Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: abrdn SICAV II - Global Impact Equity Fund

Legal entity identifier 213800A5KTINR38TJX25

Sustainable investment objective

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.

Does this financial product have a sustainable investment objective?

☒ Yes	☐ No
☒ It will make a minimum of **sustainable investments with an environmental objective**: 15%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It will make a minimum of **sustainable investments with a social objective** 15%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained

The Fund aims to provide long term growth by investing in companies listed globally that intentionally aim to create positive measurable environmental and/ or social impacts. The approach leverages the United Nation's Agenda for Sustainable Development to identify the most pressing global issues and target positive impact. The UN's current framework involves a series of Sustainable Development Goals (SDGs) which may change over time, and the investment approach will evolve to mirror the UN's Agenda.

By assessing companies' ability to deliver intentional positive outcomes for the environment and society (i.e. intentionality) the investment approach identifies companies with products or services that align to abrdn's impact pillars:

- sustainable energy,
- circular economy,
- health & social care,
- water & sanitation,
- education & employment,
- food & agriculture,

- sustainable real estate & infrastructure,
- financial inclusion

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 the sustainable investment objective of the Fund. 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 the sustainable investment objective of this financial product?

The Fund uses the UN's underlying SDG targets and indicators as the basis for the KPIs, thereby linking a company's ability to affect positive change back to these overarching global challenges.

abrdn has identified eight 'pillars of impact' that address the broad challenges of climate change, unsustainable production and consumption and social inequalities and align with the UN's overarching agenda of creating a more peaceful and prosperous society and environment. The Fund assesses a company's alignment with abrdn's eight-pillar impact framework.

- Circular Economy
- Sustainable Energy
- Food & Agriculture
- Water & sanitation
- Health & Social Care
- Financial inclusion
- Sustainable Real estate & Infrastructure
- Education & Employment

In addition to the eight impact pillars, the Fund also invests up to 10% of the fund in impact enablers. These are companies that enable our other pillars, contributing products and services that are part of a wider value / supply chain.

The Fund also applies a set of company exclusion which are related to normative screening (UN Global Compact, ILO and OECD), Norges Bank Investment Management (NBIM), State Owned Enterprises (SOE), Weapons, Tobacco, Gambling, Alcohol, Thermal Coal, Oil & Gas, and Electricity Generation. These screening criteria apply in a binding manner and on an ongoing basis.

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 sustainable investments 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 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, abrdn 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 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).

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** under **"Fund Centre"**.

Post-investment the following PAI indicators are considered:

- abrdn monitors all mandatory and additional PAI indicators via our ESG integration investment process using a combination of our proprietary house score 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 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.

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 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.

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

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

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 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 2: Carbon footprint (scope 1 and 2)
- PAI 3: GHG intensity of investee companies (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 13: Board gender diversity
- 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).
- 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** under **"Fund Centre"**.

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

- company carbon intensity and GHG emissions is considered via our ESG integration risk analysis.
- 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:

- Dependent on data availability, quality and relevance to the investments the consideration of additional PAI indicators will be on a case-by- case basis.
- abrdn monitors PAI indicators via our ESG integration investment process using a combination of our proprietary house score and 3rd party data feeds.
- Governance indicators are monitored via our proprietary governance scores and risk frameworks, 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 engagement. These PAI 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.

☐ 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 seeks to deliver long term growth by investing in companies listed globally that intentionally aim to create positive measurable, positive environmental and social impact. The Fund's investment universe is defined as equities and equity-related securities of companies that are under active research coverage by the investment team which are listed on global stock exchanges including Emerging Markets. From this investment universe the Fund makes investments on the basis of the abrdn Global Impact Equity investment approach, allocating capital to companies that may deliver a strong financial return and demonstrate – via their products, services, and actions – a clear and material alignment to one or more of abrdn's Impact pillars. The abrdn approach leverages the United Nation's Agenda for Sustainable Development to identify the most pressing global issues and target positive impact. The UN's current framework involves a series of Sustainable Development Goals (SDGs) which may change over time, and the investment approach will evolve to mirror the UN's Agenda. By assessing companies' ability to deliver intentional positive outcomes for the environment and society (i.e. intentionality) the investment approach identifies companies with products or services that align to abrdn's impact pillars: sustainable energy, circular economy, health & social care, water & sanitation, education & employment, food & agriculture, sustainable real estate & infrastructure and financial inclusion which reflect the priority concerns in the SDGs. At least 30% of company investment (e.g. research and development, capital expenditure) must be directed towards a product or service aligned with one of the impact pillars to demonstrate intentionality.
Our impact proposition includes:

- Investing in companies that deliver an attractive financial return while making a positive contribution to the environment and society
- Assessment framework aligned to the UN SDGs, which seek to address the world's greatest challenges
- Focus on intentional, measurable impacts that address the unique issues facing particular regions
- Company engagement to demonstrate intentionality and promote meaningful impact disclosure

In managing the Fund strategy, we will seek to:

- Deliver both attractive financial returns and positive social and environmental outcomes
- Benefit from our active engagement with companies, where we encourage positive changes in corporate behaviour
- Invest in companies intentionally developing products and services that contribute to

quantifiable, positive social and environmental outcomes
- Leverage the support and insights of our large, dedicated equity teams and ESG specialists

The UN's 2030 Agenda for Sustainable Development provides a blueprint for governments to guide investment and development toward a more sustainable and prosperous future. The Agenda lays out 17 SDGs to help countries tackle the most pressing global social and environmental concerns. Using the Agenda as a guide, there are tangible opportunities to generate positive contributions to society and the environment, while simultaneously generating long-term financial value. We therefore aligned our impact mission to address the key social and environmental issues identified by the SDGs.
Our portfolio managers combine the expert analysis of our equity teams with the insights of our ESG specialists. This allows us to assess a company's alignment with abrdn's eight-pillar impact framework.
The Fund also invests in companies that enable progress aligned to each pillar but are too far down the supply chain for impact to be directly attributable to them. Investments in these companies are limited to 10% of the total fund.

The Fund uses an in-depth research process to confirm that all companies meet the above minimum hurdles. Within this research, specific key performance indicators (KPIs), or targeted outputs, have been set for each company held in the Fund in order to assess how its products and services contribute to positive social and environmental outcomes globally. These KPIs, in addition to case studies and further analysis, are reported annually in the Fund's Impact Report made available to investors online. At Fund-level, attainment of the sustainable investment objective is measured by the Fund's exposure to each impact pillar and impact enablers.

In addition, abrdn apply a set of company exclusion which are related to normative screening (UN Global Compact, ILO and OECD), Norges Bank Investment Management (NBIM), State Owned Enterprises (SOE), Weapons, Tobacco, Gambling, Alcohol, Thermal Coal, Oil & Gas, and Electricity Generation.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

1. At least 30% of company investment (e.g. research and development, capital expenditure) must be directed towards developing products or services aligned with an impact pillar to demonstrate intentionality.
2. A commitment to hold a minimum of 75% of those assets that meet abrdn's methodology for determining Sustainable Investments. The minimum share of Sustainable Investments with a social objective is 15%; and the minimum share of Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy is 15%.
3. A commitment to achieve a carbon intensity target lower than benchmark and
4. A commitment to achieve greater board diversity than the benchmark.
5. A commitment to apply binary exclusions to exclude the particular areas of investment related to normative screening (UN Global Compact, ILO and OECD), Norges Bank Investment Management (NBIM), State Owned Enterprises (SOE), Weapons, Tobacco, Gambling, Alcohol, Thermal Coal, Oil & Gas, and Electricity Generation.

These screening criteria apply in a binding manner and on an ongoing basis.

The abrdn Global Impact Equity Investment Approach, published at **www.abrdn.com** under **"Fund Centre"** , reduces the investment universe by a minimum of 25%.

The Fund's binding commitments use the UN's underlying SDG targets and indicators as the basis for the KPIs, thereby linking a company's ability to affect positive change back to these overarching global challenges.

At least 30% of company investment (e.g. research and development, capital expenditure) must be directed towards developing products or services aligned with an impact pillar to demonstrate intentionality.

To assess positive impact we consider the company's potential to deliver intentional, measurable positive social and environmental impact. We believe the key facets of impact investing are that investments must be intentional and measurable. Our process employs a 'theory of change' model. This assesses a company's inputs, activities, outputs, outcomes and impacts in three 'impact maturity' stages: intentionality, implementation and impact. These stages build upon one another. We expect to see companies at the intentionality stage mature to implementation and finally to impact.

- Intentionality is a company's recognition of a particular social or environmental issue, with investment to deliver products and services in response. To assess this, we examine company-specific inputs such as strategy and investments and expect to see a minimum of a third of a company's investment budget allocated to products or services aligned with our pillars.
- Companies that mature from intentionality to implementation have progressed from inputs to activities in our theory of change model. The company's strategy and investment in products and services that address global social and environmental issues has matured to meet revenue and growth rate thresholds we have set for each pillar.
- A company that has matured to the impact stage of our model is able to report on the data points and deliverables its products and services have achieved. For example, this could include carbon emissions reductions or the number of people provided with access to energy. Outcomes and impacts are the consequences of these results, which we assess and communicate to clients through our annual impact report.

Intentionality acts as our minimum criterion for inclusion in the Fund; implementation and impact quantification demonstrate a more mature approach. We invest in companies across all stages of impact maturity, enabling us to support innovative solutions from concept through to delivery.

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 by 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.

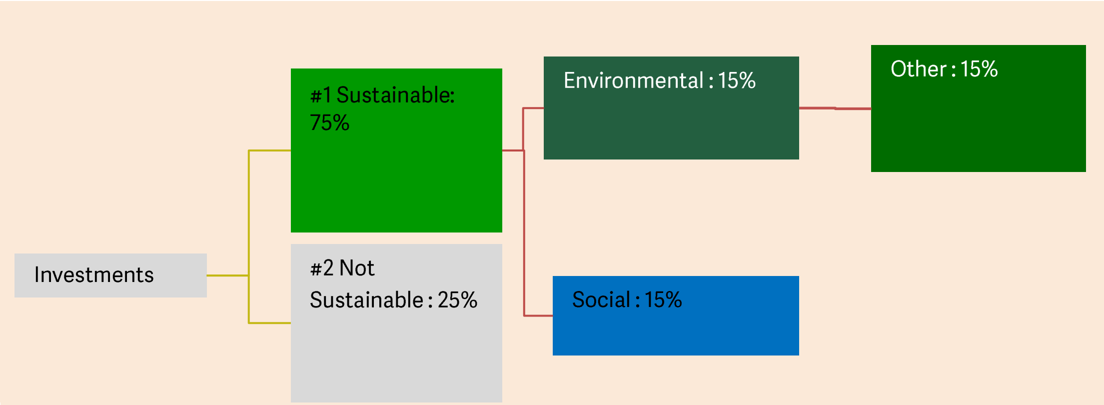
What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

The Fund commits to a minimum of 75% in Sustainable Investments, including a minimum commitment of 15% to assets with an environmental objective and 15% to social objectives.

The Fund invests a maximum of 25% of assets in the “Non-Sustainable” category, which is mainly made up of 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.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

- ***How does the use of derivatives attain the sustainable investment objective?***

  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

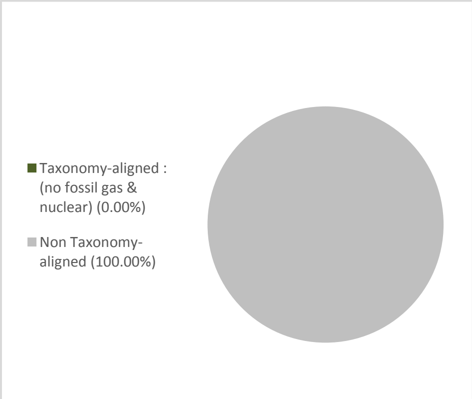
  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

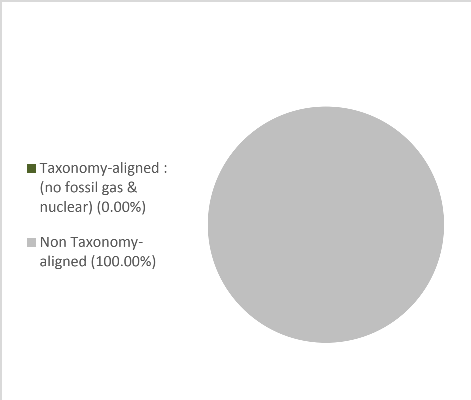
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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.

1. Taxonomy alignment of investments **including sovereign bonds***



2. Taxonomy alignment of investments **excluding sovereign bonds***



This graph represents 100 % of the total investments.

**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.

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 explicitly aligned with the EU Taxonomy is 15%.

are environmentally sustainable investments 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 a social objective?

The minimum share of sustainable investments with a social objective is 15%.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The Fund may invest in securities that are not deemed sustainable including cash, money market instruments and derivatives but only for the purpose of hedging and liquidity management.
There are certain environmental and social safeguards that are met by applying PAI's. Where relevant, these are applied to the underlying securities. Many pre-investment PAI indicators are considered but below are the ongoing post-investment PAI indicators that continue to be considered:

- abrdn monitors all mandatory and additional PAI indicators via our ESG integration investment process using a combination of our proprietary house score 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 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.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  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.abrdn.com** under **Fund Centre**.