

The Fund will:

- *Target at least a 15% reduction of the benchmark investable universe by excluding companies identified as not having sustainable business practices. This is achieved through a set of exclusions, which identify controversial business activities and ESG laggards i.e. companies rated poorly based on their management of ESG risks within their business.*
- *Engage with companies to gather a forward-looking insight into management of ESG risks, opportunities and actively influence the management of these factors in line with best practice standards.*
- *Target an equal or better ESG score compared to the benchmark.*
- *Target a lower carbon intensity than the benchmark.*

The Fund seeks to:

- *Generate consistent risk-adjusted outperformance using our active management approach of stock selection tailored to the overall environment.*
- *Benefit from our active engagement with companies, where we encourage positive changes in corporate behaviour.*
- *Construct a portfolio that invests in companies with strong Environmental, Social and Governance practices.*
- *Leverage the support and insights of our large, dedicated Fixed Income team and embedded ESG specialist resources.*

We also apply an ESG Risk Rating of Low, Medium, High (Low is better) to each issuer. This is credit profile-specific and represents how impactful we believe ESG risks are likely to be to the credit quality of the issuer now and in the future. The key areas of focus are the materiality of the inherent Environmental and Social risks of the sector of operation (e.g. extraction, water usage, cyber security) and how specific companies manage these risks, combined with the quality and sustainability of their corporate governance. This materiality assessment is combined with a judgement on the timeframe over which these ESG risks may have an impact. Our analysts utilise an ESG Risk Rating Framework to support making these assessments. This is a proprietary tool designed to help focus the knowledge and expertise of credit analysts in a systematic way to substantiate the overall ESG Risk Rating (Low/Medium/High) assigned to debt issuers.

Additionally, 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.

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

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.

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

- **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 the benchmark and*
- *targeting an ESG rating better than or equal to the benchmark.*

Binary exclusions are applied to exclude particular areas of investment related to the UN Global Compact, State Owned Enterprises (SOE), Weapons, Tobacco, Thermal Coal, Oil & Gas and Electricity Generation. These screening criteria apply in a binding manner and on an ongoing basis.



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

A minimum of 90% 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. Within these assets, the Fund commits to a minimum of 15% in Sustainable Investments.

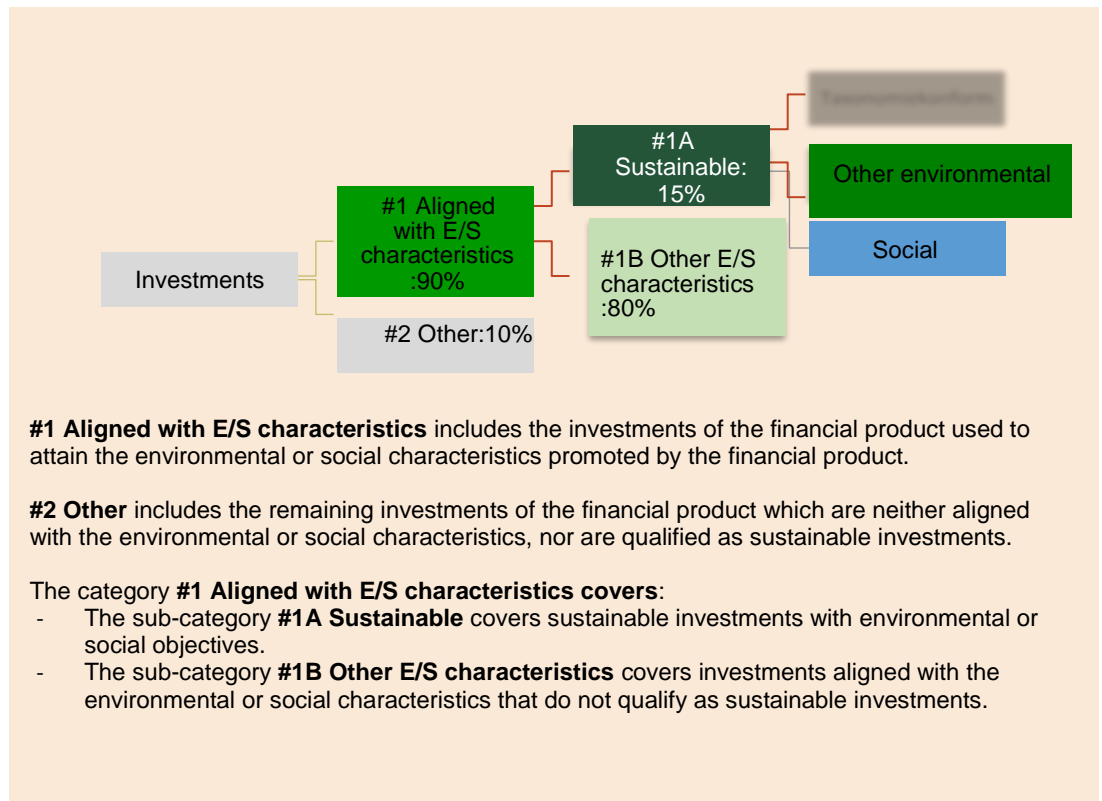
The Fund invests a maximum of 10% of assets in the "Other" category, which include cash, money market instruments and derivatives.

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.



- **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.

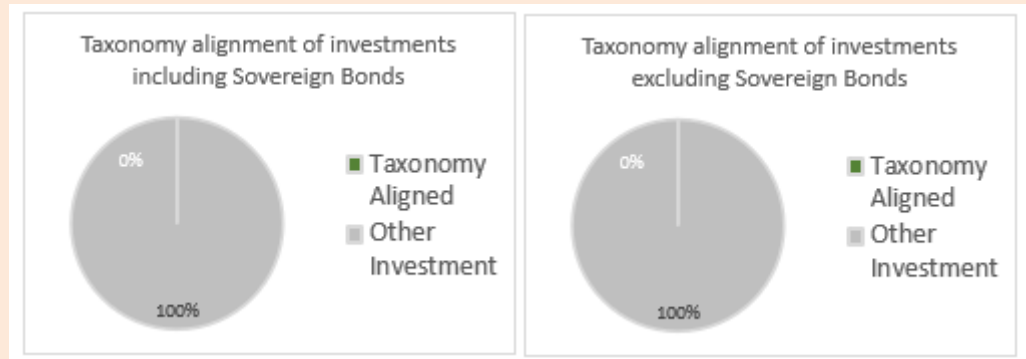
Enabling activities

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.

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

- **What is the minimum share of investments in transitional and enabling activities?**
Not applicable.

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?

The Fund is underpinned by our well-established active management approach of security selection tailored to the overall environment, which combines fundamental and ESG considerations into our individual name, sector and top down portfolio construction decisions. An assessment of a company's sustainability is supported by proprietary company rating models and a deeply embedded ESG framework utilising on-desk Fixed Income and central ESG resources.

To complement this research, the portfolio managers also use our proprietary ESG House Score, which is primarily a quantitative assessment, to identify and exclude companies with potentially high or poorly managed ESG risks. Finally, binary exclusions are applied to exclude the particular areas of investment.

This process results in the Fund committing to a minimum of 90% in securities with environment and social characteristics and a minimum of 15% to sustainable investments which are inclusive of both environmental and social objectives that aren't explicitly taxonomy aligned. The minimum share of sustainable investments with an environmental objective is 5%.



What is the minimum share of socially sustainable investments?

The Fund is underpinned by our well-established active management approach of security selection tailored to the overall environment, which combines fundamental and ESG considerations into our individual name, sector and top down portfolio construction decisions. An assessment of a company's sustainability is supported by proprietary company rating models and a deeply embedded ESG framework utilising on-desk Fixed Income and central ESG resources.

To complement this research, the portfolio managers also use our proprietary ESG House Score, which is primarily a quantitative assessment, to identify and exclude companies with potentially high or poorly managed ESG risks. Finally, binary exclusions are applied to exclude the particular areas of investment.

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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 and may also include sovereign bonds. 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

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



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**