

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 Smaller Companies Fund
Standard Life Citicode:	AHT3
Underlying Fund Name:	Aberdeen Standard SICAV II - European Smaller Companies Fund
Underlying legal entity identifier:	IKNRVTZFJMXVU04INT73

Environmental and/or social characteristics

<p>Does this financial product have a sustainable investment objective? tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments</p> <p style="text-align: right;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </p>	
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: <input type="text"/> %	<input type="checkbox"/> 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 <input type="text"/> % of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	<input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: <input type="text"/> %	<input checked="" type="checkbox"/> 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. Prospectus – Aberdeen Standard SICAV II.

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.

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.

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.

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 excludes companies with the highest ESG risks, as identified by the ESG House Score. This is implemented by excluding the bottom 5% of issuers with an ESG House Score that are in the benchmark.

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

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. 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?



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

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.

What investment strategy does this financial product follow?

The Fund contains companies that have been identified through the bottom-up equity research process which takes into consideration both environmental, social and governance (ESG) risks and opportunities.

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.

The investment strategy

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

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 excludes at least the bottom 5% of companies with the lowest ESG House Score in the benchmark.

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.

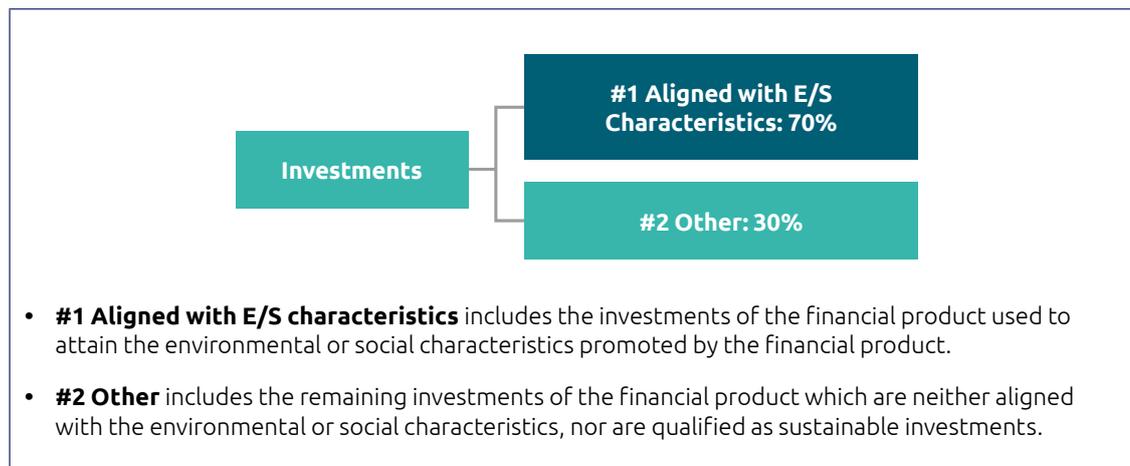
The investment must further be aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human rights. Breaches and violations of these international norms are flagged by an event-driven controversy and are captured in the investment process.

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?

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.

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.

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.

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.

1. Taxonomy-alignment of investments including sovereign bonds

- Taxonomy-aligned
- Other investments



2. Taxonomy-alignment of investments excluding sovereign bonds

- Taxonomy-aligned
- Other investments



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

† 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 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.

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

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**.

Standard Life International dac is regulated by the Central Bank of Ireland. Standard Life dac is a designated activity company limited by shares and registered in Dublin, Ireland (408507) at 90 St Stephen's Green, Dublin 2, D02 F653.

SFDR_ESC_PC T01 0123 © 2023 Standard Life. All rights reserved.
SCOZ1222487136-009