

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:

abrdn SICAV I - Emerging Markets Equity Fund

Legal entity identifier:

549300VBMTVFH73MX846

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.

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 10.00% 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**



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

The Fund promotes environmental and social characteristics by aiming to invest in issuers that:

- Avoid severe, lasting or irremediable harm; and
- Appropriately address adverse impacts on the environment and society; and
- Support a decent standard of living for their stakeholders

The Fund aims to promote environmental and social characteristics holistically. In doing so, we do not consider all characteristics for all investments, but rather focus on the most relevant characteristics for each investment based on the nature of its activities, areas of operation, and products and services. Using our proprietary research framework we aim to promote the below characteristics within this fund, however a broader suite of characteristics may also be promoted on an investment-by-investment basis:

Environment – promoting sound energy management and reducing greenhouse gas emissions, promoting good water, waste and raw materials management and addressing biodiversity/ecological impacts.

Social – promoting good labour practices and relations, maximising employee health and safety, supporting diversity in the workforce, and healthy relationships with communities.

Benchmark

This Fund has a financial benchmark that is used for portfolio construction but does not incorporate any ESG 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.

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

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

Our approach positively identifies companies which promote the above E&S characteristics, seeking to ensure that 70% of the portfolio is aligned with the E&S characteristics identified. We do this by tracking the below sustainability indicators which allow us to measure the attainment of the E&S characteristics the Fund is promoting:

Sustainability Indicator – screening criteria

Pre investment, Aberdeen Investments applies a number of norms and activity-based screens to ensure that severe, lasting or irremediable harm is avoided. Binary exclusions are applied to exclude the particular areas of investment of concern. Our exclusions are informed by the Principle Adverse Indicators, but not limited to them. The criteria include investments related to the UN Global Compact (PAI 10), Controversial Weapons (PAI 14), Tobacco Manufacturing and Thermal Coal, further detail can be reviewed per the Fund's Sustainability related disclosures at www.aberdeeninvestments.com under "Fund Centre".

Sustainability Indicator – Environmental and Social Performance

Our proprietary Overall Sustainability Assessment (OSA), developed by our central sustainable investment team, provides an overall view on company's sustainability based on scoring of its governance, operations and products and/or services. The score is calculated by combining a variety of data inputs within a proprietary framework. The sustainable investment team may supplement quantitative data with qualitative insights, adjusting the final OSA in line with their research and views. The OSA assesses many different issues however, specifically assesses the following characteristics: energy, greenhouse gas emissions, renewable energy, raw materials, biodiversity/ecological impacts and circular economy, labour practices and relations, employee health and safety and supply chain management. Companies with sufficiently high scores are deemed to be aligned to environmental and social characteristics.

Sustainability indicator – Good Governance & Business Quality

We consider the quality of the businesses 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 (ranked 1 – 5) 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.

Using the ESG Quality rating, the fund will exclude any company with the lowest rating of 5.

- ***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 objective of the Sustainable Investment is to make a positive contribution to 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. Aberdeen Investments 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, Aberdeen Investments use the 17 Sustainable Development Goals and their sub-goals to supplement the EU Taxonomy topics and provide a framework for considering social objectives. From an operational perspective, companies are assessed using international standards, including but not limited to the IIGCC Net Zero Investment Framework, the Taskforce on Nature-related Financial Disclosures (TNFD), UN Guiding Principles on Business and Human Rights (UNGPs) and the ILO Core Conventions on fundamental principles and rights at work.

Sustainable Investments are determined using a company-level assessment approach. Where the "Do No Significant Harm" (DNSH) and Good Governance tests are satisfied, substantial economic contributions will determine whether an investment is deemed to be Sustainable. Contributions are assessed by the percentage revenue, capex or opex or by a proprietary internal sustainable operations score. Consistent, pre-determined thresholds are used to determine whether the contribution is substantial. Investments above the threshold are deemed to be Sustainable. Where the positive economic contribution meets an appropriate threshold, the company is considered to meet the requirements of a sustainable investment.

Aberdeen Investments uses a combination of the following approaches:

- i. a quantitative methodology based on a combination of publicly available data sources; and
- ii. using Aberdeen Investments' own insight and engagement outcomes Aberdeen Investments overlays the quantitative methodology with a qualitative assessment to determine whether the economic contribution towards a sustainable objective meets the appropriate threshold for each

holding in a Fund.

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.

● **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?**

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.

Aberdeen Investments has created a 2-step process to ensure consideration of DNSH:

i. 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 Aberdeen Investments’ methodology the company has no ties to controversial weapons, less than 5% of revenue from thermal coal extraction, is not expanding thermal coal operations, less than 5% of revenue from tobacco trading, is not a tobacco producer, is not deemed to have unsustainable operations and is not deemed to be violating global norms, such as the UN Global Compact and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. If the company fails this test, it cannot be considered a Sustainable Investment. Aberdeen Investments’ 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 Aberdeen Investments internal insights.

ii. DNSH Materiality Flag

Aberdeen Investments considers the SFDR PAI indicators as defined by the SFDR Delegated Regulation to identify areas for improvement or potential future concern. This includes but is not limited to consideration of the PAI output compared to peers and an investment’s contribution to the fund aggregated PAI figures. 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. Aberdeen Investments may use these indicators to support the engagement activities and suggest improvements if poor performance may impact the potential return of the investment.

— → **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Fund considers Principle Adverse Impact Indicators defined by the SFDR Delegated Regulation.

Pre investment, Aberdeen Investments applies a number of norms and activity-based screens related to PAIs, including but not limited to: UN Global Compact, controversial weapons, and thermal coal extraction.

UNGC: The Fund uses norms-based screens and controversy filters to exclude companies assessed to 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, non-detectable fragments, incendiary devices, depleted uranium ammunition or blinding lasers).

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

Aberdeen Investments apply a fund specific set of company exclusions, more detail on these and the overall process is captured within the Fund’s Sustainability related disclosures, which is published at www.aberdeeninvestments.com under “Fund Centre”.

Post-investment the following PAI indicators are considered:

- Aberdeen Investments monitors all mandatory and additional PAI indicators via our ESG integration investment process using a combination of proprietary scores and 3rd party data feeds. PAI indicators that either fail a specific binary test or are considered above typical are flagged for review and may be selected for company engagement.
- Consideration of portfolio carbon intensity and GHG emissions via our climate tools and risk analysis.
- Governance indicators via our proprietary governance scores and risk framework, including consideration of sound management structures, employee relations,

remuneration of staff and tax compliance.

- On an on-going basis the investment universe is scanned for companies assessed to 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.

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

The Fund uses norms-based screens and controversy filters to exclude companies assessed to be in breach of international norms described in the OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights.

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. 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.



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

X

Yes

Principal adverse impacts consideration

Yes, the Fund commits to consider the following PAIs in its investment process, this means that there is pre- and post-trade monitoring 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 (UNGC) 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, Aberdeen Investments 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 assessed to 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, non-detectable fragments, incendiary devices, depleted uranium ammunition or blinding lasers).
 - Thermal Coal Extraction: The Fund excludes companies with exposure to the fossil fuels sector based on percentage of revenue from thermal coal extraction.
- Aberdeen Investments apply a fund specific set of company exclusions, more detail on these and the overall process is captured within the Fund's Sustainability related disclosures, which is published at www.aberdeeninvestments.com under "Fund Centre".

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

- Company carbon intensity and GHG emissions is monitored via our Climate tools and risk analysis
- On an on-going basis the investment universe is scanned for companies assessed to 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:

- Dependent on data availability, quality and relevance to the investments the consideration of additional PAI indicators will be on a case-by-case basis.
- Aberdeen Investments monitors PAI indicators via our ESG integration investment process using a combination of our proprietary scores and 3rd party data feeds.
- Governance indicators are monitored via our proprietary governance scores and risk framework, including consideration of sound management structures, and remuneration.

Adverse impact mitigation

- PAI indicators that fail a defined pre-investment screen are excluded from the investment universe and cannot be held by the fund.
- 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 Aberdeen Investments may engage with the issuer or company to develop one, or where carbon emissions are considered to be high, Aberdeen Investments may engage to seek the creation of a long-term target and reduction plan.

No



What investment strategy does this financial product follow?

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

The Fund's investment objective is long term total return to be achieved by investing at least 70% of the Fund's assets in equities and equity-related securities of companies listed, incorporated or domiciled in Emerging Market countries or companies that derive a significant proportion of their revenues or profits from Emerging Market countries operations or have a significant proportion of their assets there.

The Fund may invest up to 30% of its net assets in Mainland China equity and equity-related securities, although only up to 20% of its net assets may be invested directly through available QFI regime, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme or by any other available means.

The Fund is actively managed. The Fund aims to outperform the MSCI Emerging Markets Index (USD) benchmark before charges. The benchmark is also used as a reference point for portfolio construction and as a basis for setting risk constraints, but does not incorporate any ESG criteria. In order to achieve its objective, the Fund will take positions whose weightings diverge from the benchmark and may invest in securities which are not included in the benchmark. The investments of the Fund may deviate significantly from the components of and their respective weightings in the benchmark. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the benchmark.

The Fund promotes environmental and social characteristics but does not have a sustainable investment objective.

Investment in all equity and equity-related securities will adhere to the Fund's ESG criteria detailed in the Fund's "Sustainability related disclosures", which is published at www.aberdeeninvestments.com under "Fund Centre".

Through the application of this approach the Fund commits to having a minimum of 10% in Sustainable Investments. Furthermore, the Fund targets a meaningfully lower carbon intensity, than the benchmark.

Aberdeen Investments' Overall Sustainability Assessment (OSA) provides an overall view on a company's sustainability based on scoring of its governance, operations, and products and/or services. To complement this the Investment Manager's equity investment process is utilised, which enables portfolio managers to qualitatively identify ESG risks and opportunities. Companies considered to be exposed to the highest ESG risks will be excluded. Additionally, a set of company exclusions are applied which are related to the UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal.

Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction. As part of this, where a company fails the thermal coal exclusion but is identified as having a clear and credible action plan to mitigate the adverse impact associated with these activities, the company will be deemed investable. This is to support their transition to ultimately comply with the thermal coal exclusions. Up to 5% of assets may be invested in such companies.

Financial derivative instruments, money-market instruments and cash may not adhere to the Fund's ESG criteria.

The Fund may utilise financial derivative instruments for hedging and/or investment purposes, or to manage foreign exchange risks, subject to the conditions and within the limits laid down by applicable laws and regulations. The use of derivatives for hedging and/or investment purposes is expected to be very limited, mainly in those cases where there are significant inflows into the Fund so that cash can be invested while the Fund's investments in equity and equity related securities is maintained.

- **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:

1. A commitment to hold a minimum of 70% of the assets aligned with E/S characteristics and within these assets, the Fund commits to hold a minimum of 10% of those assets that meet Aberdeen Investments' methodology for determining Sustainable Investments. The minimum share of Sustainable Investments with a social objective is 2%; and the minimum share of Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy is 2%.
2. A commitment to achieve a carbon intensity target lower than benchmark.
3. A commitment to apply binary exclusions to exclude the particular areas of investment related to the UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal.

These elements 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 also targets to exclude at least 5% 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 that Aberdeen Investments customers are concerned with.

- **What is the policy to assess good governance practices of the investee companies?**

For this Fund, investee companies need 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 Aberdeen Investments' proprietary ESG scores within the investment process, Aberdeen Investments screens 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.

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



What is the asset allocation planned for this financial product?

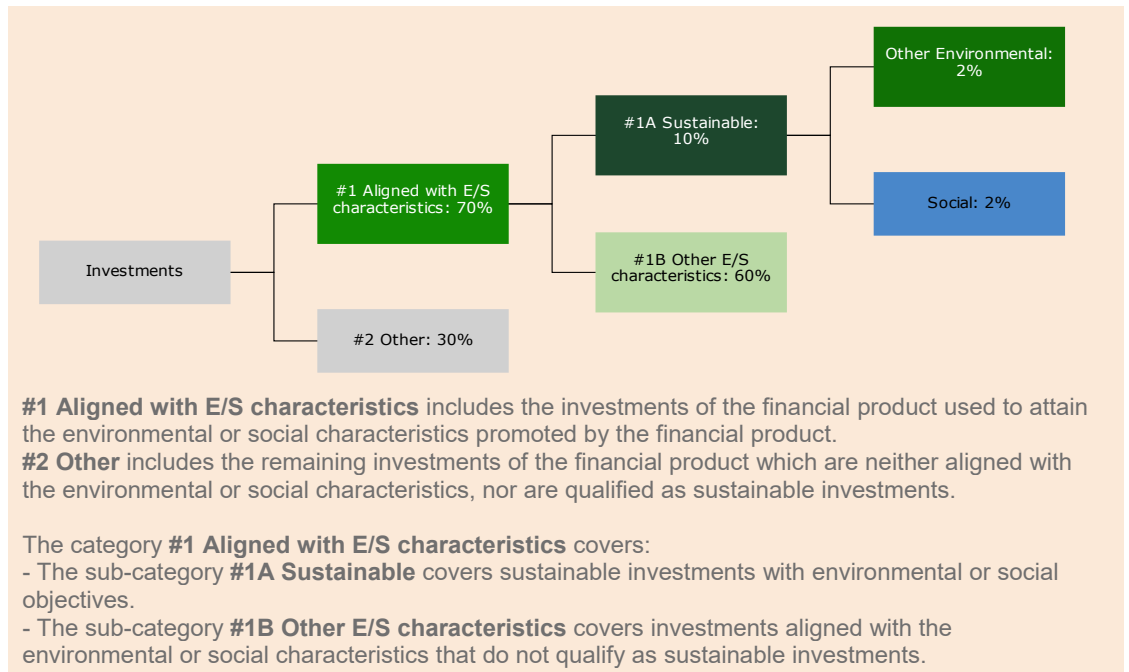
Asset allocation describes the share of investments in specific assets.

A minimum of 70% of the Fund's assets are aligned with E/S characteristics. Environmental and social safeguards are met by applying certain PAIs, where relevant, to these underlying assets. Within these assets, the Fund commits to a minimum of 10% in Sustainable Investments. In practice, many companies have variable levels of both environmental and social contributions. To maintain investment flexibility the combined minimum in environmental and social aligned sustainable investments do not equal the total minimum proportion of sustainable investments.

The Fund invests a maximum of 30% of assets in the "Other" category, which include cash, money market instruments, derivatives and investments that are not aligned with E/S characteristics.

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?

The Fund has not set a minimum proportion of investments in Taxonomy aligned economic activities. This graph represents 100% of the total investment.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?¹**

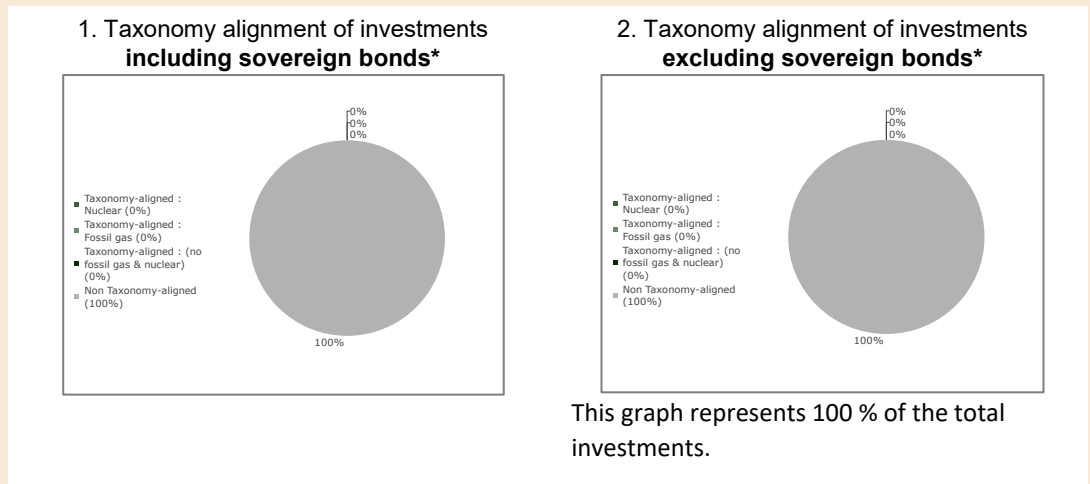
Yes

In fossil gas In nuclear energy

No

¹ 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 objectives - 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.

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

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.

- **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 minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 2%.



What is the minimum share of socially sustainable investments?

The minimum share of sustainable investments with a social objective is 2%.



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 investments that are not aligned with E/S characteristics. The purpose of these assets are to meet liquidity, target return or manage risk and do not contribute to the environmental or social characteristics of the Fund.

There are certain environmental and social safeguards that are met by applying PAI's and governance standards. 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

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

- **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?

More product-specific information can be found on :

Fund specific documentation, including Sustainability Related Disclosures, are published at www.aberdeeninvestments.com under Fund Centre. Documentation can be found by typing the name of the Fund into the search bar, clicking the fund link and selecting the "Literature" section.