnel landmines, nuclear weapons, chemical and biological weapons, white phosphorus, non-detectable fragments, incendiary devices, depleted uranium ammunition or blinding lasers Manufacture or sell whole or strategic parts of weapons systems and weapons platforms. Equally, companies that derive more than 20% of revenue from non-offensive military sales, such as vehicles or support to the military.	MSCI
Tobacco –	companies that produce tobacco products or grow or process raw tobacco leaves. Equally, companies that derive more than 20% of revenue from supplying products essential to the tobacco industry.	MSCI
Gambling –	have a revenue contribution of 10% or more from gambling	MSCI
Alcohol Production -	companies that derive 10% or more of revenue from alcohol production	MSCI
Animal testing -	companies that manufacture products or ingredients that have been tested on animals.	MSCI

Animal husbandry -	companies with significant exposure to activities which may lead to poor animal husbandry, such as intensive or factory farming, where there is evidence of poor practices or that do not respect the five freedoms (freedom from hunger and thirst; from discomfort; from pain, injury and disease; to express normal behaviour; from fear and distress)	MSCI, Investment research
Fur -	companies that manufacture or sell fur products that are not a by-products of the meat industry (e.g. wool or leather)	MSCI, Investment research
Marketing breast milk substitutes -	companies that market breast milk substitutes and have failed to adopt industry-leading practices (such as those defined under the World Health Organisation's International Code of Marketing of Breast- Milk Substitutes)	MSCI
Nuclear -	companies involved in the mining of uranium, and operators and owners of nuclear power stations, deriving more than 5% revenue from nuclear power generation.	MSCI
Poor business practices -	companies with evidence of poor business practices that cause harm to society or their employees that have not already been captured under other criteria (such as predatory lending and high interest rate lenders which have demonstrated poor business practices)	MSCI, Investment research
Pornography -	companies that derive 3% or more revenue from adult entertainment services, including publishing and distributing pornographic magazines or newspapers, or violent video games.	MSCI
Employment -	Companies that have a harmful effect on their employees. This will include, but not limited to, companies that – <ul style="list-style-type: none"> • Use child or forced labour • Demonstrate a lack of regard for their employees' health & safety • Have been linked to bad employment practices, such as modern slavery, lack of collective bargaining, not paying minimum wage, or other abuses of employees. 	MSCI, Investment research
Human rights -	Companies that – <ul style="list-style-type: none"> • Operate in any country with a poor record of human rights and fail to have mechanisms in place to uphold human rights • Face continued accusations of human rights abuses, no matter where they operate • Have been involved in controversial projects that have been linked to human rights abuses • Are deemed to be supporting controversial regimes 	MSCI, Investment research

Environmental Protection –	<p>Companies that –</p> <ul style="list-style-type: none"> • Fail to recognise the environmental responsibilities associated with their activities • Have a significant or unmitigated harmful effect on the environment or its inhabitants • Are involved in highly carbon intensive activities or have high greenhouse gas emissions and have failed to show commitment to address climate change issues • Have significant carbon intensive mining operations, such as coal or tar-sands • Manufacture chemicals of concern (such as ozone depleting chemicals and pesticides) without stringent policies, processes, and practices to mitigate the harmful impact of their processes and products • Have a business model based on the production of fossil fuels ((companies with significant involvement in oil & gas exploration and production, and providing equipment, services, distribution and refining to the oil & gas industry)) • Are involved in GMOs for agricultural crop or livestock production • Have operations that produce, manufacture or use commodities (such as cotton, timber, soya, palm oil or cattle) without sufficient processes in place to ensure their activities do not contribute to significant or unmitigated deforestation, significant biodiversity loss, or harm to the environment or communities. 	MSCI, Investment research
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The above sets out the screens that are applied for this Fund. We cannot exhaustively list screens that are not applied and it is important for investors to be clear that the interpretation of Ethical and ESG criteria is subjective, meaning that the fund may invest in companies which do not align with the personal views of individual investors. We regularly review the criteria, both positive and negative, through customer surveys and consultations to ensure they remain relevant and industry leading.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**
For this Fund, the investee company needs to follow good governance practices in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. This can be demonstrated by the monitoring of certain PAI indicators, for example corruption, tax compliance and diversity. In addition, by using abrdn's proprietary ESG scores within the investment process abrdn screen out any investments with low governance scores. Our governance scores assess a company's corporate governance and management structure (including remuneration of staff policies) and the quality and behaviour of its leadership and management. A low score will typically be given where there are concerns in relation to financially materially controversies, poor tax compliance or governance concerns, or poor treatment of employees or minority shareholders.

The investment must further be 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.



What is the asset allocation planned for this financial product?

A minimum of 70% of the Fund's assets are aligned with E/S characteristics. Environmental and social safeguards are met by applying certain PAI's, where relevant, to these underlying assets. The Fund invests a maximum of 30% of assets in the "Other" category, which include cash, money market instruments and derivatives.

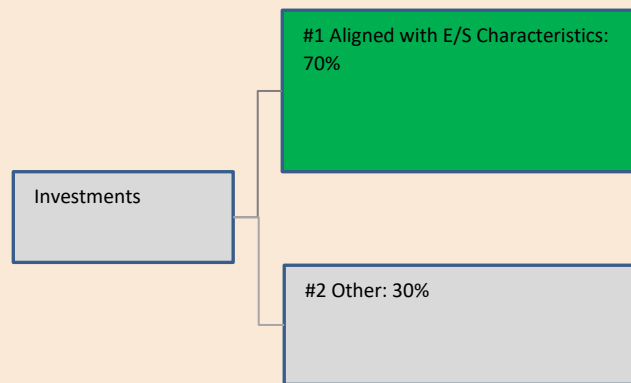
Asset allocation describes the share of investments in specific assets.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

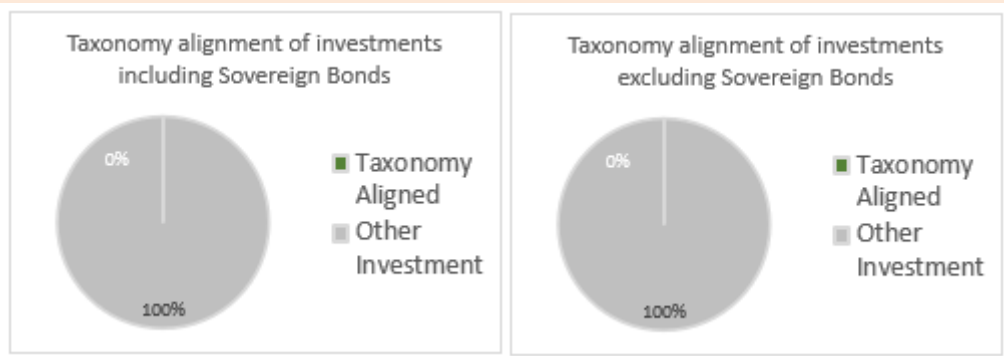
The Fund will not use derivatives to attain any environmental or social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%. The Fund has not set a minimum proportion of investments in Taxonomy aligned economic activities.

The two graphs below show in green the minimum percentage of investments that are 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*

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital 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 companies.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "other" are cash, money market instruments & derivatives. The purpose of these assets are to meet liquidity, target return or manage risk and may not contribute to the environmental or social aspects of the Fund.

There are certain environmental and social safeguards that are met by applying PAI's. Where relevant, these are applied to the underlying securities.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

- **How does the designated index differ from a relevant broad market index?**

Not applicable

- **Where can the methodology used for the calculation of the designated index be found**

Not applicable



Where can I find more product specific information online?

Information relating to the Standard Life funds that you can invest in can be found at **www.standardlife.ie** under **Fund Centre**.