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Sustainable Development Report 2024

abrln SICAV I -
Asian SDG Equity Fund

abrln SICAV I -
Emerging Markets SDG Equity Fund



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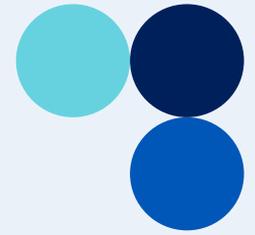


With just five years to reach the Sustainable Development Goals, we need to shift into overdrive.

António Guterres, Secretary-General, United Nations



Introduction



Introducing the fourth edition of our sustainable development report

It has now been a decade since the United Nations first devised the 2030 Agenda for Sustainable Development in 2015.

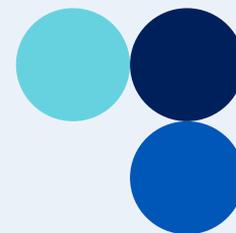
Irrespective of political leanings, the social opportunity cost associated with the closure of the US Agency for International Development (USAID) and other foreign aid spending cuts is devastating. The Lancet¹ revealed in July that the loss of USAID as a top donor to humanitarian and development causes worldwide is estimated to result in 14 million excess deaths by 2030. The research paper states, "Beyond causing millions of avoidable deaths—particularly among the most vulnerable—these cuts risk reversing decades of progress in health and socioeconomic development in Low-and-Middle-Income Countries

and could substantially undermine the achievement of the 2030 Sustainable Development Goals."

Reuters reported in May that food rations were languishing in warehouses around the world due to the dismantling of USAID. Totalling approximately 60,000 tonnes, these have the potential to feed 3.5 million people for a month². More recently, the US State Department revealed that 496 tonnes of government-funded emergency food supplies nearing expiry are due to be destroyed³. America is not alone in this regard. Indeed, Save The Children has outlined that reduced budget allocation to foreign aid by UK policymakers will see the country's support for malnutrition programmes decline by nearly 90%⁴.



Introduction



All this against a backdrop of worsening global hunger indicators, more of the global population considered undernourished in 2024 than in 2015 and a doubling of the global refugee ratio compared to that of 2015, indicators which would normally warrant additional support for those in need rather than less.⁵ It's perhaps no wonder the UN's tenth annual progress report makes for a rather sobering read - in effect sounding the alarm that more needs to be done to get us back on track.

An estimated 10% of the global population now live in extreme poverty, the vast majority in sub-Saharan Africa or in fragile and conflict-affected countries⁶. Eradicating extreme poverty by 2030 appears out of reach following a sluggish emergence from the COVID-19 pandemic, repeat climate shocks and economic instability. There are 1.7 billion people still lacking basic hygiene services at home, less than 60% of domestic wastewater is safely treated⁷ and global childhood immunisation programmes have still not fully recovered post-pandemic.

However, we should not be deterred by these unsettling progress reports and statistics. If anything, these ought to strengthen our resolve in seeking catalytic solutions for capital, where financial returns can go hand in hand with investee companies delivering positive environmental and societal outcomes.

Success stories must also be celebrated. Notably, ten years on from the Paris Agreement, 2025 marks the first year where renewable energy looks set to surpass coal as the leading global electricity source⁸. Global electricity access reached 93% in 2023, and 45 countries are now considered to have achieved universal electricity access. For the first time on record, more than half of the global population now receive at least one form of social protection benefit. Public agricultural spending continued to tick up, and the estimated global health worker shortage has continued to narrow.

Despite evident setbacks following a palpable shift in global policymakers' stance towards sustainability and what feels at times like walking through a hurricane of anti-ESG, anti-green rhetoric, we must approach the next and final five years to the Sustainable Development Goals (SDGs) 2030 deadline with the same ambition, dynamism and ingenuity that SDG-aligned investors were first celebrated for. Inevitably, more unexpected, amorphous setbacks and political headwinds will knock us off course

from time to time, but the mission remains as clear as ever and there are still numerous impactful investors who could, and frankly must, keep striving for a fairer future for all.

Our SDG funds aim to be part of this solution. Both funds will reach their five-year anniversary milestone in the second half of 2025, which provides a good opportunity to take stock and reflect. This report features a new one-off section showcasing moments from our portfolio managers' equity research trips to Asian and emerging markets (EM) in recent years. These photographs offer a brief snapshot of some of the fundamental in-country research that goes on behind the scenes to identify and monitor high-calibre companies capable of delivering a double bottom line for you, our clients, over the long term.

Establishing relationships and building trust with investee companies over the years, particularly during deep dives on research trips, has been integral to the nature and degree of candour during engagement dialogues. Consistent messaging, familiar points of contact and our long-term investment horizon have proven instrumental. Efforts to encourage more granular, impactful disclosures have also borne fruit in the intervening five years. We remain on a so-called pathway to impact and are pleased to have successfully transitioned from a case-study-based report to a report which aggregates pillar-level outcomes generated by the companies in which we invest within these two funds.

In the report that follows, you will learn about the innovative companies Aberdeen has identified across Asian and EM, which we believe are working to profitably provide climate solutions, bridge the gap in reducing inequalities and enable responsible consumption and production.

All eyes on 2030.



Catriona Macnair

Investment Director
Emerging Market Equities



David Smith

Senior Investment Director
Asian Equities

Introduction

Importance of the SDGs for Asian and emerging markets

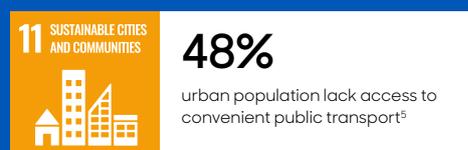
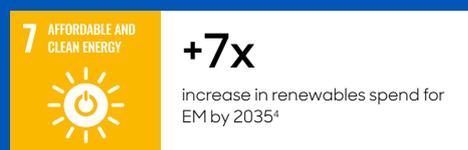
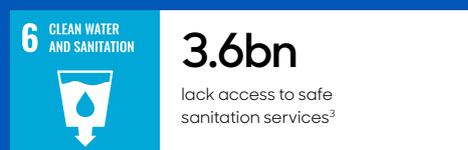
The UN SDGs provide a framework to create positive change by setting out a "blueprint to achieve a better and more sustainable future for all". The 2030 goals encompass 169 targets that touch on themes including **reducing inequalities, supporting climate solutions and enabling responsible consumption and production.**

They have global support and were adopted by the United Nations' 193 member states in September 2015.

EM countries are at the heart of the challenges identified by the SDGs. While they are home to over 80% of the world's population and generate over half of the world's GDP, emerging countries hold less than 20% of global financial assets⁹.

The **funding gap to meet the SDGs in EM by 2030 is substantial**, with the Organisation for Economic Co-operation and Development (OECD) forecasting US\$4.0 trillion per year in additional investment required¹⁰. Just over half of this is for energy transition, with public debt markets playing a crucial role in providing funding.

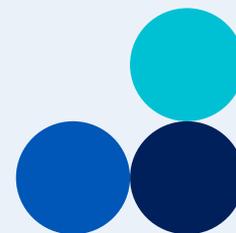
There is a significant opportunity in sustainable solutions. The SDGs can be used to identify unmet needs, which represent a source of untapped demand and growth opportunities in EM. Rather than seeing problems, **we see opportunities and seek out investments in sustainable solutions to deliver 'profit with purpose'.**



Source: Aberdeen, United Nations, December 2023¹ World Bank 2023² WHO, 2017³ WHO, 2023⁴ IEA, 2023⁵ United Nations, 2022⁶ Nature Climate Change, 2021.



Process and outcomes



Theory of change

How do we determine alignment with the SDGs?

An SDG-specific research note is undertaken based on the below Theory of Change, incorporating an examination of any related negative externalities on a case-by-case basis. A distinct, cross-asset-class SDG Governance **oversight group** is then responsible for peer reviewing this SDG-specific research and ultimately determining the SDG-aligned investible universe. Alongside cross-asset-class investment expertise, this oversight group incorporates invaluable independent input and challenge from Aberdeen's Sustainable Investment team.

environmental or social need must report the outputs and outcomes. To gauge results, we rely heavily on company engagement and conversations with supervisory boards, executive management teams and divisional heads.

Our approach to reporting is based on the Global Impact Investing Network's stance that "context is critical to interpreting impact results in a robust and reliable way". In addition to case studies and pillar-level data discussed below, we analyse the outcomes companies supported using a country and/or regional lens.

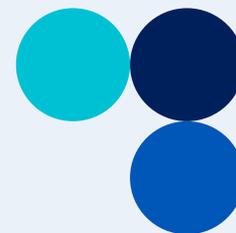
How do we monitor progress in delivering positive outcomes?

Company self-disclosure is a crucial part of our SDG-aligned investing approach. We believe that a company intending to deliver a product to address a specific

We examine the context-specific outcomes against international sources, most frequently the World Bank databank, to understand how the impact delivered compares to the underlying country-specific issues and needs. Our primary objective is to assess the localised positive outcomes of our investee companies in the context of the global issues our portfolios target.



Process and outcomes



Pillars & themes

Aberdeen distilled the 17 United Nations Sustainable Development Goals (SDGs) into eight pillars of impact encompassing investable themes. The aim is to invest in companies whose products and services demonstrate **clear and material alignment with the SDGs**, and who provide local solutions to major global problems such as social inequality, climate change, and unsustainable consumption and production. We also invest in SDG Enablers – companies that are integral to supply chains enabling progress towards the SDGs, and meet the 20% materiality requirement, but whose impact at present is not reliably measurable via their final product or service.



Process and outcomes

Impact framework

Circular Economy

- Resource efficiency
- Material recovery and reuse



Energy

- Access to energy
- Clean energy generation
- Energy efficiency



Food & Agriculture

- Access to nutrition
- Food quality
- Sustainable agriculture practices



Water & Sanitation

- Access to water & hygiene
- Clean water
- Water efficiency



Health & Social Care

- Access to healthcare & social care
- Enhanced healthcare outcomes and systems
- Treating priority healthcare concerns



Financial Inclusion

- Access to basic insurance services
- Access to basic banking services



Sustainable Real Estate & Infrastructure

- Affordable housing
- Eco-construction and components
- Clean mobility



Education & Employment

- Access to education and skills development
- Quality employment and job creation



SDG Enablers

- Companies integral to supply chains and enable our other pillars



Process and outcomes

Why Aberdeen for impactful investing in Asian and emerging markets

There is no substitute for in-depth research. Our Asian and EM teams have an enviable footprint across the globe, with over 50 investment analysts across seven offices, spanning Sao Paulo to Shanghai.

Our heritage of investing in Asia and EM for 38 years, with a longstanding focus on proprietary, bottom-up research to unearth quality companies. Our team conducts upwards of 1,000 meetings with companies every year, speaking to management teams directly.

People, process, performance



People

- On-the-ground footprint across emerging markets with >100 investors spanning debt and equity
- 38 years' expertise investing in EM with an experienced team
- Specialist resources with 25+ central sustainability experts and 5 dedicated on-desk EM Equity ESG specialists.



Process

- Focus on proprietary research and a fundamentals-first approach with ESG embedded
- Use SDGs as a lens to identify unmet needs as a source of unmet demand
- 8 pillars of impact seek to promote a diversified strategy
- Proactive impact measurement and engagement with annual SDG reporting.



Performance

- Early-mover in SFDR Article 9 space, approaching 5-year track record delivering dual outcomes
- MSCI ESG rating A and top quintile
- >60% lower Weighted-Average Carbon Intensity vs benchmark.

Process and outcomes

Fundamentally driven research

Your trusted partner in Emerging Market Equities

38

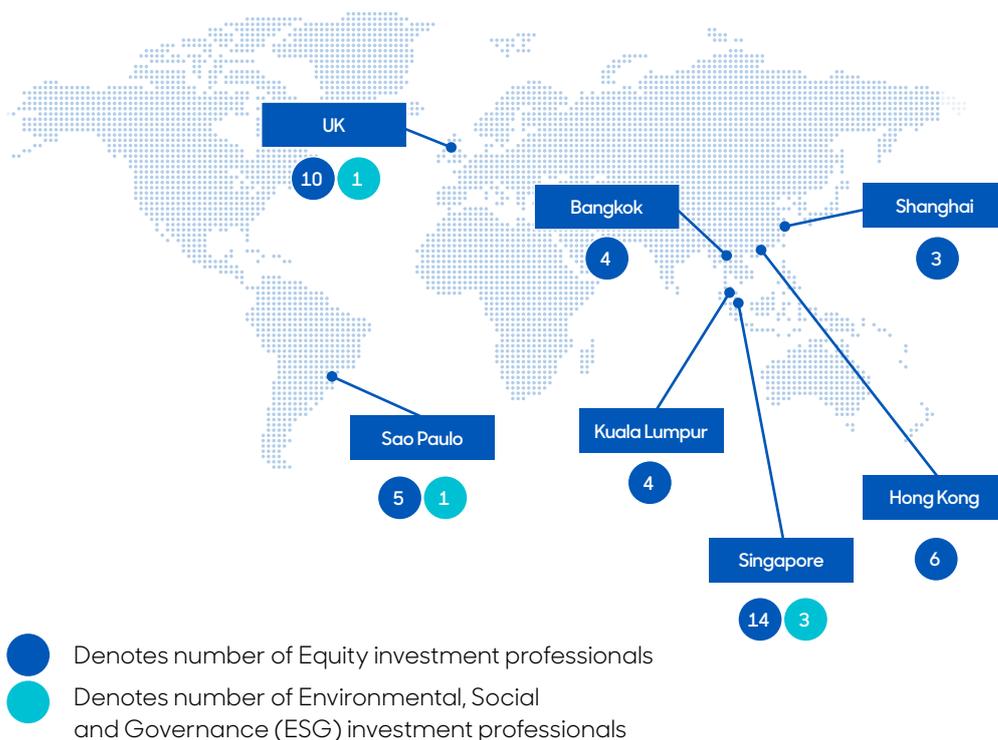
Years investing in EM Equity

31

Years investing in EM sovereign debt

24

Years investing in EM corporate debt



c.1.5k

Investee company meetings per year

c.550

Stocks under coverage

c.300

Buy recommendations

25

Sustainability specialists

Impact pillar headline outputs

In 2024, positive impact outputs from companies held in the funds include...

Circular Economy

8.6m

Responsibly receiving and managing over **8.6 million** metric tonnes of waste, mitigating risks to public health, preserving soil integrity, and protecting groundwater resources in Brazil.



Sustainable Energy

4m+

Avoiding more than **4,039,000 tonnes** of carbon-dioxide equivalent emissions by enabling road-to-rail transition in India and deploying innovative logistics across Europe. Selling over **4,270,000** electric vehicles and **13,020,000** electric two-wheelers across multiple markets globally, supporting the electrification and decarbonisation of transportation which is a crucial part of the energy transition.

13m+



Food & Agriculture

370k

Selling more than 370,000 tractors to support agricultural yields amongst India's small-medium landholdings.



Water & Sanitation

3.95m

Providing sanitation in water-stressed Saudi Arabia treating circa **3,950,000 cubic meters** of water and waste water daily through the management of over **42,000,000 metres** of networks.



Impact pillar headline outputs

In 2024, positive impact outputs from companies held in the funds include...

Health & Social Care

1,800

Adding more than **1,800 operational hospital beds**, **1,500 new pharmacies**, **6 diagnostic centres** and **6 oncology clinics** in underserved areas spanning China, Indonesia, India, South Africa and Brazil.

Launching **10 new female-only fitness-centres** in Saudi Arabia, expanding access to formal exercise facilities and supporting efforts to reduce the gender gap in health and wellness within the Kingdom.



Financial Inclusion

23m

Extending credit to over **23 million** female micro-entrepreneurs and rural borrowers in India, Mexico and Peru.

5m

Providing insurance services to in excess of **5 million** clients in South Africa and more than **65 million** clients across the rest of Africa, India and to a lesser extent Malaysia.

60

Opening more than **60 new bank branches** in rural India and over **150 new bank branches** in semi-urban locations across India to support financial inclusion amongst the underserved.

Sustainable Real Estate & Infrastructure

85m

Providing telecommunications connectivity access to **85m people** in India through rural expansion programmes

814k

Network coverage now extending to more than **814,000** non-census towns and villages in the country.

Education & Employment

574k

Generating employment via route-to-market online marketplace solutions for circa **574,000** small-medium enterprises.

1.8m

Acted as the vehicle through which over **1,800,000** families in Latin America earned their primary source of income.

All data included in this report pertaining to positive outputs by companies held in the funds is based on disclosures by the companies and calculations by Aberdeen. We take a conservative view in our reporting, with companies only appearing in one pillar. This approach focuses the portfolio on purposeful impacts and avoids double-counting. Additionally, when mapping the portfolio's outcomes, we only include companies that have reported the data. Aggregated data is an approximation based on the information available as of the date of this report in the relevant companies' filings. To date this report has not used pro rata calculations to reflect the holding period of a given company in the funds in the relevant calendar year, however this is something we intend to incorporate in the next report.



Circular Economy

Doing more and better with less

Every year, we dump over 2.24 billion tonnes of waste on the planet. If all this waste was put on trucks, they would go around the world **24 times**¹¹. International agencies predict an over 70% increase in annual waste generation by 2050, outpacing the rate of population growth to reach **3.88 billion tonnes**.¹² Poor waste management can have significant environmental and social consequences. Wasting the amount we do puts further strain on the world's resources.

The circular economy is to move from a 'make, use, dispose' model to one that enhances and extends the lifespan of products and materials, diverting waste away from landfills. Our Circular Economy pillar targets companies that offer 'closed-loop solutions', which keep resources in use for as long as possible.

These products are designed to reduce pressure on natural resources and expand recycling services.

Core themes include...

- Waste prevented, recovered and/or recycled.
- Forest areas protected and preserved.
- Investment in transition to less resource-intensive or more recyclable products.

Companies in the funds...

- Reduce waste and enhance material recovery to divert waste from landfill in Australia.
- Operate sanitary landfills in line with environmental and public safety requirements in Brazil.





Case study

ORIZON

Company name: Orizon

Country: Brazil

Sector: Materials – Commercial Services & Supplies

SDG sub-goal: 12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Proprietary ESG rating –
2 – leader

MSCI ESG rating – B

ESG risks

- Hazardous emissions
- Biodiversity conservation
- Corporate Governance

ESG engagement

We facilitated discussions between Orizon and Trucost to clarify erroneous carbon intensity interpretations, supporting both company management and the data provider in refining their respective understanding of the methodology and disclosure. Engagement efforts to encourage further recycling and reuse are ongoing.

Theory of change

Unmet need

Waste generation in Brazil exceeds the global average by 40%. Every Brazilian generates about 1kg of urban solid waste a day, and the World Bank estimates that close to half of this is managed inappropriately.

Intentionality

Orizon is a waste treatment and recovery company that invests in innovation and technology to develop landfills, biogas extraction plants, and waste-to-energy facilities that protect the environment and health of the population. The business primarily operates in Brazilian municipalities that lack adequate waste disposal, helping to improve sanitation and waste management, and support recycling. By developing sanitary landfills and turning waste into energy, Orizon contributes meaningfully to building sustainable consumption and production practices in the country.

Materiality

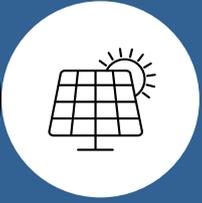
Orizon allocates 100% of capital expenditures to landfill development, biogas extraction plants, waste-to-energy facilities and related investments.

Measurable output

KPI	2024	2023	2022
Waste received and managed (tonnes)	8,669,700	8,338,400	8,810,300
Total biogas produced (thousands of Nm ³ /h) Monthly Average	61,785	54,288	42,564
Carbon credits generated (tCO ₂ e)	3,461,628	2,991,974	2,344,937
Renewable energy generated (MWh)	384,429	398,438	307,609

Source: Company annual reports.





Sustainable Energy

Increasing renewables, decreasing emissions and improving access

Energy is central to almost every environmental and social issue the world faces, and it touches most aspects of daily life, from cooking to mobility to education. While we have made impressive progress in the electricity sector, it represented only one-fifth of global energy consumption, and progress has been negligible in more significant areas. An estimated **675 million people lack access to electricity**, with progress stagnating since 2019 due to a lack of investment in transmission and distribution.

While meeting global climate goals is possible, it requires **large-scale deployment of renewables** (which are now 30% of global electricity consumption) and mobilisation of private capital. Our Sustainable Energy pillar considers three areas of energy: clean energy solutions, initiatives that promote energy efficiency and services to expand access to energy.

Core themes include...

- Investment in electrification and renewable energy capacity expansion.
- Solutions to increase energy efficiency.
- Infrastructure enabling the transition to clean energy.

Companies in the funds...

- Expand universal electricity access in markets such as Brazil and India.
- Support energy transition in two-wheeler and four-wheeler vehicles across Southeast Asia and beyond.
- Facilitate grid connectivity for offshore wind power generation in China.
- Resolve global intermittency issues associated with the rising prevalence of renewables.





Case study

CATL

Company name: Contemporary Amperex Technology Co Ltd (CATL)

Country: China

Sector: Industrials – electric equipment

SDG sub-goal: 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix.

Proprietary ESG rating –
1 – best in class

MSCI ESG rating – AA

ESG risks

- Responsible supply chain
- Product safety and quality
- Labour management
- Battery lifecycle

ESG engagement

We visited CATL’s new super line – its latest production line and most cutting-edge technology – at the company’s Ningde plant. In addition to doubling the production efficiency, this new line is also considerably more carbon-efficient, cutting energy usage to just 70% of the level of a traditional production line. The visit was a useful opportunity to discuss the company’s environmental ambitions more broadly.

Theory of change

Unmet need

According to the International Energy Agency (IEA), the transport sector accounts for 25% of global energy-related greenhouse gas emissions¹³, contributing to global warming and damaging ecosystems, economies and people associated with it. Moving from fossil-fuelled internal combustion engines to electric vehicles (EV) is a critical component of the energy transition to reduce greenhouse emissions.

Intentionality

CATL is a leading EV lithium-ion battery manufacturer with a dominant share in China’s EV supply chain and a global market share of close to 40%, supported by competitive cost leadership and manufacturing know-how. Its lithium-ion battery industry is powering the much-needed shift to global EVs. The company’s energy storage system division is also playing a critical role in delivering positive outcomes, stabilising power grids, industrial and residential applications, and reducing renewables curtailment through optimising power curves.

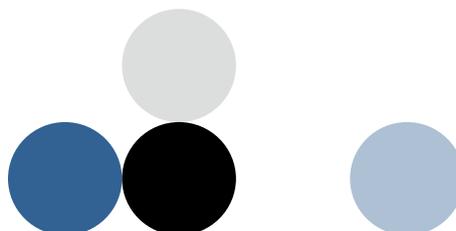
Materiality

Almost 100% of research and development goes towards the development of CATL’s battery systems and battery storage systems. In addition, power battery system and energy storage systems accounted for 86% of 2024 revenues.

Measurable output

KPI	2024	2023	2022
Batteries shipped (GWh)	475	390	289
Power batteries shipped (GWh)	381	321	-
Energy-storage batteries shipped (GWh)	93	69	-
Approx used batteries recycled (tonnes)	130,000	100,000	-

Source: company annual reports and other disclosures..





Food & Agriculture

Providing quality food and preventing land degradation

Our food & agriculture pillar covers both social and environmental factors, with a twin focus on addressing hunger and nutrition, while also promoting the sustainable use of the world's resources.

According to the UN, the world's population is projected to reach 9.8 billion in 2050 and 11.2 billion in 2100. The resources required to feed the global population are already putting unsustainable demands on land, oceans, forests and biodiversity.

Ten million hectares of forest are destroyed every year. Commercial agriculture is the largest driver of deforestation.

Hunger levels are back at 2005-levels, given elevated food prices, while **nearly one in three people were suffering moderate or severe food insecurity** in 2021. A confluence of disruptions – from climate-related shocks to the outbreak of COVID-19 to the war in

Ukraine – has undermined global food supply systems and posed additional threats to food security globally.

Core themes include...

- Deployment of sustainable agricultural and forestry practices.
- Higher crop yields through productivity, including providing financing to small-scale farmers.
- Increasing nutritional content.

Companies in the funds...

- Develop plant-based drinks with lower emissions intensity than equivalent dairy products.
- Undertake sustainable farming initiatives to support agricultural yields and farm efficiencies in India.
- Conduct environmental, food, industrial and life science verification projects, audits and International Organization for Standardization (ISO) certifications in China.





Case study



Company name: Mahinda & Mahindra

Country: India

Sector: Consumer discretionary – automobiles

SDG sub-goal: 2.3

By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

Proprietary ESG rating – 3 – average

MSCI ESG rating – AA

ESG risks

- Deforestation
- Emissions from tractor and automobile divisions
- Labour management

ESG engagement

Discussed improved disclosure around farm productivity data to publicly convey the impact of Mahindra & Mahindra farm equipment on agricultural yields, where possible. Likewise, requested further granularity on reporting of precision agriculture and its effect on preventative maintenance, since most Indian farmers are reliant on a single tractor.

Theory of change

Unmet need

According to the World Food Programme, India is home to a quarter of all undernourished people worldwide. In the last two decades, per capita income more than tripled, yet the minimum dietary intake fell¹⁴. In 2024, the Global Hunger Index ranked India 105 out of 127 countries.¹⁵ With a score of 27.3 on the same index, India’s level of hunger is reported as ‘Serious’.

Intentionality

Mahindra & Mahindra is the world’s largest tractor company by volume. The company’s market share in India is almost 42% and is a major contributor to the country’s vast agricultural sector. More than 95% of Mahindra & Mahindra tractors are sold for domestic use in India, with an emphasis on affordable, less powerful 20–80 horsepower tractors to cater to India’s small and medium farms. All farm division suppliers are local to India.

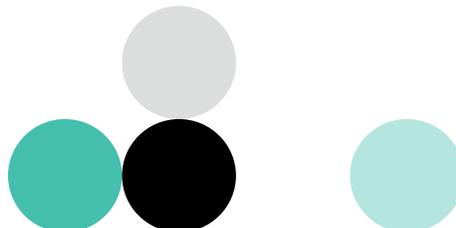
Materiality

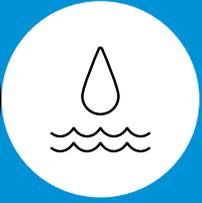
Mahindra & Mahindra’s farm business contributed to 25% revenues and close to 40% of profits in 2024.

Measurable output

KPI	2024	2023	2022
Number of tractors sold	378,386	407,545	354,698
Number of tractors sold domestically	364,526	389,531	354,698
Number of tractors produced	-	415,832	355,299
Trees planted under Project Hariyali (m)	1.80	1.59	1.32
Female farmers participating in regenerative agriculture project	25,046	45,529	-
Female farmers participating in PRERNA farm skilling project	6,082	11,111	20,135

Source: company annual reports and other disclosures.





Water & Sanitation

Establishing access to safe, clean and sustainable facilities

Water, a finite resource essential for life, faces critical challenges.

Progress in universal access to basic sanitation and the responsible use of water resources is woefully lagging. Of the world's population, 27% don't have access to drinking water and 43% don't have access to safe sanitation. To reach universal coverage of these services, the UN estimates that the current rates of progress would need to increase sixfold for drinking water and fivefold for sanitation. Achieving this could mean saving 829,000 lives annually – the number who die each year from diseases directly attributable to unsafe water, inadequate sanitation and poor hygiene practices.

Management of water resources is also crucial for climate adaptation. There are 2.4 billion people living in water-stressed countries, of which 800 million live in high or critically high areas. Improving water-use efficiency is key and is also an area of focus for this pillar.

The companies available to us in the water & sanitation space tend to operate at the intersection of the public and private sectors. We have historically struggled to find high-quality companies aligned to this pillar that meet the dual-outcome mandate of our SDG strategy: outputs that contribute to a fairer and more sustainable future for all, alongside the potential for strong financial returns.

There has been good news in this regard since late last year. Bottom-up research efforts have identified a high-calibre water & sanitation candidate in the Middle East, covered in our case study below.

Core themes include...

- Access to clean drinking water.
- Water treatment systems and initiatives to reduce water consumption.
- Provision of safe and reliable sanitation services.





Case study



الخریفة لتقنية المياه والطاقة
Alkhorayef Water & Power Technologies

Company name: Alkhorayef Water & Power Technologies (AWPT)

Country: Kingdom of Saudi Arabia (KSA)

Sector: Industrials – water utilities

SDG sub-goal: 6.4

By 2030 substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

Proprietary ESG rating –
2 – leader

MSCI ESG rating – B

ESG risks

- Disclosure
- Labour management
- Governance

ESG engagement

We have discussed with the company previously the integration of risk management plus health and safety practices, alongside their relative alignment with ISO benchmarking; given our prior perception of the engineering, procurement and construction (EPC) sector KSA. We were pleased to learn of the institution of such practices and have informed AWPT that we are keen to see greater disclosures on these matters. We further discussed the attraction and retention of local workforce employees given Saudization requirements locally.

Theory of change

Unmet need

KSA is a water-scarce nation with limited freshwater resources, given its lack of perennial rivers or other ongoing bodies of water. It is among the driest countries globally due to its minimal rainfall and maximum evaporation rates, estimated by the World Resources Institute to be the most water-stressed nation by a factor of 11.5x, relative to the average nation (source). Added to which, aged infrastructure means approximately 40% of water is lost during transmission, some five times above that in most developed economies (source).

Intentionality

AWPT is the market leader in building and maintaining sanitation systems within KSA. The company operates across nearly all of the country and right along the length of the water and wastewater value chain to improve water-use efficiency and ensure sustainable withdrawals and supply of freshwater to alleviate water scarcity.

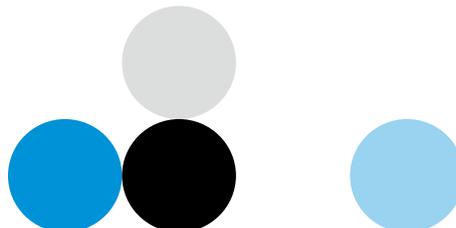
Materiality

Approximately 52% of revenues can be attributed to building out water infrastructure within KSA, which is required to ensure the adequate availability of water within the country. This is expected to rise over time as these projects move towards 60% of the company backlog.

Measurable output

KPI	2024	2023	2022
Meters of Networks Managed	42,650,000	-	-
Population Served (millions)	36	26.5	15
Water & Wastewater Treated (m ³ /day)	3,950,000	2,150,000	1,800,000

Source: company annual reports and other disclosures.





Health & Social Care

Ensuring access to quality, affordable essential care and enhancing care outcomes

Health and social care standards vary dramatically across the globe, with the COVID-19 pandemic a setback to decades of progress in reproductive, maternal and child health. One solution is to tackle the shortage of health workers, which remains most acute in Sub-Saharan Africa and Southern Asia. Further, **drug development breakthroughs can make a huge difference to health outcomes**, with effective HIV treatment reducing AIDS-related deaths by 52% since 2010.

Our alignment process for Health & Social Care targets two facets of reliable, equitable and effective services: access and innovation. We look for companies supporting and enabling drug discovery on priority diseases, improving accessibility and affordability of treatment, and **contributing to broader coverage of essential health**

services in under-served areas. The pandemic halted progress on universal health coverage – scaling up investment in health systems and drug development is essential to address the shortfall.

Core themes include...

- Affordable access to essential health and social care
- Drug development for priority diseases.
- Broader coverage of essential services.
- Training healthcare workers to solve shortages.

Companies in the funds...

- Provide genome-specific oncology treatment and hospital care in China.
- Build greenfield hospitals in Brazil to close the shortage in hospital beds.
- Operate pharmacies across Brazil, South Africa and China.





Case study



Company name: Yifeng Pharmacy Chain

Country: China

Sector: Consumer staples – consumer staples distribution

SDG sub-goal: 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential health care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Proprietary ESG rating –
2 – leader

MSCI ESG rating – A

ESG risks

- Data privacy, protection and cybersecurity
- Product safety and quality
- Disclosure
- Governance

ESG engagement

After engaging around anti-corruption, data privacy, supply chain management and employee training, it was pleasing to see Yifeng Pharmacy Chain publish a comprehensive inaugural ESG report in English in early 2024 covering all of these issues. We will continue to encourage greater independent oversight at the Board level.

Theory of change

Unmet need

Ensuring access to affordable medicines is an integral part of achieving universal health coverage. Besides hampering health outcomes, lack of access to medicines can lead to increased poverty and financial insecurity¹⁶. The distribution of pharmacists between rural and urban areas is highly unequal in China, with rural areas in particular suffering from chronic understaffing in both the hospital and community pharmacy sectors¹⁷. Yet demand for quality health care is on the up in China amidst rising disposable incomes, increasing health awareness and an ageing population.

Intentionality

Yifeng Pharmacy Chain is one of the leading national drugstore chains in China, operating across ten provinces and municipalities in China, with a higher concentration in regions with a lower-than-average number of pharmacies per person. On average, the provinces where Yifeng ranks in the top 5 by market share have approximately 25% fewer pharmacies per person. Pharmacy retailing comprises more than 90% of revenues.

Materiality

Approximately 40% of Yifeng’s capital expenditure has been allocated to expanding its network of self-operated stores with pharmacies. This is a conservative inference based on 76% of the store network being under direct management, rather than franchised, and upwards of 80% of stores including a pharmacy.

Measurable output

KPI	2024	2023	2022
New self-operated stores added	1,305	1,613	817
New stores acquired via M&A	381	559	478
Pharmacists per store	-	1.02	-

Source: company annual reports and other disclosures.





Financial Inclusion

Tackle poverty in all its dimensions

Financial services act as a gateway to improving access to basic necessities like electricity, water, healthcare, housing and education. Yet, there are still **1.7 billion adults who do not have access to financial products or services**. About half of these adults are women, poor households in rural areas, or those out of the workforce¹⁸.

COVID-19 led to the first rise in extreme poverty in a generation, and the war in Ukraine further derailed progress, with the UN now projecting that **670 million people live in extreme poverty**, a 16% increase¹⁹. Our pillar identifies companies operating in countries and regions where there is low penetration of basic financial services for individuals, including extending credit to micro-, small- and medium-sized enterprises (MSMEs), or groups that struggle to access financing.

Core themes include...

- Extending financial services to underbanked individuals.
- Addressing insurance gaps to help preserve accumulated household wealth.
- Increasing access to credit for MSMEs.

Companies in the funds...

- Offer individual and group microfinance loans to the unbanked in Mexico and Peru.
- Approve housing loans to buyers with low incomes in India.
- Advance affordable insurance across almost all of India, China and more than 25 African countries.
- Target the MSME funding gap in India, Mexico and South Africa.





Case study



Company name: HDFC Bank

Country: India

Sector: Financials – banks

SDG sub-goal: 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of MSMEs, including through access to financial services.

Proprietary ESG rating –

2 – leader

MSCI ESG rating – AA

ESG risks

- Responsible lending
- Labour management
- Disclosures

Theory of change

Unmet need

India has the world’s second-highest unbanked population and 17% of global unbanked adults, of whom 54% are women. India also accounts for the world’s highest share of inactive bank accounts at 48% and an estimated 70% of account owners have not made a single digital payment. This data outlines the need for financial education and rural branch networks, as well as digital banking infrastructure capabilities. In addition, while MSMEs account for a staggering 95% of total industrial units in the country, contribute 30% of Indian GDP and 45% of India’s workforce, these burgeoning businesses account for just 16% of bank lending.²⁰

Intentionality

HDFC Bank is the largest private bank in India by assets. The company seeks to enhance incomes for underprivileged farmers, youth and women through its lending activities and community initiatives. The bank’s branch network has a pronounced tilt towards rural and semi-urban areas, accounting for more than 50% of total HDFC Bank branches.

Materiality

36% of loans from priority sector lending in 2024, and the related loan balance increased +33% yoy.

Measurable output

KPI	2024	2023	2022
No. of branches in rural locations	1,614	1,550	1,415
No. of branches in semi-urban locations	3,182	3,023	2,674
MSME loans disbursed (U\$bn)	76.1	75.6	-
Value of Priority Sector Lending (U\$bn)	94	65	47
No. of female Self-Help, Joint Liability Groups formed	10,195	34,700	19,600

Source: Company annual reports, where 2024 relates to Financial Year ending March 2025.





Sustainable Real Estate & Infrastructure

Providing essential infrastructure, eco-friendly buildings and improving connectivity

As the global population grows and people migrate to urban areas in increasing numbers, the built environment has a key role to play in supporting social and environmental goals. The buildings and construction sector accounts for over a third of global energy use and produces 34% of global CO² emissions²¹.

Besides 'green' buildings, we need to see progress on equitable infrastructure, with over one billion people residing in slums, principally across Asia and Africa. With 70% of the global population expected to live in cities by 2050, developing infrastructure, retrofitting buildings and industry, and efficient transport are crucial to building resilient and sustainable cities.

Our sustainable real estate and infrastructure pillar focuses on a variety of issues facing industry, infrastructure and sustainable cities and communities.

Core themes include...

- Investment in buildings and floor space awarded green certification.
- Efficient, sustainable, resilient and inclusive infrastructure solutions.
- Improving connectivity and access to services such as public transport and the internet.

Companies in the funds...

- Operate a network of automated parcel machines to reduce last-mile carbon emissions.
- Develop green business parks in India, green industrial warehouses in Mexico and green retail spaces in China and the Philippines.
- Connect people across Sub-Saharan Africa to the internet for the first time.





Case study



Company name:

GDS Holdings Ltd

Country:

China

Sector:

Communications – information technology services

SDG sub-goal:

7.a

By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

Proprietary ESG rating –

3 – average

MSCI ESG rating – A

ESG risks

- Water use
- Data privacy, protection and cybersecurity
- Governance and related-party transactions



Theory of change

Unmet need

In the era of the digital economy and the rising uptake of artificial intelligence (AI), data centres are considered increasingly critical infrastructure. A proliferation of distributed, dispersed server rooms with each individual company hosting its own cloud is not very energy efficient since there are no economies of scale, limited resource optimisation, layers of management and often poorer performance. This structure will not keep pace with the power consumption demand for rising AI use cases and the Internet of Things (IoT) globally.

Intentionality

GDS is the largest third-party data centre operator in China with a growing footprint across Southeast Asia following the construction of large data centre parks in Malaysia, Indonesia and sights set on Thailand. Unlike its larger, more retail-focused Chinese peers, GDS is predominantly a centralised wholesale data centre provider offering its hyperscaler clients a relatively more energy-efficient way to power their cloud solutions.

Materiality

More than half of its customers at year-end 2024 were cloud-service providers. There is also an argument that 100% of capex is allocated to data centre development and related land or equipment; however, in our view, the customer mix is a more representative measure.

Measurable output

Power Usage Effectiveness (PUE) is an important indicator for measuring the energy efficiency of a data centre, serving as a global yardstick for comparing data centres.

Measurable output

KPI	2024	2023	2022
Renewable energy usage (%)	40	38	35
PUE	1.24	1.28	1.29
No. of self-developed data centres awarded green building certifications by leading domestic and global organisations	42	38	34

Source: company annual reports and other disclosures.



Education & Employment

Creating opportunities for marginalised or vulnerable people

Education & employment serves as a foundational pillar for creating pathways to inclusion and economic stability for disadvantaged populations in EM. **Informal employment accounts for nearly 58% of global jobs, equating to approximately two billion workers**, with the proportion significantly higher in developing countries, where nearly 70% of workers are engaged in informal jobs²².

In low-income countries, women are disproportionately represented in the informal economy, largely in sectors such as agriculture and domestic work, often in precarious roles with limited opportunities for advancement. Education tailored to empower women, coupled with employment policies and practices promoting gender equity, can help create pathways for women to secure decent work.

Youth unemployment presents another pressing issue, with **over a fifth of the global youth population not engaged in education, employment or training**.

Young women are more than twice as likely to face this situation.²³ This equates to **32% of young women who are not in education, employment or training**.

Core themes include...

- Value created for those in informal employment or self-employment.
- Quality employment opportunities.
- Access to education and skills development.

Companies in the funds...

- Facilitate route-to-market and job creation for entrepreneurs in Latin America.
- Support economic productivity and technological innovation in India.
- Develop cochlear implants to help people with severe chronic hearing loss find productive employment.





Case study



Company name:

Mercado Libre (MELI)

Country: Brazil

Sector: Consumer discretionary
– broadline retails

SDG sub-goal: 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of MSMEs, including through access to financial services.

Proprietary ESG rating –
2 – leader

MSCI ESG rating – AA

ESG risks

- Data privacy, protection and cybersecurity
- Labour management
- Supply chain oversight

ESG engagement

We continue to encourage MELI to publish more granular data on SME engagement with its platform and services. We also emphasise training on data security and privacy, and continue to assess MELI's due diligence in the process of extending credit.

Theory of change

Unmet need

SMEs comprise 99.5% of businesses in Latam, with almost 90% classified as micro-enterprises. However, Latam SMEs demonstrate a pronounced productivity gap (below the normal productivity gap seen at a global level) and are responsible for only 25% of the region's production value. Digitalisation is a key opportunity to improve productivity and reach businesses, but SMEs are at further risk of being left behind.

Intentionality

MELI is a pan-Latam e-commerce marketplace dedicated to enabling wider access to retail, digital payments (via Mercado Pago) and e-commerce services. The company develops products specifically tailored to SMEs, facilitating and boosting entrepreneurship and employment formalisation across the continent.

Materiality

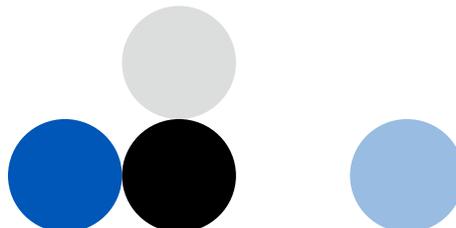
Over half of gross merchandise value²⁴, and over one third of MELI's revenues were generated by SMEs in 2024. The company spent 55% of its total capex in 2024 on information technology assets supporting its platform's digital capabilities.

Measurable output

In 2024, an estimated 1 in 2 SMEs received their first credit offer through Mercado Pago.

KPI	2024	2023	2022
Unique Mercado Pago Users (monthly)	62.2 million	68.8 million	64.8 million
SMEs using Mercado Pago	95,000	-	-
SMEs on the marketplace platform	>574,000	574,000	>500,000
Families with MELI as their main source of income	>1.8 million	>1.8 million	>900,000

Source: company annual reports and other disclosures.





SDG enablers

Integral companies to the supply chain for the SDGs

The funds can also invest up to 20% in what we call SDG enablers. These are companies whose products and services **enable an SDG-aligned value chain**, facilitating the delivery of solutions in at least one (and most likely many) of our eight impact pillars. While these businesses are integral to progressing towards the SDGs, they don't themselves have a direct and measurable positive benefit. In creating this basket of SDG enablers, we avoid double counting the positive operational outcomes derived along the length of the value chain.

We've been conservative in our approach to this. In a construct that allows 'SDG enabler' classification for any firm that is involved in a value chain, the net is wide. To counter this, we have instead focused on companies that play **an essential and material role in delivering positive social and environmental outcomes**, and without whom many of the products

that have a positive effect on our impact pillars would not be possible. This means avoiding companies that are several steps removed from the ultimate positive outcome.

SDG enablers play a central role in achieving the SDGs, but they are one step removed from the direct positive change – playing a crucial role in enabling rather than driving positive change.

Companies in the funds...

- Develop memory semiconductors that double energy efficiency.
- Provide the technology required for electricity grid expansion and modernisation.
- Design and construct cabling infrastructure to support renewables connectivity in the Middle East.





Case study



Company name:

HD Hyundai Electric

Country: South Korea

Sector: Industrial – electrical equipment

SDG sub-goal: 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix.

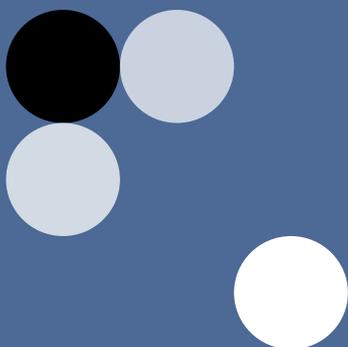
Proprietary ESG rating –

3 – average

MSCI ESG rating – BBB

ESG risks

- Use of insulating oil
- Decarbonisation efforts
- Labour management
- Disclosure



Theory of change

Unmet need

There is a shortage of power transformers in many global markets, particularly the US and EU, where a combination of rising investments into renewables, ageing electricity grid infrastructure and very limited use of Chinese power transformers has considerably inflated delivery times, creating pronounced bottlenecks. The rising prevalence of AI workstreams looks set to drive up structural demand for mission-critical power transformers, further exacerbating delays in connecting renewables or large-scale industrial machines to global grids, which could endanger climate and energy-independence goals.

Intentionality

HD Hyundai Electric has a heritage of manufacturing transformers, spanning more than 40 years. After spinning out of HD Hyundai Heavy Industries, the company operates as a comprehensive electrical systems manufacturer and energy solutions provider. Its key products include transformers, high-voltage circuit breakers, rotating machinery, low-voltage motors, distribution panels, medium and low-voltage circuit breakers, power conversion systems and energy storage systems.

Materiality

In 2024, 74% of revenues were aligned to grid expansion and upgrades through HD Hyundai Electric’s Power Equipment and Distribution Equipment segments.





Case study

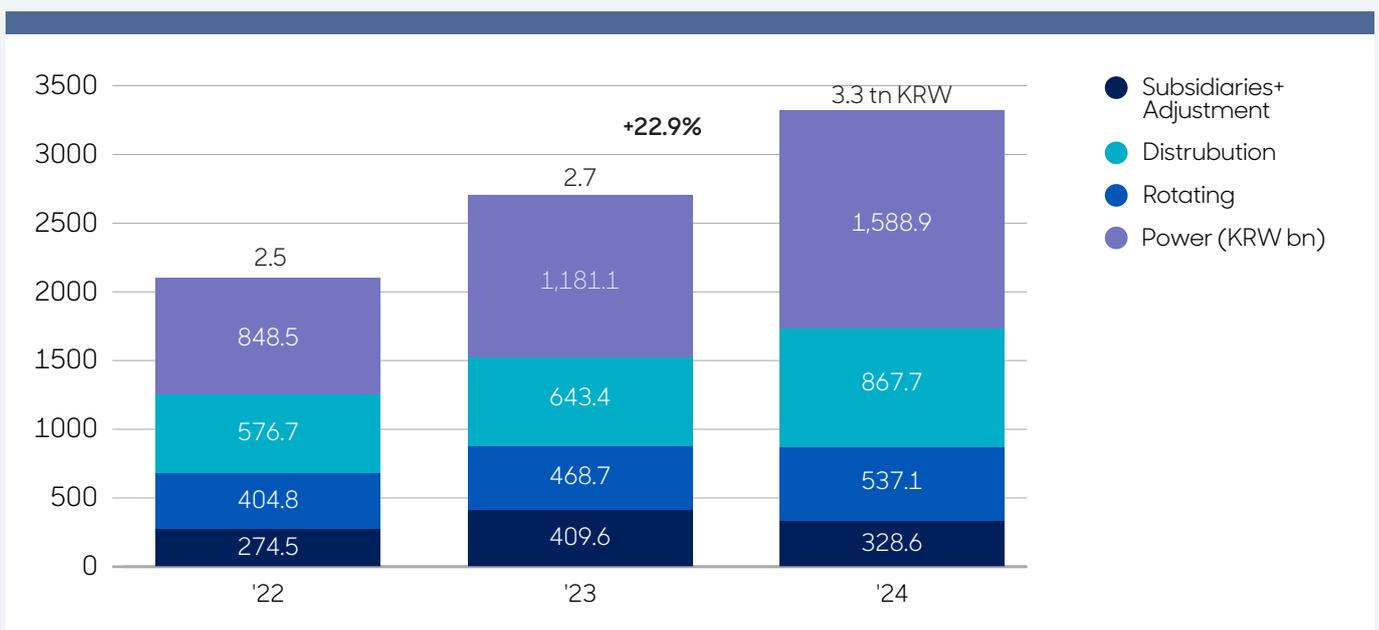
Enabling SDG progress

Delivering power transformers and other related products for grid modernisation, such as extra-high-voltage transformers, circuit breakers, medium- or high-voltage motors and generators, has been integral to the company's orderbook and backlog.

Order



Sale



Source: company annual reports and other disclosures.

Engagement: a pathway to impact

Regular, proactive and action-oriented

Working collaboratively with management teams, we seek to address inefficiencies, improve disclosures regarding alignment to the SDGs, mitigate financial and ESG risks, and drive positive change. In many instances, our engagement process involves setting milestones that we monitor and track continuously, revisiting progress at least once a year.

The companies we select for our portfolios are actively contributing to achieving the SDGs through their business activities. Yet, our work does not stop once we have determined material SDG alignment. Proactive and regular engagement is the cornerstone of our investment process. Our **intention is to drive positive change in behaviour**, with a focus on **improving access to impact data**.

Our Sustainable Investing Insights team and on-desk ESG specialists collaborate with our Asian and EM Equity and Corporate Debt teams to actively engage with companies. We believe this complementary relationship is advantageous as we can pool our collective expertise to advocate for positive change, while also making better-informed investment decisions.

Our leading role in improving impact data disclosures

We believe that when companies offer a product or service that addresses environmental or social needs, reporting on related measurable outcomes helps to give stakeholders a truer more holistic picture of the company's progress. Reporting and disclosure standards vary across the globe, and particularly in Asian and EM, they **tend to be earlier on in their sustainability journey than their developed market peers**.

That's why **engaging and educating companies around investor expectations is vital**. By working with portfolio companies to enhance and improve disclosure around alignment and related outcomes, we believe that our holdings will be increasingly recognised by the market for their positive contributions to society and the environment.

Combining Aberdeen's long-term investment horizon, established corporate relationships and consistent messaging around SDG-related disclosures, we hope to steadily move from a case-study-based report to one which consistently reports on the aggregate pillar-level outcomes generated by the companies in which we invest within our two funds.

Our approach to engagement

By engaging companies, we can find inefficiencies, improve disclosures, encourage better behaviour, mitigate risks and drive positive change and financial performance. Therefore, we aim to **set milestones with companies where we believe this will encourage action**. Once a milestone is set, we plan to follow up with the company on an annual basis to track progress and set new milestones once initial milestones are achieved. We initiate and close milestones via our lifecycle approach: identify, acknowledge, plan, execute and close.

In 2024, we **launched our Active Equities Engagement Roadmap**, setting our thematic engagement priorities: **Corporate Governance, Climate Change, Cyber Security and, Supply Chain Management and Human Rights**.

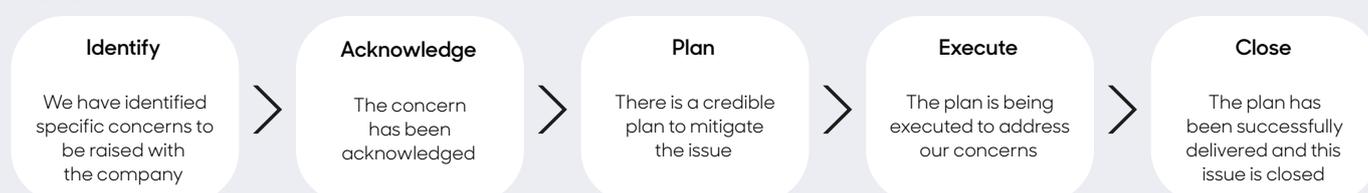


Engagement: a pathway to impact

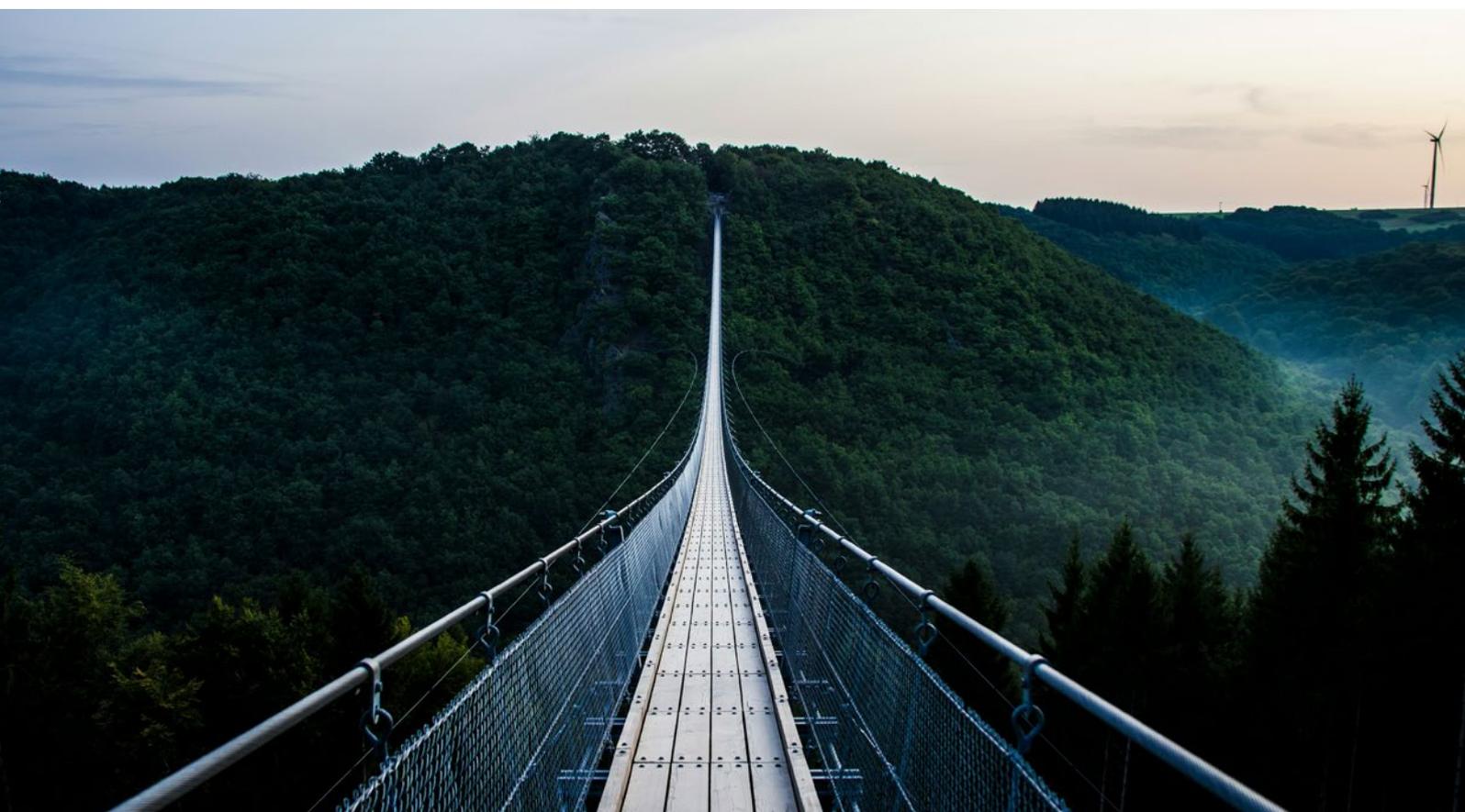
Engagement types



Engagement lifecycle



Informed and constructive engagement helps foster better companies



Engagement: a pathway to impact

Throughout 2024, we successfully **completed 66 engagements** with companies held in abrdn SICAV I – Emerging Markets SDG, including **8 priority ESG engagements**.

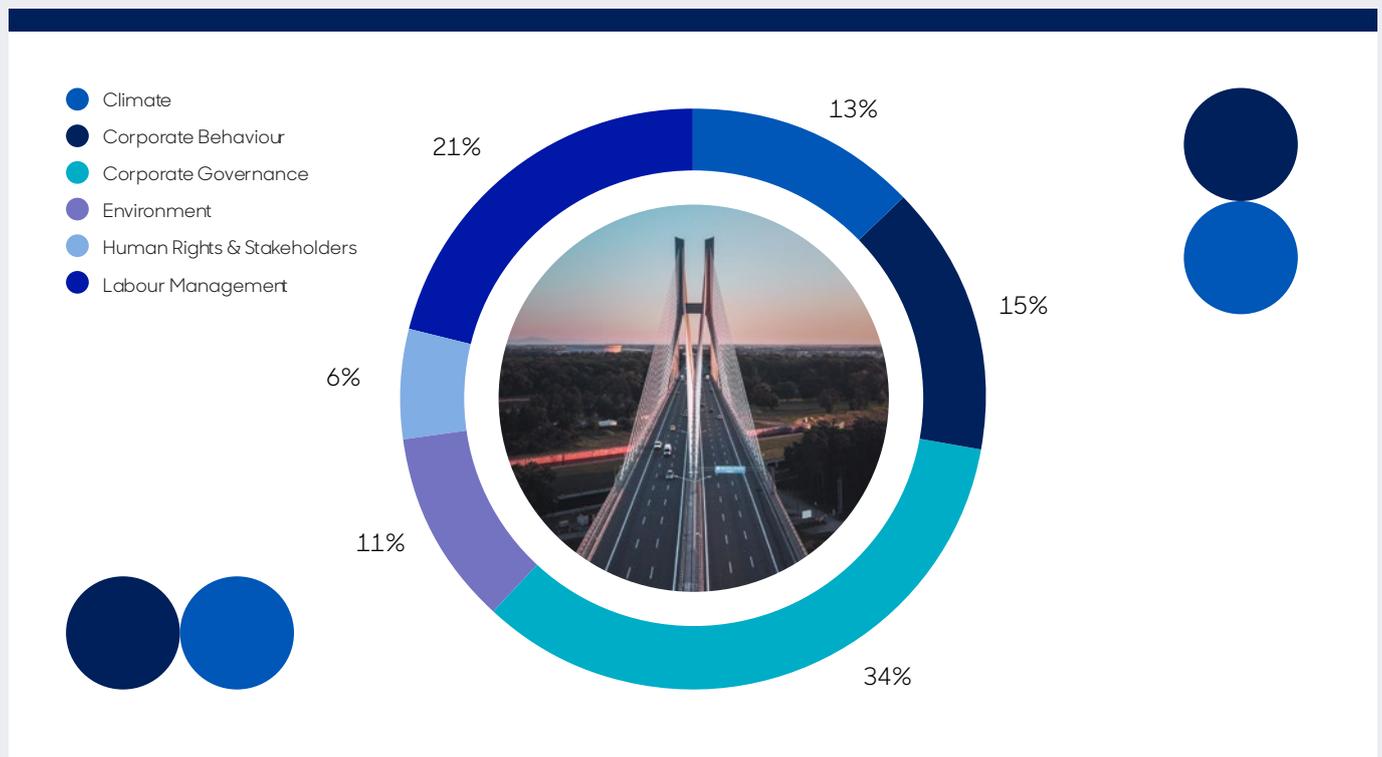
Find a selection of engagements carried out this year below.

Company	Country	Category	Engagement summary
Samsung Biologics	South Korea	Corporate behaviour	We continued our engagement with Samsung Biologics, covering issues including talent identification and succession planning, KPIs, supply chain management, water targets and quality control. While this was an encouraging meeting, there are areas in which we would prefer more detail. We'll continue the discussion during our investor meetings and will look to engage again more formally within a year.
Centre Testing	China	Corporate behaviour	A reassuring meeting with ESG team as well as the Board Secretary. Employee culture appears to be strong based on anecdotal evidence, with low employee turnover ratios and second-generation workers from the same family working in the same firm. Product quality has been consistently well-managed, and all production sites have been ISO-certified. Centre Testing has gone beyond national standards to ensure its audit committee is fully independent.
Vesta	Mexico	Environment	We have engaged with Vesta on several occasions to encourage the adoption of more ambitious green certification targets beyond the current target for 20% of Vesta's gross leasable area to be green-certified by 2026 and 28% by 2028. We had a similar discussion with the CFO in this meeting and were pleased to hear that Vesta has formally upgraded its environmental commitments as part of an upcoming green bond issuance, which will see Vesta apply more stringent stretch goals regarding green certification, ultimately striving for 55% of GLA to be green-certified by 2030.
CapitaLand India Trust (CLINT)	India	Environment	CLINT still see more can be done to progress towards its net zero goals. The company has achieved zero net water and waste for some parks and think this is possible across others. The main restriction on using more renewables seems to be at the local government.
Equatorial Energia	Brazil	Carbon emissions	We met with the Head of Sustainability, who addressed the difficulties in producing a holistic carbon emission reduction target, given the company's status as a regulated utility, where the concession requires the provision of electricity for all. For growing regions – like the Brazilian state Pará – extending the grid requires ongoing 'vegetal suppression', which challenges the overarching carbon reduction target at a corporate level. We pressed the company to provide a signal to the market in its upcoming disclosures and work towards this target on a best-endeavours basis. We were pleased to see that Equatorial has since included a target on emissions based on GWh distributed. We will continue to engage with the company to drive for revenue-denominated emission targets.

Engagement: a pathway to impact

Company	Country	Category	Engagement summary
Riyadh Cables	KSA	Health & safety	During an investment trip in Saudi Arabia, we undertook a factory tour as part of our ongoing due diligence to understand practices during production. We are pleased to confirm that operations are conducted in a manner which aligned with the documented disclosures, control environment and the company's ISO certifications. We have been engaging with Riyadh Cables to push for greater disclosure on this topic, given the materiality to operations. Since our engagement, we have seen an improved narrative provided within the latest annual report, alongside policy disclosures covering the topic on the company's website. Incidents continue to fall and are in line with global peers.
Samsung Electronics	South Korea	Corporate governance	Aberdeen has been a shareholder on behalf of our clients since 2000, enjoying constructive and candid dialogue. The ongoing asks centre around the clarity of buyback messaging (and a request to prioritise preference shares in any buyback efforts), as well as enhanced disclosures on performance-related remuneration targets, divestment and order of priority exiting non-core stakes. Our final request is for more ambitious targets in the use of recycled materials and early-stage discussions around physical climate risk mapping.

Engagement topics with companies held in abrdn SICAV I – Emerging Markets SDG Equity during 2024



SDG Governance Group

Experienced team with a broad range of specialist skills

Both the abrdn SICAV I - Asian SDG Equity Fund and abrdn SICAV I - Emerging Markets SDG Equity Fund are managed by the Asian and EM Equities team.

The SDG Governance Group oversees Aberdeen's SDG process, working closely with colleagues who manage our other impactful strategies. The Group meet fortnightly to peer review the SDG Notes, discuss thematic sustainability research and determine eligibility for inclusion in SDG-aligned portfolios. This Group is chaired by the portfolio managers and includes independent oversight from Aberdeen's Sustainable Investing Insights team. Representatives from our fixed income teams and on-desk ESG specialists are part of the Group to ensure a consistent approach to SDG alignment. The SDG notes need to be unanimously approved to be added to the SDG investment universe.

<p>Global Impact Climate & Environment</p>  <p>Sarah Norris Head of ESG for Equities Developed Markets</p>	<p>Emerging Markets SD Corporate Bond</p>  <p>Samuel Bevan Investment Director EMD Corporate</p>	<p>Global Smaller Companies SD</p>  <p>Abby Glennie Deputy Head, Smaller Companies</p>	<p>Sustainable Investing Team experts</p>  <p>Ann Meoni Senior Sustainable Investment Manager</p>	
 <p>Blair Couper Investment Director</p>	 <p>Liam Blaikie Senior Investment Manager</p>	 <p>Tzoulianna Leventi ESG Analyst & Investment Manager</p>	 <p>Nancy Hardie Sustainable Investment Analyst</p> <p>Nick Gaskell Sustainable Investment Manager</p>	
<p>Other specialist portfolio managers</p>			<p>Sustainability Group ESG experts</p>	

 <p>Catriona Macnair Investment Director Emerging Market Equities</p>	 <p>David A Smith Senior Investment Director Asian Equities</p>	 <p>Mubashira Bukhari Investment Director Emerging Market Equities</p>	 <p>Fraser Harle Investment Manager Emerging Market Equities</p>	 <p>Daniel Ng Investment Manager, Asian Equities</p>
<p>Portfolio managers</p>				

Boots on the ground

A new feature to mark both funds nearing their respective five-year anniversaries



Inspecting ASM International's clean room facility in Singapore, where stringent environmental controls enable industry-leading semiconductor equipment production.



Examining Empower's district cooling facilities in the United Arab Emirates, 50% more energy efficient than conventional air conditioning systems.



Visiting the manufacturing campus of Ningbo Orient Wires & Cables, China's leading provider of submarine power cables, to facilitate offshore wind-generation assets.



Attending Computex 2024, one of the world's leading technology expos, in Taiwan.



Quick lunch in between meetings in Noida, India.



Visiting one of Orizon's Ecoparks in Rio de Janeiro state, integral to formalisation of rubbish dumps in Brazil.

abrdn SICAV I – Emerging Markets SDG Equity Fund

Please refer to the fund’s prospectus Key Information Document (KID) for full details of the risks and costs of investing in the fund before making any final investment decision. The value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount invested.

Fund Objective

The Fund aims to achieve long-term growth by investing in companies in EM countries that, in our view, will make a positive contribution to society through their alignment with the United Nation’s Sustainable Development Goals (‘SDGs’). The Fund aims to outperform the MSCI Emerging Markets Index (USD) benchmark before charges.

Fund Characteristics

Fund Manager	Catriona Macnair
Launch date	09/12/2020
Assets under management	US\$50.0m
Base currency	USD
Number of holdings	58*
Investment style	Active
SFDR Classification	Article 9

*61 holdings in total including 3 untradeable local Russian securities marked to zero. Source Aberdeen, 31 October 2025.

Top 10 Holdings

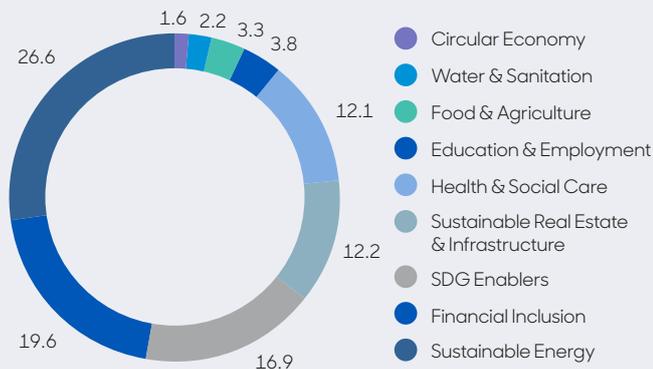
Company	Aberdeen impact pillar	SDG alignment	Active weight (%)
Chroma Ate	Sustainable Energy	 7	2.3
SBI Life Insurance	Financial Inclusion	 8	2.2
Nari Technology	Sustainable Energy	 7	2.1
Samsung Biologics	Health & Social Care	 3	2.0
Gedeon Richter	Health & Social Care	 3	2.0
Vijaya Diagnostics	Health & Social Care	 3	2.0
Contemporary Amperex Technology Co Ltd	Sustainable Energy	 7	2.0
Capitec Bank	Financial Inclusion	 10	1.9
Alkhorayef Water & Power Technologies	Water & Sanitation	 6	1.9
Bharti Hexacom	Sustainable Real Estate & Infrastructure	 9	1.9

Source: Aberdeen 31 July 2025.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

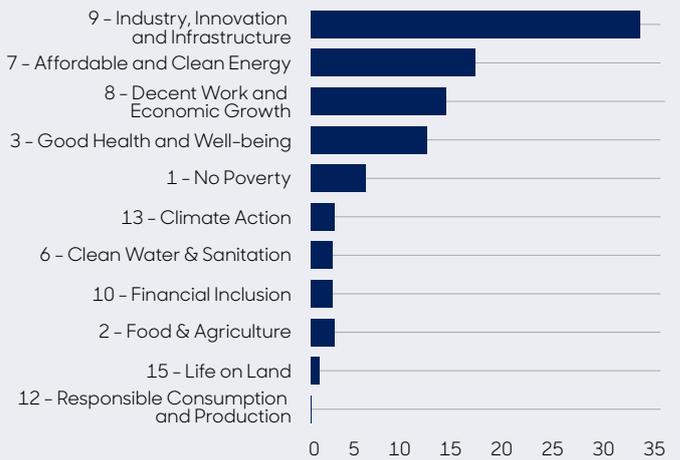
abrdn SICAV I – Emerging Markets SDG Equity Fund

Fund – Primary UN SDG Alignment split (%)

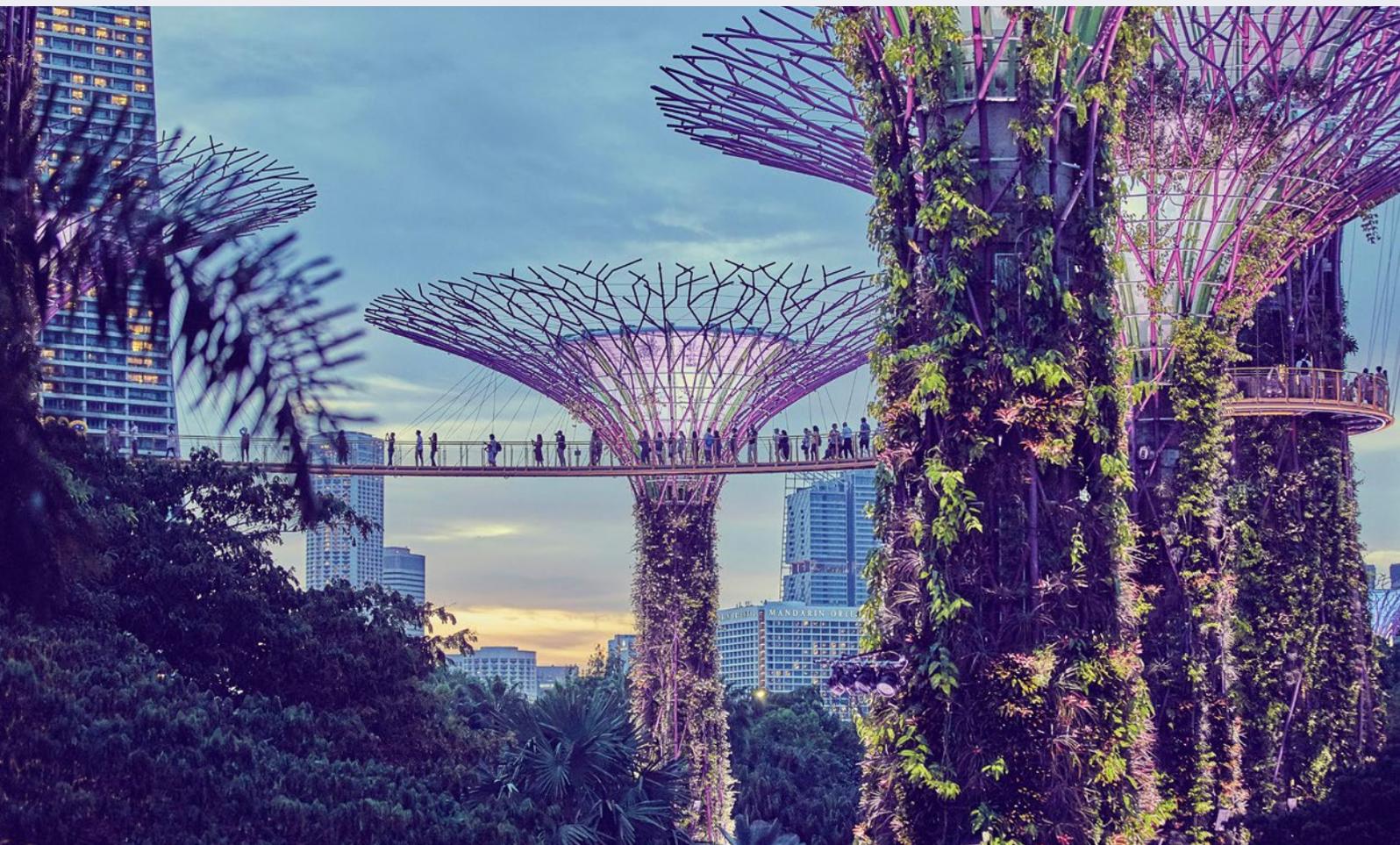


Fund – Aberdeen Impact Pillar (%)

Please refer to the fund's prospectus and Key Investor



Source: (Both charts) Aberdeen, 30 September 2025.



abrdn SICAV I – Asian SDG Equity Fund

Please refer to the fund's prospectus Key Information Document (KID) for full details of the risks and costs of investing in the fund before making any final investment decision. The value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount invested.

Fund Objective

The Fund aims to achieve long-term growth by investing in companies in Asia Pacific (excluding Japan) countries that, in our view, will make a positive contribution to society through their alignment with the United Nation's Sustainable Development Goals ('SDGs'). The Fund aims to outperform the MSCI AC Asia Pacific ex Japan Index (USD) benchmark before charges.

Fund Characteristics

Fund Manager	David A Smith
Launch date	25/08/2020
Assets under management	US\$16.0m
Base currency	USD
Number of holdings	59
Investment style	Active
SFDR Classification	Article 9

Source Aberdeen, 31 October 2025.

Top 10 Holdings

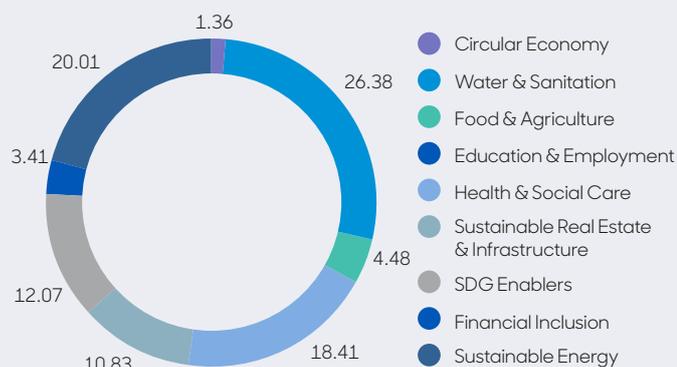
Company	Aberdeen impact pillar	SDG alignment	Active weight (%)
ResMed Inc	Health & Social Care		3.6
Goodman Group	Sustainable Real Estate & Infrastructure		2.6
Chroma Ate	Sustainable Energy		2.6
SBI Life Insurance	Financial Inclusion		2.4
CSL Limited	Health & Social Care		2.0
Power Grid Corporation of India	Sustainable Energy		2.0
GDS Holdings	Sustainable Real Estate & Infrastructure		1.9
Vijaya Diagnostics	Health & Social Care		1.8
ICICI Bank	Financial Inclusion		1.8
JB Chemicals & Pharmaceuticals	Health & Social Care		1.8

Source: Aberdeen 31 July 2025.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

abrdn SICAV I – Asian SDG Equity Fund

Fund – Primary UN SDG Alignment split (%)



Source Aberdeen, September 2025.

Fund – Aberdeen Impact Pillar (%)



Source Aberdeen, September 2025.



Norms-based and binary exclusions

Neither fund invests in companies which:

Norms-based exclusions	<ul style="list-style-type: none"> • Fail to uphold one or more of the following principles of the UNGC, ILO, or OECD guidelines for Multinational Enterprises • Are state-owned enterprises in countries subject to international sanctions or that materially violate universal basic principles.
Weapons	<ul style="list-style-type: none"> • Are involved in controversial weapons • Have a revenue contribution of 5% or more from the manufacture or sale of conventional weapons or weapons systems • Have a revenue contribution of 25% or more from bespoke products, equipment or services dedicated to enabling the execution of activities associated to: <ul style="list-style-type: none"> – Manufacture of weapons or tailor-made components thereof – Sale of weapons
Tobacco, Alcohol & Gambling	<ul style="list-style-type: none"> • Have a revenue contribution of 5% or more from tobacco wholesale trading or are tobacco manufacturers • Have a revenue contribution of 25% or more from bespoke products, equipment or services dedicated to enabling the execution of activities associated to: <ul style="list-style-type: none"> – Production of tobacco, tobacco products or e-cigarettes – Wholesale trading of tobacco products or e-cigarettes • Have a revenue contribution of 5% or more from gambling • Have a revenue contribution of 5% or more from alcohol production
Environment	<ul style="list-style-type: none"> • Have a revenue exposure to thermal coal • Have a tie to thermal coal unless the company has a strict SBTi/Net Zero target; <10% CapEx dedicated to thermal coal-related activities and not with the objective of increasing revenue; >50% CapEx dedicated to contributing activities • Have a revenue contribution of 25% or more from bespoke products, equipment or services dedicated to enabling the execution of activities associated to: Thermal coal prospecting or exploration; Extraction/mining of thermal coal; Processing of thermal coal; Transportation of thermal coal • Have a revenue exposure to unconventional oil and gas unless production capacity is not increasing, and the company has a strict SBTi/Net Zero target; <5% linked revenue; 50% CapEx dedicated to contributing activities • Have a revenue contribution of 25% or more from bespoke products, equipment or services dedicated to enabling the execution of activities associated to: Unconventional oil and gas prospecting or exploration; Extraction of unconventional oil and gas • Have unconventional production of more than 5% or have any short-term unconventional expansion (GOGEL) • Have a revenue exposure to conventional oil and gas extraction are allocated the GICS sector designation "Energy" unless the company has a strict SBTi/Net Zero target; <15% of capex dedicated to oil & gas related activities and are not intending to increase revenue; a revenue contribution of less than 5% from oil and gas-related activities; >15% of CapEx dedicated to activities which contribute positively to environmental objectives • Have a revenue contribution of 25% or more from bespoke products, equipment or services dedicated to enabling the execution of activities associated to: Oil or gas prospecting or exploration; Extraction of oil or gas; Processing or refining of oil or gas (except oil to chemicals); Transportation of oil (not distribution) • Have any IEA NZE Expansion Overshoot or having any Exploration CapEx (3-year average) (GOGEL) • Are directly involved in electricity generation which has a carbon emission intensity inconsistent with the Paris Agreement 2 degrees scenario • Are directly involved in electricity generation and are making new investments in thermal coal or nuclear energy generation capacity

Contact us

Asian and EM SDG team

Responsible for portfolio construction



Catriona Macnair
Investment Director
Emerging Market
Equities



David A Smith
Senior Investment
Director Asian
Equities



**Mubashira Bukhari
Khwaja**
Investment Director
Emerging Market Equities



Fraser Harle
Investment Manager
Emerging Market
Equities



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Endnotes

- 1 [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(25\)01186-9/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(25)01186-9/fulltext)
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- 14 <https://www.wfp.org/countries/india>
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- 20 <https://evoma.com/business-centre/sme-sector-in-india-statistics-trends-reports/#:~:text=Number%20of%20EE%80%80SMEs%EE%80%81%20EE%80%80in%20India%EE%80%81%3A%20The%20number%20is,agricultural%20sector.%20Products%3A%20produces%20more%20than%206000%20products.>
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- 22 World Economic Forum (2024) The Future of Jobs Report 2023 (Online). Available at 1. Introduction: the global labour market landscape in 2023 - The Future of Jobs Report 2023 | World Economic Forum (Accessed May 2025)
- 23 ILO (2024) Global Youth Unemployment Trends (Online). Available at <https://www.weforum.org/publications/the-future-of-jobs-report-2023/in-full/1-introduction-the-global-labour-market-landscape-in-2023/> Number of youth not in employment, education, or training (NEET) a cause for concern, despite falling jobless rate | International Labour Organization (Accessed May 2025)
- 24 Total value of goods sold through a marketplace or platform which is used to measure the scale of transactions
- 25 <https://www.iea.org/energy-system/transport>
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- 27 <https://www.wfp.org/countries/india>
- 28 <https://www.globalhungerindex.org/>
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- 31 <https://www.wfp.org/countries/india>
- 32 <https://www.globalhungerindex.org/>
- 33 <https://evoma.com/business-centre/sme-sector-in-india-statistics-trends-reports/#:~:text=Number%20of%20EE%80%80SMEs%EE%80%81%20EE%80%80in%20India%EE%80%81%3A%20The%20number%20is,agricultural%20sector.%20Products%3A%20produces%20more%20than%206000%20products.>
- 34 Total value of goods sold through a marketplace or platform which is used to measure the scale of transactions

