

# Sustainable Investing with abrdn

Invest today, change tomorrow

August 2023

[abrdn.com](https://abrdn.com)



# abrdn Sustainable Investing

At abrdn, environmental, social and governance (ESG) considerations have been an integral part of our decision-making process for over 30 years.

The Sustainability Institute, Asia-Pacific leads our regional strategy, driving internal and external knowledge exchange, encouraging investment community engagement and providing ESG investing insights for individual investors. This gives abrdn a breadth and depth of understanding of clients' needs and pertinent industry issues.

Our embedded expertise, proprietary research and tools, as well as an active ownership approach adds value to our clients.



## Global and embedded expertise

### for comprehensive analysis

Our global Sustainability Group partners with experts embedded within asset class and business functions, to offer truly comprehensive investment-critical insight.

**c.30**

members of our  
Investments Vector  
Sustainability Group

**c.30**

dedicated ESG  
analysts across  
investment desks

**700+**

investment professionals trained on  
sustainable investing and proprietary tools

Source: abrdn, March 2023.



## Proprietary research and tools

### for critical investment insight

Our proprietary in-house research and tools complement a combination of external data sources. This allows us to undertake well-rounded and independent analysis, as well as more rigorous reporting, on top of industry benchmarks. This means that we offer unique insight to our clients.

#### Proprietary tools, including:

- Climate Scenario Analysis Tool
- Carbon Footprinting Tool
- ESG House Score
- Engagement Tool



## Active ownership

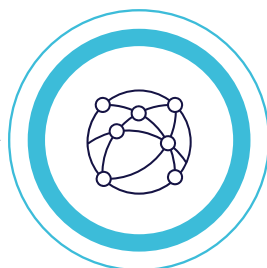
### For enhanced outcomes and value

We actively engage with companies throughout the investment lifecycle, as well as undertaking proxy voting and advocacy activities.

We believe that this drives better investment returns, protecting and enhancing value for our clients.



Investment  
thesis & tools



• Active engagement

- Advocacy
- Proxy Voting



Protecting and  
enhancing long-  
term value







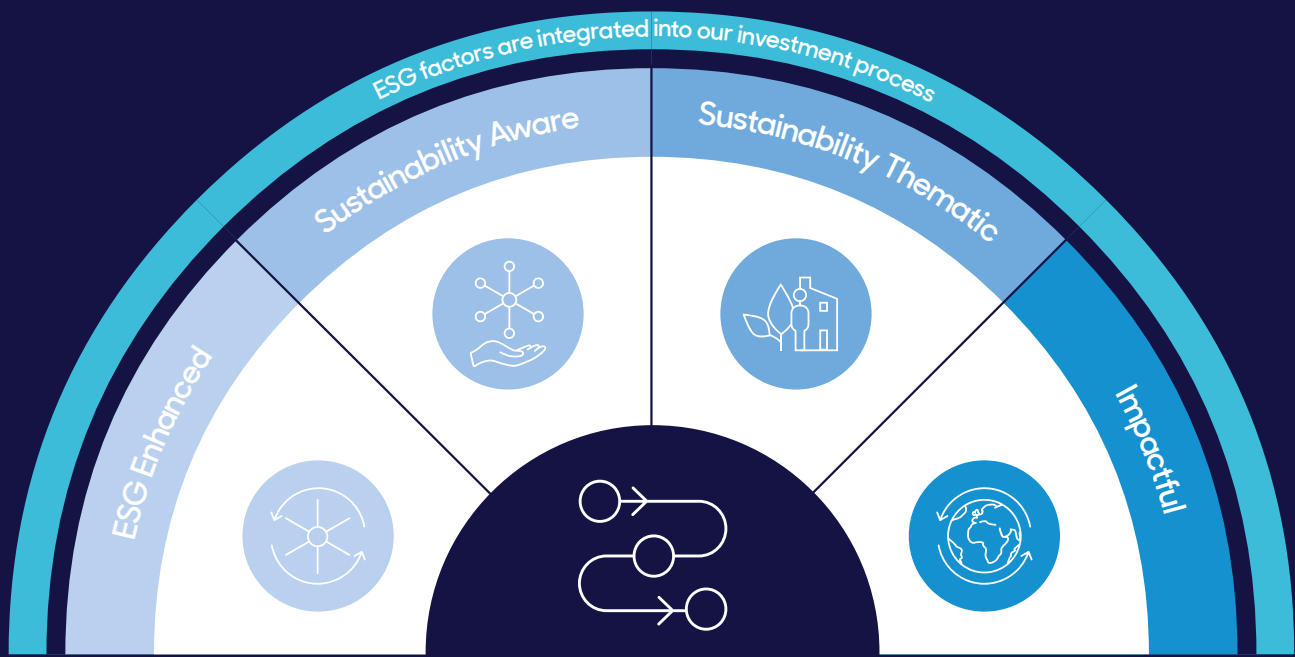




# abrdn Sustainability+ Product Framework

abrdn portfolio solutions incorporating sustainability factors which may include specific sustainable objectives.

The abrdn Sustainability+ Product Framework is abrdn's own methodology for our range of solutions within this framework only. It serves as a basis for defining targets and metrics to measure our investment solution against sustainability progress in various defined areas. Our framework may relate to regulatory requirements like SFDR but is not purposefully designed to match any one current or future taxonomy system. Instead, it is dynamic and we will regularly review and amend it as required to comply with a range of applicable regulatory requirements.



## ESG Enhanced

For investors focused on enhancing ESG integration with portfolio level sustainability targets and negative filters.

Portfolio solutions that include negative exclusions and may include ESG and carbon targets.



## Sustainability Thematic

For investors interested in specific sustainable themes.

Portfolio solutions with a clear objective to target specific sustainability-related thematic opportunities such as climate change, biodiversity and water.



## Sustainability Aware

Portfolio solutions that proactively manage and target alignment of environmental or social characteristics through specific sustainability targets, negative exclusions and carbon commitments.

Additional measures may include positive screens, and an aim to allocate to sustainable companies/activities.



## Impactful

For investors targeting specific and measurable sustainable objectives.

Portfolio solutions that target a defined sustainable objective, for example a material alignment to the UN Sustainable Development Goals, or to deliver intentional, measurable, positive social or environmental impacts.

# Our Solutions

## To help our clients achieve their long-term investment aims.

We have developed a number of sustainable investing solutions<sup>1</sup> for our clients' different sustainability preferences, financial ambitions, and tolerance to risk.

Region	Framework			
	ESG Enhanced	Sustainability Aware	Sustainability Thematic	Impactful
<b>Global Markets (Excl. APAC)</b>	<b>Equities</b> Global Innovation Equity Global Mid-Cap Equity North American Smaller Companies European Smaller Companies Global Smaller Companies  <b>Fixed Income</b> Total Return Credit Global Short Dated Corporate Bond  <b>Multi-Asset</b> Responsible Global Asset Strategies	<b>Equities</b> Europe ex UK Sustainable Equity European Sustainable Equity Global Sustainable Equity UK Sustainable Equity  <b>Fixed Income</b> Global Corporate Sustainable Bond Euro Corporate Sustainable Bond US Dollar Credit Sustainable Bond	<b>Equities</b> Global Climate & Environment Equity  <b>Fixed Income</b> Climate Transition Bond  <b>Multi-Asset</b> Multi-Asset Climate Opportunities	<b>Equities</b> Global Equity Impact
<b>Emerging Markets (EM)</b>	<b>Equities</b> EM Debt Sustainable and Responsible Investment EM Equity EM Infrastructure Equity EM Smaller Companies  <b>Fixed Income</b> EM Corporate Bond	<b>Equities</b> EM Sustainable Equity		<b>Equities</b> Emerging Markets SDG Equity  <b>Fixed Income</b> Emerging Markets SDG Corporate Bond
<b>Asia Pacific (APAC)</b>	<b>Equities</b> Asian Smaller Companies India Equity	<b>Equities</b> All China Sustainable Equity Asia Pacific Sustainable Equity China A Share Sustainable Equity Sustainable Asian Opportunities Equity Sustainable International Equities Sustainable Emerging Opportunities Equity Japanese Sustainable Equity Japanese Smaller Companies Sustainable Equity  <b>Fixed Income</b> Asian Credit Sustainable Bond Asia High Yield Sustainable Bond		<b>Equities</b> Asian SDG Equity

<sup>1</sup> Note: The above mentioned solutions are provided to illustrate our range of capabilities only and may not be available in all jurisdictions.

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In addition, given the different defining criteria of sustainable funds by different regulators across jurisdictions, an Article 8 or 9 fund under the SFDR may not necessarily be categorised as a 'sustainable' or 'ESG' fund in the respective Asia Pacific markets.

## Sustainable Finance Disclosure Regulation (SFDR)

Introduced by the European Commission (EC) and effective in March 2021, SFDR compels financial market participants and advisers to provide more sustainability related information. The goal is to ensure investors have the information they need to make investment decision in line with their sustainability goals. It also seeks to avoid the 'greenwashing' of financial products and advice.

Greenwashing is when a company misleads investors about its environmental credentials. Companies must categorise any financial product sold in the EU as Article 6, 8 or 9 (there's no 7).

The abrdn Sustainability+ Product range is aligned with SFDR.

### Article 8

We manage a wide range of products that are classified as Article 8 under SFDR. Their objective is to promote social and/or environmental characteristics (and follow good governance practices). These funds can follow a range of different approaches to achieve this aim. However, most of our options utilise a combination of 'best-in-class' active selection, as well as exclusions to avoid industries and companies at odds with the funds' objectives. These include our Sustainability+ product range range, and several other investment solutions. Details of available funds can be found on our local websites.

As well as our wide range of Article 8 and 9 funds, we provide sustainable solutions in local and regional structures, tailored to the sustainable requirements of those markets.

### Article 9

We believe it is possible for our clients to seek a financial return while addressing the world's major challenges. These include climate change, inequality and unsustainable production and consumption. That's why we have developed a number of strategies that are classified Article 9 under the European Union's Sustainable Finance Disclosure Regulation (SFDR).

An Article 9 fund is defined as "a fund that has sustainable investment as its objective or a reduction in carbon emissions as its objective." Further, Article 9 funds must:

- incorporate good governance into the investment strategy (i.e. assess employee relations, board structure, remuneration and more)
- assess the portfolio against the principle of "do no significant harm".



## Important Information

Investment involves risk. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested.

The investments referred to may not be authorised for distribution in all jurisdictions in which abrDN operates. For further information, please speak to your usual contact at abrDN or visit our website [abrDN.com](http://abrDN.com). Investors should read the relevant offering documents and consult with their own advisers before investing.

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(entities as at 02 July 2023)

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