



Sustainable Investment Report

abr dn Global Corporate Bond Screened Tracker Fund

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Prepared by: abr dn

[abr dn.com](https://www.abr dn.com)

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Key Data and Portfolio Ratings

abr dn Global Corporate Bond Screened Tracker Fund

Below we set out some key information about the way ESG considerations have been embedded in the portfolio

abr dn

c.60

Dedicated ESG experts across our business



5-star

Rating across 7 categories in the latest Principles for Responsible Investment (PRI) assessment



932

Company engagements covering ESG topics



Quants Investment Team

4-star

abr dn PRI Rating for Listed Equity - Active Ownership



Fund

215

Engagements covering ESG topics



A

Fund MSCI ESG Rating



The benchmark for the fund is **Bloomberg Global Aggregate Corporate (Hedged to GBP)**

These scores are included for representative purposes only and are not reflective of our ratings across other modules. Our latest PRI Assessment Report containing our scores across all modules is available on our Sustainable Investing website.

Engagement: time period referenced is preceding 6 months.

Voting: time period referenced is preceding 12 months.

Benchmarking: MSCI ESG Ratings

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MSCI company ratings are provided to enable comparisons with investments held elsewhere in a standardised format. We conduct our own proprietary research which may lead us to have a view different to that expressed by the MSCI score.

MSCI rates companies on a AAA-CCC scale according to their exposure to ESG risks and how well they manage those risks relative to peers.

The Fund MSCI ESG Quality Score assesses the resilience of a fund's aggregate holdings to long term ESG risks and is provided on a 0-10 scale, with 10 being the highest possible fund score. The Fund MSCI ESG Rating measures the resiliency of portfolios to long term risks and opportunities arising from environmental, social, and governance factors. The Fund ESG Rating is calculated as a direct mapping of "Fund MSCI ESG Quality Score" to letter rating categories.

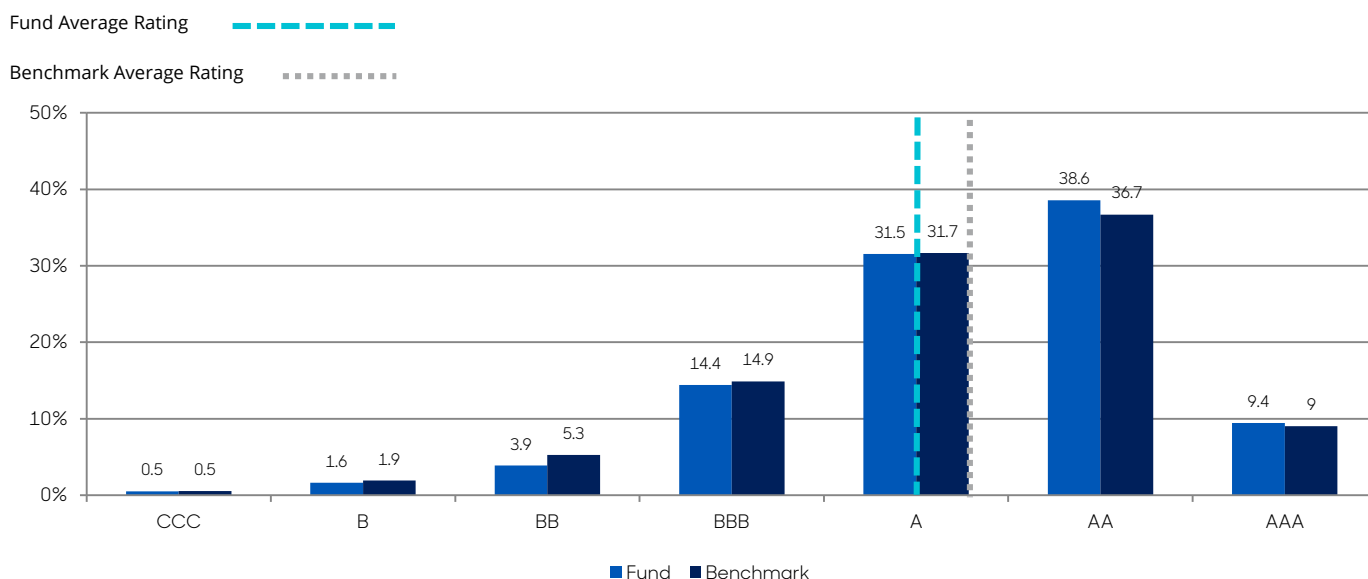


MSCI Fund ESG Quality Scores

	Overall Score (1-10)	Benchmark Average
Fund	6.9	6.8
Environmental	7.3	7.2
Social	5.0	4.9
Governance	5.8	5.8

Source: abrdrn derived average based on underlying MSCI company scores

MSCI ESG Rating Distribution Fund and Benchmark



Source: abrdrn derived averages based on underlying MSCI company ratings

	Fund	Benchmark
MSCI data coverage (by market value)	95.4%	95.8%

MSCI company ratings are provided to enable comparisons with investments held elsewhere in a standardised format. We conduct our own proprietary research which may lead us to have a view different to that expressed by the MSCI score.

MSCI ESG Rating: This is sourced direct from the vendor and includes MSCI adjustments incorporating positive & negative ESG trends and ESG laggard metrics in the calculation of the rating. MSCI ESG Rating Distribution: The fund and benchmark averages are calculated based on the individual security level MSCI scores. Therefore the ratings are not directly comparable. In both calculation methodologies Portfolio and Benchmark positions are reweighted on a pro rata basis to reflect holdings where MSCI data is available.

Active Ownership

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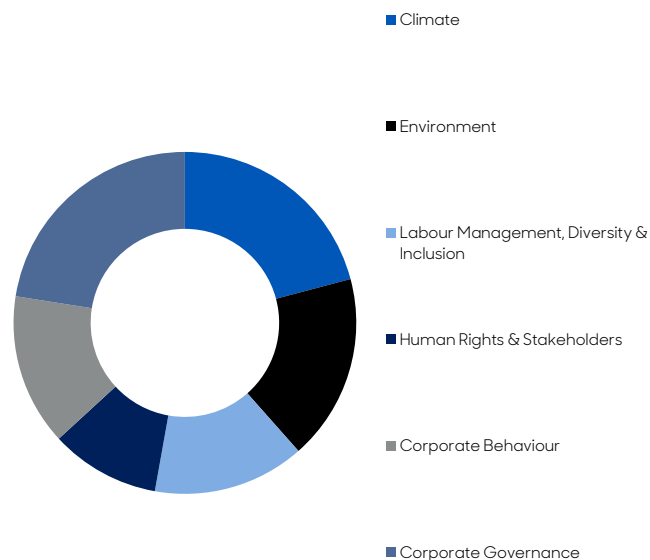
Engagement Activity

We actively undertake informed constructive engagement to generate better performance from our investments. This helps enhance the value of our clients' assets. We engage, manage and vote for either insight or influence. Engagement activity may be undertaken by any of our investment teams with a holding in the company, or by our dedicated stewardship team. Time period referenced is preceding 6 months.

Please note this page references abrdrn ESG engagements conducted with the investment desk and does not cover all company meetings by the investment desk where ESG issues were discussed. The case studies section in this report details a sample of further engagements relevant to the fund.

Our Engagement Activity

We regularly engage with companies we invest in. The below shows the engagements that have included ESG topics. Over the period we met with 152 portfolio companies on ESG topics and had 215 engagements with them. This does not include positions we have



During an ESG engagement meeting / call with a portfolio company multiple themes and issues might be discussed.

Active Ownership: Case Studies

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We include a selection of case studies to demonstrate engagement style and investment management approach. These are not an indication of future performance or investment recommendation on the companies themselves.

Company Topic	Lifecycle Status	Engagement Summary	Investment View Change
Air Products and Chemicals Inc Climate Change, Environment		APD is making good progress towards its 2030 carbon reduction goal through a combination of increasing efficiencies at plants, targeting the conversion of its fleet of trucks to hydrogen fuel zero emission vehicles, and continuing strategic investments in major low- carbon projects. We continue to push the company however to set 2050 / net zero targets; we believe the company should be taking a leading position here given its current leadership within the energy transition. The company is having conversations around future targets and plans to share more on this later this year, however looks to first get more visibility on its pathway to achieving a net zero future.	Reinforces
AstraZeneca Corporate Gov & Disclosure		We engaged with the Chair of the Remuneration Committee to discuss proposed changes to executive compensation. While confidential at this time, we discussed the rationale and context for the changes. We did not give any commitment on the call, but will consider our feedback based on the discussion and follow up with the company ahead of the next Remuneration Committee meeting.	None
Bharti Airtel Ltd Environment, Corporate Gov & Disclosure	Execute	During our engagement with Bharti Airtel, we found satisfaction in the company's dedication to ESG factors. Bharti Airtel demonstrates a commitment to ESG with clear objectives and a robust system for measuring progress. Additionally, we noted that the management is held accountable by the Board, ensuring the fulfilment of commitments and progress in environmental, social, and governance initiatives.	None
Dassault Systemes Climate Change, Environment		Attended a site visit at Dassault Systèmes' office, with the primary focus on the role which Dassault can play in enabling decarbonisation and resource use efficacy for its customers. Dassault report that at present around 65.8% of their revenue is taxonomy eligible, and they are working closely with customers to gather evidence to demonstrate taxonomy alignment. Dassault will also seek external verification before reporting this number	Enhances
Lonza Labour Management		Met with Lonza and discussed the company's human capital management. The company has improved its employee engagement schemes and has standardised its onboarding for new employees. Lonza also highlighted the importance of reducing employee turnover, given the substantial amount of training new employees require.	None
Procter & Gamble Co Climate Change, Environment, Human Rights & Stakeholders, Corporate Gov & Disclosure	Plan, Plan, Execute, Execute	We are engaging with P&G across a number of topics, most notably its preparation for new EU regulation which requires companies to ensure that their imports to the EU of certain raw materials, such as palm oil, are not linked to deforestation. We have also sought from P&G updates on its remaining operations in Russia and strategies on GHG emissions, water consumption and plastic waste. We have been impressed by many of P&G's measures but have asked the company for further transparency on these challenges.	None
Shell PLC Climate Change, Labour Management, Corporate Behaviour, Corporate Gov & Disclosure	Execute, Plan	We engaged with Shell as part of our research prior to voting in the 2024 AGM. We are cautious about the real- world implications from demands from some stakeholders that Shell sharply reduce its Scope 3 emissions this decade. That said, we are monitoring the company's level of commitment to the transition and have encouraged Shell to continue to enhance disclosures on its investment allocation to low- carbon businesses and the potential implications for the company from a rapid energy transition scenario.	None

Source: abrdn

Glossary

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Data Point	Definition
Avoided Emissions	Greenhouse gas emissions avoided by being invested in the portfolio in lieu of the benchmark.
Carbon Emissions	Carbon emissions is used as a generic term for the main greenhouse gas (GHG) emissions (carbon dioxide, methane, nitrous oxide, F-gases) in our reporting.
Carbon Footprint	The total set of greenhouse gas emissions caused directly and indirectly by an [individual, event, organisation, product] expressed as CO ₂ e.
Carbon Intensity	Carbon emissions relative to a specific activity. For company carbon footprinting, the carbon intensity reflects the CO ₂ e emissions divided by revenue in million US\$. For countries, the standard intensity metric is the ratio of greenhouse gas emissions produced to gross domestic product (GDP).
CO ₂ e	The term CO ₂ e stands for CO ₂ equivalent and relates to the CO ₂ equivalent warming potential of the main greenhouse gases listed above.
ESG Integration	The inclusion of ESG considerations as part of investment analysis and decision making. It involves assessing both the risks and opportunities of a range of ESG-related factors that may affect the performance of our investments.
Exclusions	Companies and sectors that will not be invested in by the portfolio due to business activities that are deemed unsuitable for the portfolio outcome or underlying investor. For example the makers of controversial weapons like cluster bombs.
Green Revenue	Green Revenues is the weighted average of each issuer's percent of revenue generated by goods and services from clean technology sources such as alternative energy, energy efficiency, green building, pollution prevention and sustainable water.
MSCI Fund ESG Quality Score	The Fund ESG Quality Score (10-0) assesses the resilience of a fund's aggregate holdings to long term industry specific ESG risks. Highly rated funds tend to consist of issuers with leading or improving management of key ESG risks according to MSCI's methodology.
MSCI Fund ESG Rating	The Fund ESG Rating (AAA-CCC) assesses the resilience of a fund's aggregate holdings to long term industry specific ESG risks. Highly rated funds tend to consist of issuers with leading or improving management of key ESG risks according to MSCI's methodology.
MSCI ESG Controversies	Securities of companies having faced very severe controversies pertaining to ESG issues are not eligible for inclusion in the Index. This is implemented by excluding constituents of Parent Index with MSCI ESG Controversy Score = 0 ("Red Flag" companies).
Parent Index	Initial benchmark used in the design of / as a reference point to a customised benchmark where the latter can be used comparison
Peer Group MSCI Percentile Rating	The Fund ESG Score - Peer Percentile is a percentile rank (1-100) that measures how the Fund ESG Score ranks relative to other funds in the same peer group.
Potential Carbon Emissions Intensity	This measures future possible emissions from coal, gas and oil reserves owned by companies. It is measured in tons of CO ₂ per million dollars of market capitalisation. It is a forward-looking metric. A high value can also be seen as a measure of exposure to assets that may become 'stranded'.
PRI Rating	The Principles for Responsible Investment (PRI) is a global initiative founded by the United Nations. The PRI scorecard rating aims to measure the success of implementation of responsible investment practices across the investment process.
Sustainable Indexing	Index solution that targets broad improvements in sustainability outcomes. Solutions that aim to reduce investors' exposure to the long-term risks associated with Environmental, Social and Governance (ESG) issues and companies which fail to meet recognised sustainability standards through traditional indexing while seeking improvements in business practices and approaches through active engagement
UN Global Compact	A global corporate sustainability initiative, calling on companies, investors and other participants to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption.
Weighted Average Carbon Intensity	Average carbon intensity of the portfolio weighted by the weight of the company in the portfolio. This measure is recommended by TCFD.

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