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This is a marketing communication. Please refer to a fund's prospectus and Key Information Document before making any final investment decision

Sustainable Development Report 2025

abrdn SICAV I -
Asian SDG Equity Fund

abrdn SICAV I -
Emerging Markets
SDG Equity Fund









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The path forward is not obscure or beyond reach. The SDGs remain our most effective blueprint for peace, prosperity and sustainability.

Li Junhua, Under-Secretary-General for Economic and Social Affairs at the United Nations



Introduction

Introducing the fifth edition of our sustainable development report

We have entered the final four years of the United Nations' 2030 Agenda for Sustainable Development. Yet the sustainable development goal (SDG) financing gap remains around US$4 trillion, and only just over one third of assessable SDG targets are on track or making moderate progress.[1] Global fragmentation, deepening geopolitical tensions and rising conflict have all weighed on progress.[2] The lesson is not that progress has failed, but that it remains uneven, fragile and incomplete.

Communities across Asian and emerging markets have repeatedly been reminded how closely economic development and environmental resilience are intertwined. The US National Oceanic and Atmospheric Administration recently assigned an 81% probability of this year's El Niño being a very strong event. The meteorological phenomenon typically creates extreme rainfall and temperature patterns, with a greater likelihood of droughts in South and South-East Asia and pronounced flooding risk in regions of South America. The repercussions for Asian and emerging markets' agricultural and coastal communities could be considerable. Indeed, Peruvian banks are already talking about pre-emptive provisioning based on portfolio geo-location monitoring. For many households and corporates across Asian and emerging markets, climate change is no longer a future risk but an everyday reality.

This prospective 'super' El Niño comes at a time when many Asian and emerging markets are digesting constrained energy and fertiliser exports through the Strait of Hormuz. Each time maritime traffic in this critical shipping channel is disrupted, it creates shockwaves across fuel, fertiliser and food supply chains worldwide, exacerbating inflationary pressures. All too often, the world's most vulnerable are hit hardest since food represents a larger share of household budgets in less economically developed countries. Ahead of this major supply-side shock to global food systems, 673 million people were estimated to have experienced chronic hunger and as many as 2.3 billion people, equivalent to 28% of the global population, were affected by food insecurity in 2025.[3]

These ever-mounting challenges facing people and planet coincide with an unprecedented financing shock to less economically developed countries. Official development assistance declined 23% in 2025, the largest annual drop ever recorded, with further cuts expected in 2026. Debt pressures also remain considerable with debt-servicing costs hitting historic highs. Mobilising national development banks and other measures discussed in the Sevilla Commitment pledge could be transformative in tackling the shortfall.[4]

Many of the defining investment opportunities in coming years will emerge from precisely the challenges, or unmet needs, the world is struggling to solve. Across Asia and emerging markets, we continue to find businesses helping to address real-world challenges while building durable franchises capable of generating long-term shareholder returns. The next chapter of development may look very different from the last. Over the past year, we have witnessed the growing influence of technologies that have the potential to reshape development pathways altogether. This report highlights some of the companies we believe are helping to shape that future.

Both funds celebrated their five-year anniversary milestone in 2025. Impact measurement for companies in Asian and emerging markets remains challenging, particularly for impactful investors seeking social rather than climate outcomes or moving down the market-cap spectrum where companies often lack the reporting resources, systems and disclosure frameworks available to large multinational peers. In our experience, consistency of messaging coupled with a long-term investment horizon and clear asks from key portfolio decision-makers can lead to incremental corporate disclosure enhancements. The Laureate Education engagement example detailed in this report brings the topic of social impact measurement by a small-cap Latin American company to life. These types of impactful disclosures and ongoing dialogues to encourage more companies to do the same will be integral to furthering impact measurement for these two funds.

[1] The-Sustainable-Development-Goals-Report-2026.pdf
[2] Unsdg | Development Finance Gap Risks Reversing Decades of Progress
[3] The-Sustainable-Development-Goals-Report-2026.pdf
[4] Financing for Sustainable Development Report 2026: Implementing the Sevilla Commitment | Financing for Sustainable Development Office

Introduction

We have opted to make the 'Boots on the ground' section of this report a repeat feature to share with you some snapshots of our portfolio managers' equity research trips to Asian and emerging markets over the past calendar year. The photographs help illustrate the fundamental in-country research the portfolio construction group undertakes to identify and monitor high-calibre companies capable of delivering a double bottom line for you, our clients, over the long term. Keep in mind research insights gleaned on these particular visits are enriched by other colleagues' findings from research endeavours in different geographies to hone our stock-level conviction and sharpen investment theses. This strong team culture with an emphasis on collaboration, conviction and challenge is central to our idea generation and portfolio positioning.

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

Let's make these final four years count.



Catriona Macnair

Investment Director
Emerging Market Equities team



David Smith

Senior Investment Director
Asian Equities team

Introduction

Importance of the SDGs for Asian and emerging markets

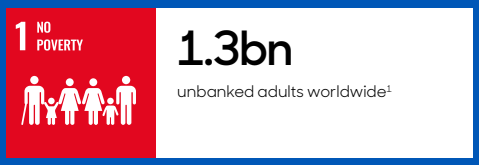
The United Nations' Sustainable Development Goals provide a framework to create positive change by setting out a "blueprint for achieving a better and more sustainable future for all". The 2030 goals encompass 169 targets that touch on themes including **reducing inequalities, supporting climate solutions, and enabling responsible consumption and production.** They have global support and were adopted by the United Nations' 193 member states in September 2015.

Emerging market and developing economies are at the heart of the challenges identified by the SDGs. They are home to the vast majority of the world's population and account for about 45% of global GDP, yet they hold a disproportionately small share of global financial assets.[5]

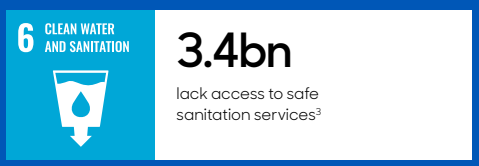
The **funding gap to meet the SDGs in emerging markets by 2030 is substantial**, with the Organisation of Economic Development (OECD) forecasting the need for US$4.3 trillion per year in additional investments[6]. Just over half of this is for energy transition, with public debt markets playing a crucial funding role.

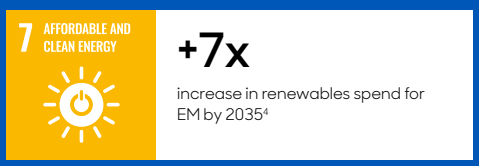
There is a significant opportunity in sustainable solutions. The SDGs can identify unmet needs, which represent a source of untapped demand and growth opportunities in emerging markets. Rather than seeing problems, **we see opportunities and seek investments in sustainable solutions to deliver "profit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

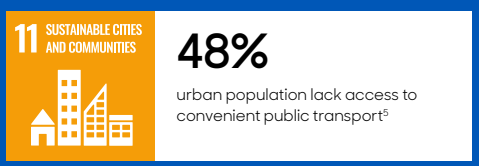


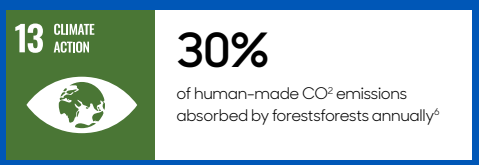












Source: Aberdeen, United Nations, December 2023[1] World Bank 2023[2] WHO, 2017[3] WHO, 2023[4] IEA, 2023[5] United Nations, 2022[6] Nature Climate Change, 2021.

[5] World Bank (2025) Global Economic Prospects, January 2025 (Online). Available at Global Economic Prospects -- January 2025 (Accessed June 2026).
[6] UNCTAD (2025) Financing for development: Reforming global systems to drive progress. Available at Financing for development: Reforming global systems to drive progress | UN Trade and Development (UNCTAD) https://unstats.un.org/sdgs/report/2023/The-Sustainable-Development-Goals-Report-2023.pdf(Accessed June 2026)

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 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.

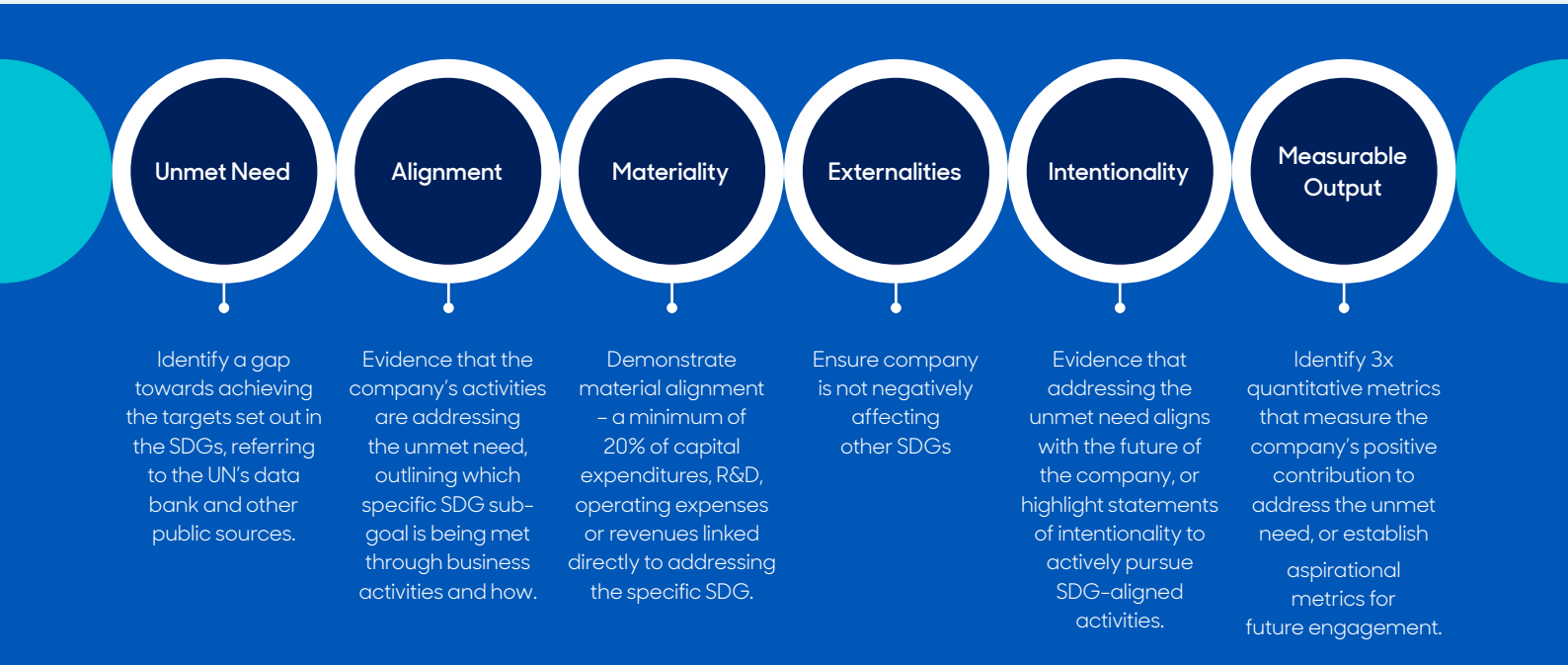
How do we monitor progress in delivering positive outcomes?

Company self-disclosure is an indispensable part of our SDG-aligned investing approach. We believe that a company intending to deliver a product to address a specific 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".[7] In addition to case studies and pillar-level data discussed below, we analyse the outcomes companies supported using a country and/or regional lens.

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.

[7] The Global Impact Investing Network, Inc. (GIIN) is the leading industry body for impact investing



Process and outcomes

Pillars and themes

Aberdeen distilled the 17 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



Sustainable 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

Source: Aberdeen, June 2026. Following a comprehensive review of Aberdeen's SDG-aligned equity funds, the decision was made to no longer have the "SDG enabler" category as a distinct concept. From 26 March 2026 companies previously classified as SDG enablers will be directly aligned with the specific impact pillars they contribute to. Integrating these enabler companies into their respective impact pillars is a logical next step which supports the funds' long-term objectives. There has been no change to the overall assessment or eligibility criteria for these investments.

Process and outcomes

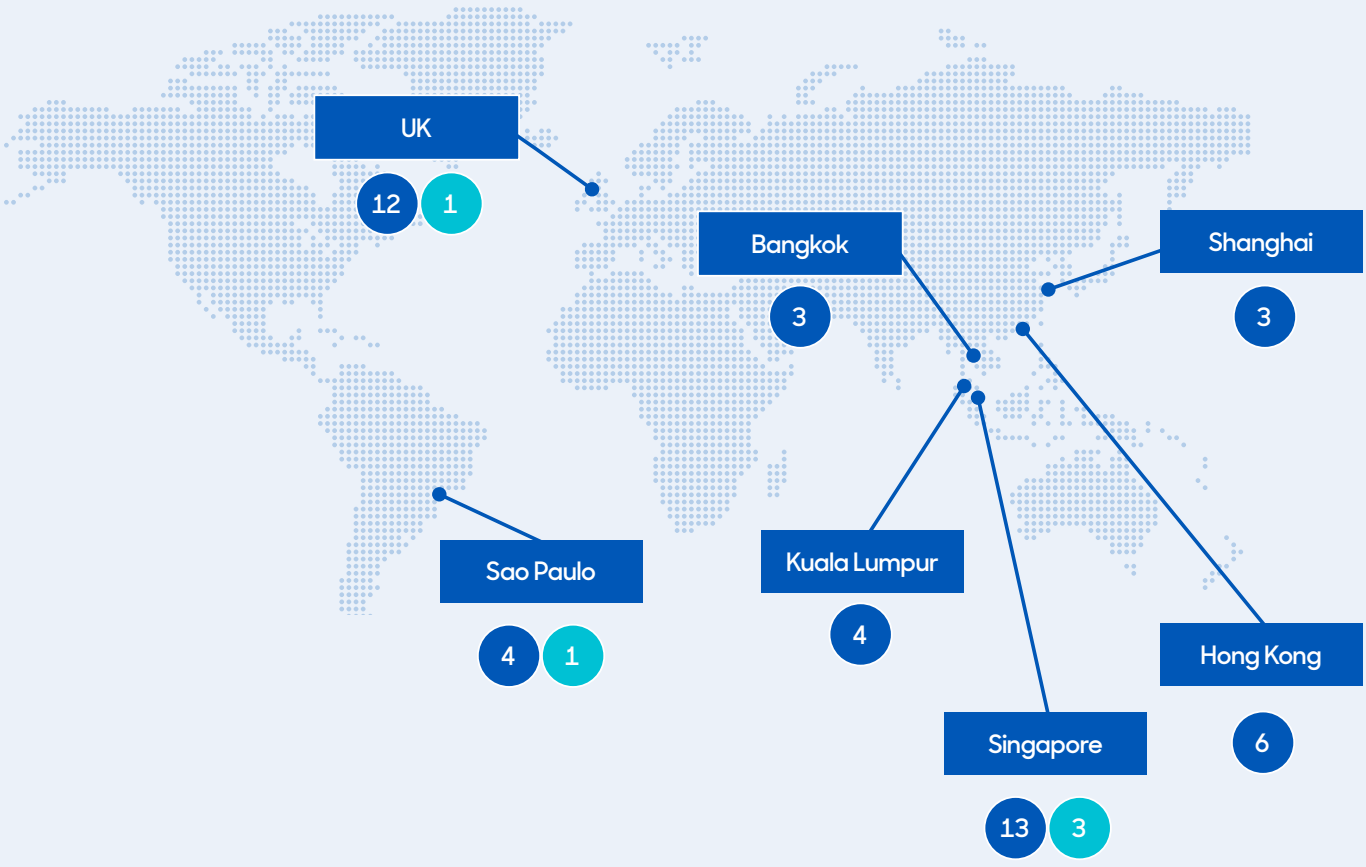
Why Aberdeen for impactful investing in Asian and emerging markets

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.

Fundamentally driven research

Your trusted partner in Asian & Emerging Market Equities

We have a 39-year heritage of investing in Asia and emerging markets, with a longstanding focus on proprietary, bottom-up research to unearth quality companies. Our team conducts upwards of 2,000 meetings with companies every year, speaking to management teams directly.



Denotes number of Equity investment professionals

Denotes number of Environmental, Social and Governance (ESG) investment professionals

Process and outcomes

Aberdeen is a Specialist in Emerging Markets

Long history and extensive resources

EM assets	History of EM investing	EM resources
USD 53bn	**39 years**	**90+**
USD 14bn in Asia ex-JP Equity	EM equity	Investment professional
USD 16bn in EM Equity	**32 years** EM debt	**50+** EM equity specialists
USD 23bn in EM Debt		**40+** EM debt specialists

Over 2,000 meetings conducted every year in EM & Frontier markets by the EM equity and debt teams



China



Mexico



India



Georgia



Brazil



South Korea

Source: Aberdeen, 31 December 2025. An exchange rate of GBP1:USD1.3451 as at 31 December 2025 has been used..

Process and outcomes

Why Aberdeen for sustainable investing in emerging markets

People, process, performance







People

- **On-the-ground footprint** across emerging markets with **90+ investors spanning debt and equity**
- **39 years' expertise investing in Asian & EM Equities** with an experienced team
- **Specialist resources** with 25+ central sustainability experts and 4 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
- **5-year track record** delivering dual outcomes
- MSCI ESG rating **A** and **top quintile**
- **Lower Weighted-Average Carbon Intensity** relative to benchmark
- **Higher Board gender diversity** relative to benchmark

Impact pillar headline outputs



In 2025, positive impact outputs from companies we held in the funds include...

Circular Economy

8.8m+

Responsibly receiving and managing over **8,860,000** metric tonnes of waste, mitigating risks to public health, preserving soil integrity, and protecting groundwater resources in Brazil.

Sustainable Energy

4.6m+

Selling over **4,602,000** electric vehicles and **16,300,000** electric two-wheelers across multiple markets globally, supporting the electrification and decarbonisation of transportation which is a crucial part of the energy transition.

660

Manufacturing and shipping **160 Gigawatts** of solar inverters, more than **660** GWh of batteries, **210** Gigawatt-hours of energy-storage batteries and producing more than **86,000** MegaVolt-Ampere in transformer capacity to support the global energy transition away from fossil fuels.

Food & Agriculture

370k

Producing more than **426,000** tractors, of which more than **370,000** tractors were sold domestically to support agricultural yields amongst India's small-medium landholdings.

50k

Supporting **50,000** female farmers' participation in regenerative agricultural projects in India.

Water & Sanitation

19.65m

Managed 19,650,000 metres of wastewater networks in water-stressed Saudi Arabia through the management of over **42,000,000** metres of networks.

Impact pillar headline outputs



Health & Social Care

1,400

Adding **7** hospitals, **1,400** operational hospital beds, **11** diagnostic centres and **5** oncology clinics across China, Indonesia, India and Brazil.

7,300

Performing more than **7,300** paediatric surgical procedures in dedicated children's facilities to support healthcare outcomes in India.

83

Training **83** pharmacy interns and opening **13** new pharmacies in South Africa's townships to improve access to healthcare professionals.

Financial Inclusion

23m

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

134k

Issuing **134,000** business loans in Uzbekistan to increase formalisation of the banking sector and improve access to credit in the country.

110

Opening more than **110** new bank branches in rural India helping to promote financial inclusion amongst the underserved.

Sustainable Real Estate & Infrastructure

110

Adding **2** new district cooling plants, **12** kilometres of district cooling network and serving an additional **110** buildings with energy-efficient cooling in UAE.

3,200

Installing **3,200** kilometres of telecommunications fibre in Africa to support connectivity needs for consumers and enterprises.

2,700

Extending telecommunications network coverage to over **2,700** non-census towns and villages in India.

Education & Employment

249k

Teaching approximately **249,000** higher-education students in Mexico and Peru who were the first in their family to attend university.

9.5m

Generating employment via route-to-market online marketplace solutions for in excess of **9.5 million** small-medium enterprises, and acting as the vehicle through which **5,225,000** small-medium enterprises 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. This is something we intend to incorporate in the 2026 report.

The following case studies are for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Circular Economy

Doing more and better with less

The **world generates more than two billion tonnes of municipal solid waste each year**. This total is expected to rise sharply by 2050 as urbanisation, incomes and consumption increase.[8] Poor waste management can have significant environmental and social consequences, including pollution, greenhouse gas emissions (GHG) and further strain on natural resources.

The Circular Economy seeks to **move away from a 'make, use, dispose' model** to one that enhances and extends the lifespan of products and materials and diverts 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.

[8] UN Environment Programme (2024) Global Waste Management Outlook 2024. Available at Global Waste Management Outlook 2024 | UNEP - UN Environment Programme (Accessed June 2026)



Case study

ORIZON

Company name: Orizon
Country: Brazil
Sector: Materials – commercial services and supplies

SDG sub-goal: 12.5

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

MSCI ESG rating* - B

ESG risks

- Hazardous emissions
- Biodiversity conservation
- Corporate governance

Theory of change

Unmet need

Waste generation in Brazil exceeds the global average by 40%. Every Brazilian generates about 1 kilogram 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. In terms of revenues, more than 75% of 2025 revenues were generated by final disposal standalone landfill operations and approximately 15% to energy transition.

Measurable output

KPI	2025	2024	2023
Waste received and managed (tonnes)	8,866,000	8,699,700	8,338,400
Total biogas (thousands of Nm3 /h) Monthly Average	59,197	61,785	54,288
Carbon credits generated (tCO2)	3,242,725	3,461,628	2,991,974
Renewable energy generated (MWh)	498,781	384,429	398,438

Source: Company annual reports and other disclosures.

*Further information on the MSCI ESG rating methodology is available here: MSCI ESG Ratings 2026 Model Update

Engagement example

Orizon operates in the Brazilian waste management sector, playing an important role in moving the final destination of waste from informal dump sites to formal landfills. The company adds further economic value from this waste, principally from the production of biogas, biomethane and carbon credits. This multiplies the economic value of the core inputs for which it already received compensation for disposal. The business operates primarily in Brazilian municipalities that lack adequate waste disposal, improving sanitation and waste management and supporting recycling.

Orizon being a relatively small business, the Emerging Market Equities team have engaged collaboratively with the company over the years, focusing on financial disclosures, appropriate and correct sustainability-related disclosures and the evolving nature of corporate governance at this rapidly growing company.

Last year, our focus was on deal financing after Orizon announced a capital raise. While we supported the strategic rationale for the transaction, we had concerns about the structure of the transaction, which involved a mandatory two-year lock-up on shares for all participating investors. While this is a common feature of transactions globally for incoming strategic shareholders, it is uncommon and not best practice for minority investors – a point we consistently raised with the company.

We spoke with senior management and external stakeholders including the chief financial officer and board of directors. These conversations brought to light the speed at which the capital raise needed to be executed and how this contributed to the decision to impose the lock-up, which management later characterised as an ill-advised but unintended casualty of achieving the deal swiftly. We reinforced the need for equitable treatment of all shareholders, predictable governance outcomes, and a clear articulation of the guardrails around capital allocation.

Subsequently, with the proposed acquisition of Vital Engenharia Ambiental, we have seen a material step-change in how Orizon structures corporate actions and addresses governance alignment. Across meetings with board members and management, it is clear that the more recent transactions have been designed with more robust governance protections, including ring-fencing arrangements, clearer shareholder-agreement structuring, and a move away from atypical mechanisms such as long lock-ups. The more orthodox structure, improved alignment of shareholder incentives, and well-defined integration governance collectively demonstrate a marked improvement. It also illustrates the tangible impact that engaged, active shareholders can have in shaping governance outcomes and ensuring negative externalities do not complicate impact outcomes.

Sustainable Energy

Increasing renewables, decreasing emissions and improving access

Energy is central to almost every environmental and social issue the world faces. It touches on most aspects of daily life, from cooking to mobility to education. Electricity still represents only around one-fifth of global final energy consumption, meaning progress in the power sector alone is not enough to deliver a full energy transition. An estimated **666 million people still lack access to electricity**, underscoring the need for continued investment in grids, decentralised systems and broader energy infrastructure.[9]

Meeting global climate goals is possible, but it requires large-scale deployment of renewables and mobilisation of private capital. According to the International Energy Agency (IEA), **renewables accounted for around one-third of global electricity generation in 2025**, reflecting the continued rapid expansion of solar, wind and other low-carbon technologies.[10] 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 Brazil and India, as well as supporting electricity transmission, renewables and battery storage in India.
- Provide solar inverters and energy storage solutions to customers around the world.
- Enhance global data centre energy efficiency and reduce carbon emissions through thermal management and liquid cooling solutions.
- 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.

[9] IEA, IRENA, UNSD, World Bank, WHO (2025) Tracking SDG 7: The Energy Progress Report 2025. Available at Tracking SDG 7 – The Energy Progress Report 2025 – World Bank Group (Accessed June 2026)
[10] IEA (2026) Global Energy Review 2026. Available at Electricity supply – Global Energy Review 2026 – Analysis - IEA (Accessed June 2026



Case study

SUNGROW POWER

Company: Sungrow Power Supply
Country: China
Sector: Industrials – renewable energy equipment

SDG sub-goal: 7.2

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

MSCI ESG rating* - AAA

ESG risks

- Responsible supply chain
- Product safety and quality
- Labour management
- Data privacy, protection and cybersecurity

Theory of change

Unmet need

While China's power fleet is shifting towards renewables in an ambitious bid to achieve carbon neutrality by 2060, the country still has the highest carbon emissions in the world. China accounts for approximately 30.7% of global GHG emissions, excluding land use, land use change and forestry.[11] Despite representing 34% of China's total installed power-generation capacity, coal continues to be the backbone of China's power system generating more than 50% of the country's electricity generation in 2025.[12]

Intentionality

Sungrow Power Supply is the leading solar inverter business in the world with presence across a number of cleantech businesses. The company's core mission is "clean power for all". Sungrow's Research and Development team has consistently accounted for 40% of total headcount in each of the past three years and 100% of research and development spend each of those years has been allocated to sustainable energy solutions.

Materiality

Approximately 98% of the company's revenue in 2025 was from cleantech businesses, including solar inverters, energy storage systems, solar farms EPC (engineering, procurement and construction) and operation and wind converters.

Measurable output

KPI	2025	2024	2023
Customers' avoided emissions (m tonnes of CO2 equivalent/year)	540 to June	470	300
Cumulative installed capacity of Sungrow's power electronic converters worldwide (GW)	870 to June	740	515
Produced & shipped solar inverter volumes (GW)	160	147	130
Energy-storage batteries shipped (GWh)	43	28	11

Source: Company annual reports and other disclosures.

Avoided CO_2 emissions are calculated using the global average carbon intensity of electricity generation released by the IEA.

*Further information on the MSCI ESG rating methodology is available here: MSCI ESG Ratings 2026 Model Update

[11] https://climateactiontracker.org/countries/china/
[12] https://energyandcleanair.org/publication/chinas-coal-is-losing-ground-but-not-letting-go/

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 United Nations, the world's population is now projected to peak at around 10.3 billion in the mid-2080s.[13] Feeding a growing and increasingly urban population is already placing heavy pressure on land, oceans, forests and biodiversity. The latest Food and Agriculture Organisation (FAO) data show that **deforestation has slowed, but forests are still being lost at around 10.9 million hectares per year,** while agricultural expansion remains one of the main global drivers of forest loss.[14]

Food insecurity remains elevated. In 2024, an estimated 8.2% of the global population – around 673 million people – experienced hunger, while about 28% of the world's population, or nearly **2.3 billion people, faced moderate or severe food insecurity.**[15] Although these figures have improved slightly from recent peaks, they remain well above pre-pandemic levels, reflecting the lingering effects of food price inflation, climate-related shocks, conflict and economic disruption on global food systems.

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 emission intensities 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 Organisation for Standardisation (ISO) certifications in China.

[13] United Nations (2024) World Population Prospects 2024. Available at World Population Prospects 2024 | Population Division (Accessed June 2026)
[14] FAO (2025) Global Forest Resources Assessment 2025. Available at Global Forest Resources Assessment 2025 (Accessed June 2026)
[15] FAO, IFAD, UNICEF, WFP and WHO (2025) The State of Food Security and Nutrition in the World 2025. Available at The State of Food Security and Nutrition in the World 2025 (Accessed June 2026)



Case study

Mahindra

Company name:
Mahindra & 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.

MSCI ESG rating* – AA

ESG risks

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

ESG engagement

Where possible, we continued to discuss the opportunity for improved disclosure around farm productivity data to publicly convey the impact of Mahindra & Mahindra farm equipment on agricultural yields. We also requested consistent annual disclosures around tractor production volumes.

Theory of change

Unmet need

According to the World Food Programme, India is home to a quarter of all undernourished people on Earth.[16] In the last two decades, per capita income more than tripled, yet the minimum dietary intake fell[1]. In 2024, the Global Hunger Index ranked India 105 out of 127 countries.[17] 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 44% 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-sized farms. All farm division suppliers are local to India. Of the company's total research and development spend, 45% is allocated to specific technologies to improve environmental and social impacts, such as Trem IV, Trem V, and CPCB4 Stage V technologies intended to reduce air pollution of the tractor and auto fleet.

Materiality

Mahindra & Mahindra's farm business contributed to 21% revenues and 25% of profits in financial year ending March 2026.

Measurable output

KPI – March year-end	2025	2024	2023
Number of tractors produced	521,945	426,446	371,936
Number of tractors sold (including Trakstar brand)	526,403	424,641	378,386
Number of tractors sold domestically	505,930	407,094	364,526
Female farmers participating in regenerative agriculture project	97,541	50,000	25,046
Female farmers participating in PRERNA farm skilling project since launch	9,151	3,811	6,082

Source: Company annual reports and other disclosures.

*Further information on the MSCI ESG rating methodology is available here: MSCI ESG Ratings 2026 Model Update

[16] https://www.wfp.org/countries/india
[17] https://www.globalhungerindex.org/

Water & Sanitation

Establishing access to safe, clean and sustainable facilities

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

Progress towards universal access to safe water and sanitation remains far too slow. The latest World Health Organisation (WHO)/United Nations International Children's Emergency Fund (UNICEF) data show that around 2.1 billion people still lacked safely managed drinking water, while 3.4 billion people lacked safely managed sanitation. To achieve universal coverage by 2030, current rates of progress would need to increase significantly. Safe water, sanitation and hygiene are fundamental to public health: WHO estimates that 829,000 deaths each year are attributable to unsafe drinking water, inadequate sanitation and poor hygiene practices[18]

Management of water resources is also crucial for climate adaptation. The latest UN-Water reporting shows that global water stress reached 18.6%, with high or critical levels concentrated in parts of Northern Africa, Western Asia and Southern and Central Asia[19] Improving water-use efficiency and ensuring sustainable withdrawals are therefore essential, and remain a key focus area for this pillar.

Core themes include...

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

[18] WHO and UNICEF (2025) Progress on household drinking-water, sanitation and hygiene 2000-2024: Special focus on inequalities. Available at Progress on household drinking-water, sanitation and hygiene 2000-2024: Special focus on inequalities (Accessed June 2026

[19] UN-Water (2024) Progress on the Level of Water Stress: Mid-term status of SDG Indicator 6.4.2 and acceleration needs, with special focus on Food Security 2024. Available at Progress on the Level of Water Stress (Accessed June 2026)



Case study

الخريّف 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.

MSCI ESG rating* - B

ESG risks

- Disclosure
- Health and safety
- Labour management
- Governance and internal controls

ESG engagement

We continue to engage with AWPT on the disclosure of its control environment and adherence of ISO controls. Over our period of ownership, we have previously undertaken work for the company to share more on its commercial pipeline – this has now largely been achieved to a satisfactory extent.

Theory of change

Unmet need

Saudi Arabia is a desert with an unsustainable reliance on groundwater. It is one of the most water-stressed countries in the world, with renewable freshwater resources far below the threshold typically used to define absolute water scarcity. According to the World Bank, the wider Middle East and North Africa region is expected to fall below 500 cubic metres of renewable water per capita per year by the end of the decade, the benchmark for 'absolute water scarcity'. Saudi Arabia already relies heavily on non-renewable fossil aquifers, desalination and water reuse to meet demand. Added to which, aged infrastructure means approximately 40% of water is lost during transmission, some five times above that in most developed economies.[20]

Intentionality

AWPT is the market leader in building and maintaining sanitation systems within the Kingdom of Saudi Arabia. Its order backlog highlights continued growth and an increasing share of engineering, procurement and construction contracts, as AWPT supports the building out necessary sanitation infrastructure. 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

While all revenue is associated with the country's sanitation system, approximately 47% of revenues can be attributed to building out water infrastructure within the Kingdom of Saudi Arabia, helping to expand security of water supply within Saudi Arabia.

Measurable output

KPI	2025	2024	2023
Province where AWPT is present	12	11	9
Wastewater Networks Managed (metres)	19,650,000	11,250,000	3,600,000

Source: Company annual reports and other disclosures.

*Further information on the MSCI ESG rating methodology is available here: MSCI ESG Ratings 2026 Model Update

[20] Saudi Arabia - Water

Health & Social Care

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

Health and social care standards still vary dramatically across the globe, and recent WHO analysis shows that progress towards universal health coverage remains too slow. An estimated **4.6 billion people still lack full coverage of essential health services**, while health worker shortages remain most acute in lower-income countries, particularly in Sub-Saharan Africa.[21] Better access to essential care can significantly improve outcomes. For example, the global maternal mortality ratio fell by about 40% between 2000 and 2023, although progress has slowed in recent years.[22] Further, **drug development breakthroughs can also significantly improve outcomes**: according to United Nations Programme on HIV/AIDS (UNAIDS), expanded access to antiretroviral treatment has helped reduce AIDS-related deaths by 56% since 2010.[23]

Our Health & Social Care pillar 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.**

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 children's hospitals in India to close the shortage in hospital beds.
- Operate medical diagnostic facilities in India and pharmacies across Brazil, South Africa and China to support medical care in underserved communities.

[21] WHO (2025) Universal health coverage (UHC). Available at Universal health coverage (UHC) (Accessed June 2026)
[22] WHO (2025) Maternal mortality. Available at Maternal mortality (Accessed June 2026)
[23] UNAIDS (2025) Global AIDS Update 2025. Available at UNAIDS global AIDS update 2025 | UNAIDS (Accessed June 2026)



Case study

CLICKS GROUP LIMITED

Company name:
Clicks Group Ltd
Country: South Africa
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.

MSCI ESG rating*- AAA

ESG risks

- Data privacy, protection and cybersecurity
- Product safety and quality
- Governance and business ethics

Theory of change

Unmet need

Access to affordable medicines is an integral aspect of universal health coverage. In addition to medicine availability issues that are pronounced across Sub-Saharan Africa, South Africa suffers from a healthcare personnel shortage that is acutely felt in the pharmacy space, with less than 32 registered pharmacists per 100,000 people compared to an OECD average of closer to 85 pharmacists per 100,000 of the population.[24] Community pharmacists are often the first port of call for patients seeking advice, and therefore play a role in primary health care provision.[25]

Intentionality

Clicks is the leading drug store chain in South Africa, with a network of close to 1,000 stores across the country of which more than 780 include a pharmacy. Ensuring that essential medicines are available and affordable on a sustainable basis is central to Clicks' business model. At year-end 2025, Clicks had 247 pharmacies in lower-income township locations. The company is striving to open a pharmacy in every single Clicks store in South Africa and has outlined plans to open 40-50 new stores and pharmacies each year. To address the pharmacist shortage in South Africa, Clicks offers annual bursaries to Pharmacy students and provides assistance with internships.

Materiality

Clicks allocates a large portion of capital expenditures to expanding its store and pharmacy footprint. In financial year 2025, 68% of capital expenditures (capex) were allocated to expansionary capex for new stores, pharmacies and refurbishments. In fiscal year 2026, Clicks has budgeted more than ZAR 1.2 billion capex, of which ZAR 662 million (m) will be allocated to new stores, pharmacies and refurbishments with ambitions to open 40-50 pharmacies.

Measurable output

KPI – August year-end	FY25	FY24	FY23
Pharmacies	780	720	711
New pharmacies	60	9	38
Stores in township locations	247	234	228
Pharmacy interns trained	83	42	46
No. of people using free clinic services	131,855	128,955	112,217
Investment in bursaries (ZARm)	7.3	2.3	6.7

Source: Company annual reports and other disclosures.

*Further information on the MSCI ESG rating methodology is available here: MSCI ESG Ratings 2026 Model Update

[24] https://www.pharmcouncil.co.za/Publications_Annual
[25] Naidoo V, Suleman F, Bangalee V. Roles and reimbursement of pharmacists as South Africa transitions towards Universal Health Coverage (UHC): An online survey-based study, PLoS One (2021). Available here. (Accessed 13 Nov 2023)

Financial Inclusion

Tackle poverty in all its dimensions

Financial services act as a gateway to improving access to essentials like electricity, water, healthcare, housing and education. Yet, despite steady progress in account ownership, around **1.3 billion adults globally still lack access to a financial account**. These gaps remain most pronounced for women, lower-income households, rural communities and those outside the workforce.[26]

Micro, small- and medium-sized enterprises (MSMEs) are critical to emerging markets because they account for the vast majority of firms and a large share of employment; however, **MSMEs continue to face a substantial financing gap, estimated at around US$5.7 trillion**.[27]

Our pillar identifies companies operating in countries and regions where there is low penetration of basic financial services for individuals, including extending credit to 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 Georgia, Uzbekistan, India, Mexico and South Africa.

[26] World Bank (2025) The Global Findex Database 2025: Connectivity and Financial Inclusion in the Digital Economy. Available at Report - World Bank Group (Accessed June 2026)
[27] IFC (2025) G20 Global Partnership for Financial Inclusion: Action Plan for MSME Financing. Available at G20 Global Partnership for Financial Inclusion: Action Plan for MSME Financing (Accessed June 2026)



Case study

TBC BANK

Company name: TBC Bank
Country: Georgia
Sector: Financials – banks

SDG sub-goal: 1.4

By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

MSCI ESG rating* - AA

ESG risks

- Carbon transition of underlying lending book
- Geographic expansion with recent Uzbek acquisition
- Cybersecurity and customer data

ESG engagement

On-the-ground research trip to Tbilisi by our emerging market debt colleagues, which covered MSME and retail lending growth expectations and potential partnerships on private loan deals. Encouraged by robust approach to risk management and their continued market leadership.

Theory of change

Unmet need

According to the World Bank, domestic credit to the private sector in Georgia is 64% of GDP and 33% for Uzbekistan, both below the OECD average at 73% and the European Union at 77%. Account ownership in Georgia also indicates over 21% of the population don't have formalised access to a bank or mobile money provider, rising to 30% of the lowest income cohort.[28]

Intentionality

As one of the leading full-service banks in Georgia, and more recently as the leading mobile banking presence in Uzbekistan, TBC Bank has played a key role in increasing the penetration of bank account access and formalising credit lending in both markets. The bank's mission is to "make people's lives easier through simple and innovative products". Given its leading position and focus on retail and MSME lending, TBC Bank will be crucial to increasing financial inclusion, with its digitalisation strategy central to increasing financial inclusion for the socially marginalised. The bank also has a commanding market leadership in mortgages to the underbanked, with 43% market share, enabling home ownership for the mass market.

Materiality

Loans to MSMEs and retail mortgages to the underbanked accounted for 20% and 19% of total loans in 2025 respectively.

Measurable output

KPI	2025	2024	2023
Mortgage holders in Georgia	Not disclosed	Not disclosed	Not disclosed
Registered banking app users in Uzbekistan (m)	23.0	18.4	13.4
Monthly active app users in Uzbekistan (m)	6.0	5.9	4.3
Monthly active app users in Georgia (m)	1.3	1.1	0.9
Total business loans issued in Uzbekistan (thousand)	134	-	-

Source: Company annual reports

*Further information on the MSCI ESG rating methodology is available here: MSCI ESG Ratings 2026 Model Update

[28] World Development Indicators | DataBank

Sustainable Real Estate & Infrastructure

Providing essential infrastructure, eco-friendly buildings and improving connectivity

As the global population grows and urbanisation accelerates, the built environment has a key role to play in supporting social and environmental goals. The **buildings and construction sector accounts for 32% of global energy use** and produced 34% of global CO_2 emissions.[29]

Besides green buildings, there's a pressing need for equitable infrastructure: **more than 1.12 billion people live in slums** or informal settlements, with the crisis particularly acute in Africa and the Asia-Pacific.[30] With around **70% of the global population expected to live in urban areas by 2050**, developing infrastructure, retrofitting buildings and industry, and improving transport systems are crucial to building resilient and sustainable cities.[31]

Our Sustainable Real Estate & Infrastructure pillar focuses on a variety of issues facing industry, infrastructure and sustainable cities and communities.

Core themes include...

- Investment in buildings and floorspace 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 India and Sub-Saharan Africa to the internet for the first time.

[29] UNEP (2025) Global Status Report for Buildings and Construction 2025. Available at Global Status Report for Buildings and Construction 2025 (Accessed June 2026) UN-Habitat (2025) 2024 Annual Report: The housing gap is widening. Available at 2024 Annual Report: The housing gap is widening (Accessed June 2026).
[30] United Nations (2024) World Population Prospects 2024. Available at World Population Prospects 2024 | Population Division (Accessed June 2026).
[31] ILO (2023) Women and men in the informal economy: A statistical update. Available via WIEGO Statistical Picture / ILO informal economy data pages (Accessed June 2026).



Case study

airtel

Company: Bharti Airtel Ltd
Country: India
Sector: Communication Services – Telecommunication services

SDG sub-goal: 9.c

Significantly increase access to information and communications technology and strive to provide universal and affordable access to the internet in least developed countries by 2020.

MSCI ESG rating* - BB

ESG risks

- Data privacy, protection and cybersecurity
- Disclosure
- Governance

Theory of change

Unmet need

Inclusive growth begins with access. Digital connectivity for individuals, schools, households and businesses is a key enabler of their economic participation. The United Nations' Sustainable Development Goals Report 2024 recognises that the world has made substantial progress in connectivity with two thirds of the world's population now said to have access to the internet, yet significant regional and intra-country disparities persist.[32]

For example, approximately 36% of individuals use the internet in Sub-Saharan Africa compared to 70% in India[33], yet within India wireless rural teledensity is estimated at below 60% compared to in excess of 130% in urban India, and wireline teledensity is below 10% in both categories.[34]

Intentionality

Bharti Airtel is the world's second-largest telecom operator by customer base, serving more than 665 million customers across 15 countries across South Asia and Africa. By combining rural expansion, device adoption and accessible distribution, Bharti Airtel is supporting connectivity needs of both consumer and enterprise segments to help bridge the digital divide. 100% of research and development spend in financial year ending March 2026 was directed towards strengthening network reach and scaling digital services. Bharti Airtel embarked on an ambitious rural enhancement program in India to deliver more equitable access to quality and affordable services. Through Airtel Money, the company also supports financial inclusion across its African markets with 54 million mobile money customers as at March 2026.

Materiality

Revenue from mobile services in India, mobile services in Africa and home services accounted for 84% of total revenues in financial year ending March 2026. The granularity of disclosure around capital expenditures is not where we would like it to be in order to reliably demonstrate SDG alignment and is something we have discussed with the company. Nonetheless, 70% of capital expenditures were allocated to these same three segments, comfortably passing our threshold for materiality.

Measurable output

KPI – March year-end	2024	2023	2022
Total Mobile Customers in India (m)	373.2	361.6	352.3
Mobile network towers in India	345,912	338,029	Not disclosed
Non-census towns and villages in India covered by 2G, 3G and 4G	816,832	814, 066	809,051
Number of rural sites deployed in India to deliver connectivity under Rural Expansion Programme	77,500	44,564	23,400
Number of rural villages in India with connectivity as part of Rural Expansion Program	>173,000	90,995	Not disclosed
Data customers in Africa (m)	84.2	73.4	
Total connecting fibre installed in Africa (km)	81,900	78,714	64.0
Annual connecting fibre installed in Africa (km)	Approx 3,200	Approx 3,300	Not disclosed

Source: Company annual reports and other disclosures.

*Further information on the MSCI ESG rating methodology is available here: MSCI ESG Ratings 2026 Model Update

[32] https://data.worldbank.org/indicator/IT.NET.USER.ZS

[33] https://trai.gov.in/sites/default/files/2025-01/QPIR_01012025_0.pdf

[34] ILO (2023) Women and men in the informal economy: A statistical update. Available via WIEGO Statistical Picture / ILO informal economy data pages (Accessed June 2026).

Education & Employment

Creating opportunities for marginalised or vulnerable people

Education and employment serve as a foundational pillar for creating pathways to inclusion and economic stability for disadvantaged populations in emerging markets. **Informal employment still accounts for roughly 58% of total employment worldwide, equating to around two billion workers**. The share is materially higher in developing economies, where informality remains the dominant form of work and is particularly prevalent in low-income countries.[35]

In low-income countries, women are disproportionately represented in the informal economy, largely in sectors such as agriculture and domestic work, which are often 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 labour market exclusion stood at 22% in 2025. Young women remain more than twice as likely as young men to be outside education, employment or training in many lower-income economies, reflecting persistent barriers to participation. As a result, **32% of young women are not in education, employment or training**.[36]

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.
- Deliver higher education in Mexico and Peru with an emphasis on science and business disciplines.
- Support economic productivity and technological innovation in India.
- Develop cochlear implants to help people with severe chronic hearing loss find productive employment.

[35] ILO (2025) World Employment and Social Outlook: Trends 2025. Available at World Employment and Social Outlook: Trends 2025 (Accessed June 2026)
[36] Mexico's Growing Higher Education System



Case study

LAUREATE

Company: Laureate Education
Country: US
Sector: Consumer discretionary – consumer services

SDG sub-goal: 4.4

Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

MSCI ESG rating* - BBB

ESG risks

- Data privacy, protection and cybersecurity
- Product safety and quality
- Human capital development

ESG engagement

Since our first meetings with Laureate Education's senior management team in 2023, we have discussed how best to think about, assess and ultimately measure the quality of the company's educational provision to students in Mexico and Peru. The topic has been raised in all our company interaction since then. Earlier this year, senior management confirmed that an internal methodology reporting on certain educational outcomes had been established. Indeed, the 2025 Impact Report included new disclosures around total Scopus-indexed research publications, patents filed by Laureate institutions, and estimated payback periods for students to recover the nominal cost of their education for the first time.

Theory of change

Unmet need

The demand for higher education in Mexico has surged over the past two decades, yet the percentage of students enrolled in higher education (35%) still lags behind other Latin American countries like Brazil (50%) and Argentina (89%).[37] In Mexico and Peru, 2% of 25-34 year-olds held a masters or equivalent degree according to the OECD in 2025, which is below the OECD average of 16%.[38][39]

Intentionality

Laureate Education operates a portfolio of degree-granting higher education institutions in Mexico and Peru, with a particular emphasis on STEM (science, technology, engineering, and maths), as well as business disciplines. Laureate Education is a mission-led company seeking to deliver affordable, high-quality education to prepare students for successful careers and lifelong achievement, while building pride, trust, and respect in communities. In 2025, 50% of newly enrolled students were first-generation higher-education students, meaning they were the first in their family to attend university.

Materiality

100% of revenues and profits are aligned, since the entirety of Laureate Education's business centres on the delivery of tertiary educational content in Mexico and Peru where there is an evidencable under-provision of tertiary educational facilities.

Measurable output

KPI	2025	2024	2023
Number of students (approximate)	498,000	470,000	452,000
Student scholarships and financial support (USD m)	570	485	426
Number of first-generation students (approx.)	249,000	221,000	181,000
Total Scopus-indexed research publications (2019-2025)	7,610	Not disclosed	Not disclosed
Patents filed	147	Not disclosed	Not disclosed
Payback period – recover nominal cost of education (years)	Approx 3	Not disclosed	Not disclosed

Source: Company impact reports and other disclosures.

*Further information on the MSCI ESG rating methodology is available here: MSCI ESG Ratings 2026 Model Update

[37] Education at a Glance 2025: Peru
[38] Education at a Glance 2025: Mexico
[39] https://pdfs.semanticscholar.org/cece/950bc68c594e94b8220f1ccdce0eb7b35102.pdf

SDG enablers

Integral companies to the supply chain for the SDGs

During 2025, the funds could 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. 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 focused on companies that play **an essential and material role in delivering positive social and environmental outcomes**, 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 **supporting** 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: SK Hynix
Country: South Korea
Sector: Information Technology – Semiconductors

SDG sub-goal: 9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

MSCI ESG rating* - AA

ESG risks

- Labour management
- Supply chain risk management
- Governance

Theory of change

Unmet need

Memory power consumption has become an increasingly important consideration across modern computing systems and devices. Academic studies have found that Dynamic Random Access Memory (DRAM) can account for approximately 25-40% of total server power consumption, making memory one of the most significant contributors to data-centre energy use alongside processors.[40]

Improving memory energy efficiency remains an important lever for reducing data-centre energy consumption, as memory has become an increasingly significant contributor to total server power use amid the rapid expansion of artificial intelligence (AI) workloads. AI is expected to become a major driver of future electricity demand. The IEA projects that electricity consumption from data centres will increase from approximately 485 terawatt-hours in 2025 to 950 TWh by 2030, with AI-focused data centres growing substantially faster than the broader market.[41] Although infrastructure bottlenecks may constrain the pace of deployment in the near term, the long-term trend remains one of rising computational intensity and energy usage. This reinforces the importance of technologies that can improve performance while lowering power consumption, including next-generation memory solutions.[42]

Intentionality

SK Hynix is a pure-play memory semiconductor company specialising in DRAM. The company has made energy-efficient technology development a core part of its strategy, directing research and development efforts towards products with progressively lower power consumption. Successive generations of high bandwidth memory (HBM) and enterprise solid state (eSSDs) have been engineered to process equivalent volumes of data using less power. More specifically, SK Hynix has established clear energy efficiency targets, seeking to double HBM energy efficiency by 2026 and, further out, to increase eSSD efficiency by 1.8 times and low power double data rate DRAM energy efficiency by 1.6 times by 2030.

Materiality

DRAM contributed to more than 77% of sales in 2025, while NAND flash accounted for approximately 21%. DRAM serves as a computer or server's working memory, enabling processors to rapidly access the data required to run applications. NAND flash memory, by contrast, provides persistent storage, retaining data even when a device or server is powered off.

Enabling SDG progress

KPI	2025	2024	2023
R&D expenses (KRW billion)	67.3	49.5	41.9
Investment to revenue ratio (%)	6.9	7.5	12.8
Research personnel	10,434	9,104	8,765
Total number of registered patents	Approx 21,400	19,733	19,656
New registered patents	2,568	2,505	2,703

Source: Company impact reports and other disclosures

*Further information on the MSCI ESG rating methodology is available here: MSCI ESG Ratings 2026 Model Update

[40] https://www.iea.org/reports/key-questions-on-energy-and-ai/executive-summary

[41] https://www.iea.org/reports/key-questions-on-energy-and-ai/executive-summary
[42] https://www.iea.org/reports/key-questions-on-energy-and-ai/executive-summary

Engagement: a pathway to impact

Regular, proactive and action-oriented

Working collaboratively with management teams of the companies in which we invest, 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 or as and when pertinent events change.

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 Emerging Market 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 emerging markets, 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 have been incrementally moving 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 with the companies in which we invest, 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 issuers where we believe this will encourage action**. Once a milestone is set, we plan to follow up with the issuer on an annual basis to track progress and set new milestones once initial milestone are achieved. We initiate and close milestones via our lifecycle approach: identify, acknowledge, plan, execute and close.



Engagement: a pathway to impact

Engagement types

Priority engagement

Respond

Reacting to an event or news flow that may impact a single investment or a selection of similar investments

Enhance

Designed to seek change that, in our view, would minimise risk and enhance company value

Thematic

Focus on a particular ESG theme, such as climate change, diversity and inclusion or modern slavery

Continuing engagement

Review

Ongoing diligence and stewardship; frequent interactions led by the investment team

Engagement lifecycle

Identify

We have identified specific concerns or issues to be raised with the company

Acknowledge

The concern has been acknowledged

Plan

There is a credible plan to mitigate the issue

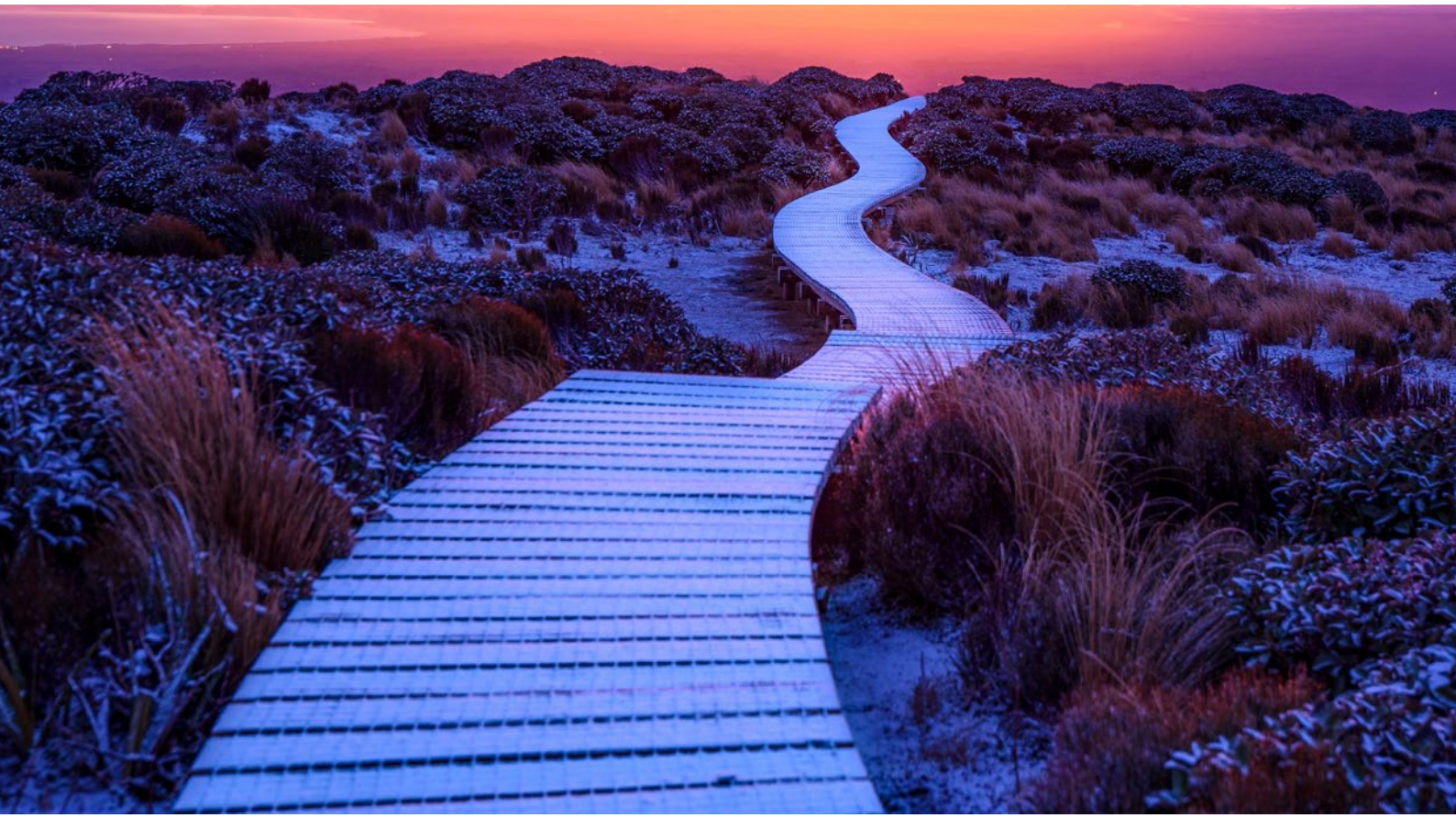
Execute

The plan is being executed to address our concerns

Close

The plan has been successfully delivered and this issue is closed

Informed and constructive engagement helps foster better companies



Engagement: a pathway to impact

Find a selection of engagements carried out this year below.

Company	Country	Category	Engagement summary
BYD	China	Labour Management and Human Rights	Over the course of 2025, we prioritised engagement with BYD on labour management, supply chain oversight, mineral sourcing and health and safety practices. Despite engagement efforts during meeting with the company and via external channels, the company was not sufficiently responsive and demonstrated limited progress in addressing our concerns or improving related disclosures. Confidence that our messaging was appropriately conveyed to the board and senior management team was low. The decision was taken to exit completely in January 2026.
Equatorial Energia	Brazil	Climate	The team discussed emissions management and the challenges of committing to traditional net-zero targets as a regulated electricity distributor operating isolated systems. Management explained that existing regulations limit the economic attractiveness of carbon offset spending but noted increasing engagement from regulators on the topic. Aberdeen will continue monitoring how the company develops its emissions strategy and related disclosures.
Gedeon Richter	Hungary	Corporate governance	Gedeon Richter's gender diversity at both the board level and within the Executive Management team is somewhat lacking, particularly in the context of the company's focus on women's health. The board comprises entirely male representatives and all business unit heads across the company are male. Management explained there are efforts to improve gender diversity and foster a succession pipeline of female talent but it will take time. Our engagement effort is important and ongoing.
SK Hynix	South Korea	Climate	Aberdeen had a dialogue about decarbonisation and broader climate strategy with SK Hynix. The discussion covered climate targets in the CEO's KPIs, updates to Scope 1 and Scope 2 emissions targets, and the credibility of longer-term climate, renewable energy and water-use goals. These issues were considered alongside planned factory expansions.
InPost	Poland	Corporate Governance	Following the consortium proposal to take InPost private, Aberdeen actively challenged the board's approval of what it believed to be an opportunistically low offer. The team wrote directly to the board, engaged with media outlets, and held discussions with both the InPost Chairman and representatives of the bidding consortium. Aberdeen stressed the importance of protecting minority shareholders.
TSMC	Taiwan	Sustainability roadmap and operational resilience	Aberdeen spoke with TSMC about its sustainability roadmap, talent strategy and operational resilience. The company reaffirmed its target to raise renewable energy usage to 60% globally by 2030 and discussed water management, including a 30% reduction target for freshwater intensity by 2030. Aberdeen will continue to monitor progress on policy, technology and resource management through ongoing dialogue.

Engagement: a pathway to impact

Company	Country	Category	Engagement summary
Gentera	Mexico	Corporate governance	We encouraged the replacement of long-tenured audit committee members, specifically the chair whose service length risks compromising her continued independence. We noted that Gentera's board has undergone incremental refreshment in recent years, and requested a similar exercise be undertaken at the audit committee level in 2026 to ensure all audit committee members and the audit committee chair can be considered fully-independent, in line with best practice governance standards. The issue remains outstanding and has been raised again.



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 related funds. The Group meets 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.

Global Impact Climate & Environment



Sarah Norris
Head of ESG for Equities Developed Markets



Blair Couper
Investment Director

Emerging Markets SD Corporate Bond



Samuel Bevan
Investment Director EMD Corporate



Liam Blaikie
Senior Investment Manager

Global Smaller Companies SD



Abby Glennie
Deputy Head, Smaller Companies



Tzoulianna Leventi
ESG Analyst & Investment Manager

Other specialist portfolio managers

Sustainable Investing Team experts



Ann Meoni
Senior Sustainable Investment Manager



Nancy Hardie
Sustainable Investment Analyst



Nick Gaskell
Sustainable Investment Manager

Sustainability Group ESG experts



Catriona Macnair
Investment Director Emerging Market Equities



David A Smith
Senior Investment Director Asian Equities



Mubashira Bukhari
Investment Director Emerging Market Equities



Fraser Harle
Investment Manager Emerging Market Equities



Daniel Ng
Investment Manager, Asian Equities

Portfolio managers

Boots on the ground

A repeat feature after the success of last year's celebratory photo selection to mark both funds passing their respective five-year anniversaries.



Venturing out at start of a typhoon to visit the largest company in emerging markets and cornerstone of global advanced chip manufacturing, TSMC.



Visiting a Taiwanese data centre to see server racks, power equipment and thermal management infrastructure first-hand.



Touring an Empower district cooling facility in the UAE. It is the largest district cooling provider globally by connected capacity.



Connecting with colleagues after attending Computex 2026, the world's premier technology exhibition showcasing emerging technology trends.



Exploring the culinary delights of Taipei's night markets whatever the weather.



Exploring the Middle East's investment landscape through meeting companies, site visits and the occasional memorable encounter.

abrdn SICAV I – Emerging Markets SDG Equity Fund

Please refer to the fund's prospectus Key Information Document (KIID) 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 Nations' 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$118.4m
Base currency	USD
Number of holdings	59*
Investment style	Active
SFDR Classification	Article 9

*62 holdings in total including 3 untradeable local Russian securities marked to zero. Source Aberdeen, 30 June 2026

Top 10 Holdings

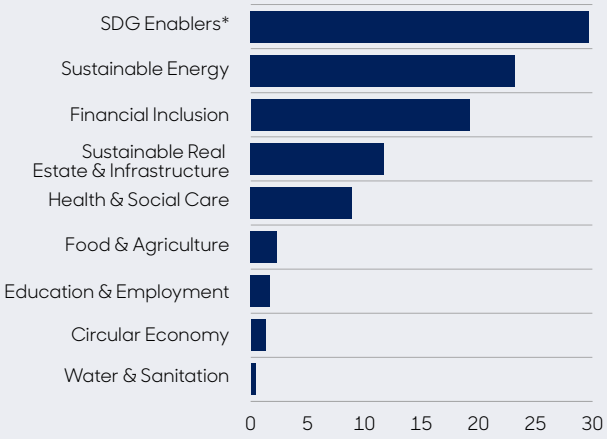
Company	Aberdeen impact pillar	SDG alignment	Active weight (%)
SK Hynix	SDG Enabler		2.3
Gedeon Richter	Health & Social Care		2.2
ASM International	SDG Enabler		2.2
Sino-American Silicon	SDG Enabler		2.1
Capitec Bank	Financial Inclusion		2.0
Chroma Ate	Sustainable Energy		2.0
CATL	Sustainable Energy		1.9
Ping An Insurance	Financial Inclusion		1.7
Cury	Sustainable Real Estate & Infrastructure		1.7
Montage Technology	Sustainable Energy		1.7

Source: Aberdeen 30 June 2026. Companies shown for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.



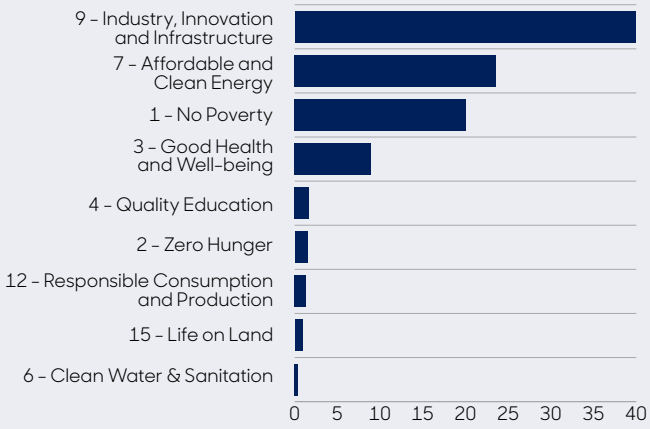
abrdn SICAV I – Emerging Markets SDG Equity Fund

Top 10 Holdings



Source: Aberdeen 30 June 2026.

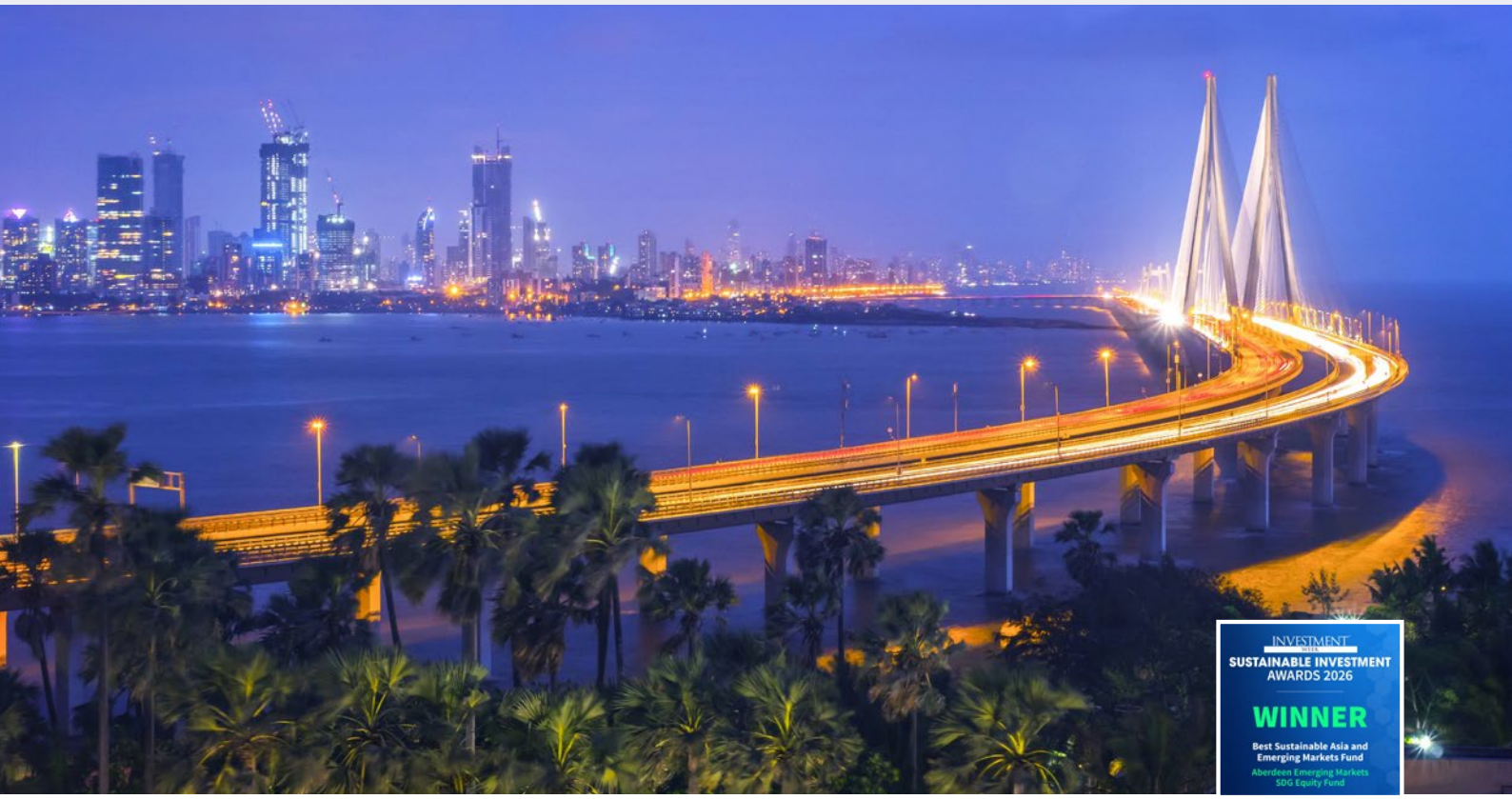
Fund - UN Primary SDG Alignment split (%)



Source: Aberdeen 30 June 2026.

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

Following a comprehensive review of Aberdeen's SDG-aligned equity funds, the decision was made to no longer have the "SDG enabler" category as a distinct concept. From 26 March 2026 companies previously classified as SDG enablers will be directly aligned with the specific impact pillars they contribute to. Integrating these enabler companies into their respective impact pillars is a logical next step which supports the funds' long-term objectives. There has been no change to the overall assessment or eligibility criteria for these investments.



abrdn SICAV I – Asian SDG Equity Fund

Please refer to the fund's prospectus Key Information Document (KIID) 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 Nations' 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$18.9m
Base currency	USD
Number of holdings	60
Investment style	Active
SFDR Classification	Article 9

Source Aberdeen, 31 May 2026.

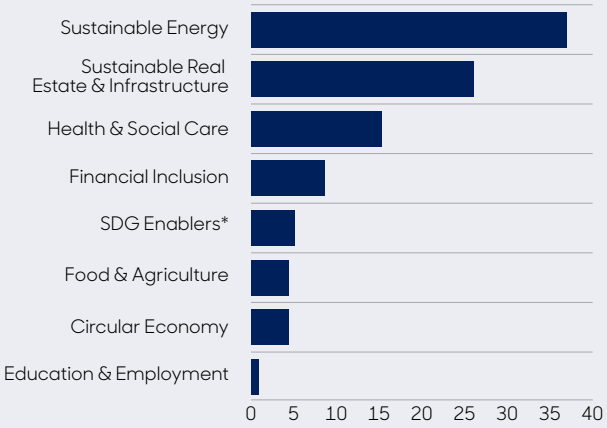
Top 10 Holdings

Company	Aberdeen impact pillar	SDG alignment	Active weight (%)
Resmed	Health & Social Care		3.2
Chroma Ate	Sustainable Energy		3.0
Goodman Group	Sustainable Real Estate & Infrastructure		2.6
Montage Technology	Sustainable Energy		2.4
Capstone Copper	Sustainable Energy		2.1
ASM International	Sustainable Real Estate & Infrastructure		1.9
Samsung Electronics	Sustainable Real Estate & Infrastructure		1.8
CATL	Sustainable Energy		1.8
ICICI Bank	Financial Inclusion		1.7
Sino-American Silicon	SDG Enablers		1.6

Source: Aberdeen 31 May 2026. Companies shown for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

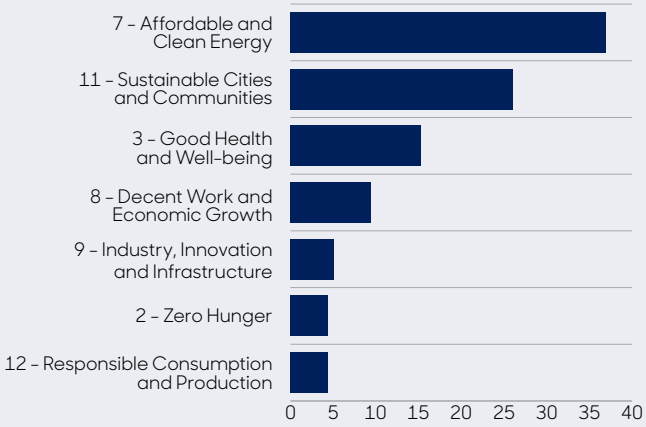
abrdn SICAV I – Asian SDG Equity Fund

Fund – Aberdeen Impact Pillar (%)



Source: Aberdeen, 31 May 2026.

Fund – Primary UN SDG Alignment split (%)



Source: Aberdeen, 31 May 2026.

Following a comprehensive review of Aberdeen's SDG-aligned equity funds, the decision was made to no longer have the "SDG enabler" category as a distinct concept. From 26 March 2026 companies previously classified as SDG enablers will be directly aligned with the specific impact pillars they contribute to. Integrating these enabler companies into their respective impact pillars is a logical next step which supports the funds' long-term objectives. There has been no change to the overall assessment or eligibility criteria for these investments.



Norms-based and binary exclusions

Fund - Aberdeen Impact

Norms-based exclusions	• 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	• 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: – Manufacture of weapons or tailor-made components thereof – Sale of weapons
Tobacco, Alcohol & Gambling	• 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: – 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	• 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

Source: Aberdeen, June 2026. Relevant fund information can be found in the Sustainability-related disclosures section of the Fund Centre at https://www.aberdeeninvestments.com

The most recent sustainability-related disclosure for the abrdn SICAV I - Emerging Markets SDG Equity Fund can be found here: abrdn SICAV I - Emerging Markets SDG Equity Fund | Aberdeen

Contact us

Asian and EM SDG team

Responsible for portfolio construction



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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

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. Past performance is not a guide to future results.

The views and conclusions expressed in this communication are for general interest only and should not be taken as investment advice or as an invitation to purchase or sell any specific security. Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within a fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that a fund may invest in companies which similar funds do not (and thus perform differently) and which do not align with the personal views of any individual investor.

To help you understand a fund and for a full explanation of risks and the overall risk profile of this fund and the share classes within it, please refer to the Key Investor Information Document (KIID) or Key Information Document (KID) as applicable available in the local language, and Prospectus available in English, which are available on our website **aberdeeninvestments.com**. The Prospectus also contains a glossary of key terms used in this document. A summary of investor rights can be found in English on our website **aberdeenplc.com/legal**. Please refer to the fund's prospectus and the Key Investor Information Document (KIID) or Key Information Document (KID) as applicable before making any final investment decision.

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