Annex V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 219/288 and Article 5, first paragraph, of Regulation (EU) 22/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Global Climate and Environment Equity Fund

Legal entity identifier 213800IA6FFNPXL5L927

Sustainable investment objective

Does this financial product have a sustainable investment objective?

[X] **Yes**	[ ] **No**
[X] It made **sustainable investments with an environmental objective:** 68.06%	[ ] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments
[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[X] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	[ ] with a social objective
[X] It made **sustainable investments with a social objective:** 28.98%	[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

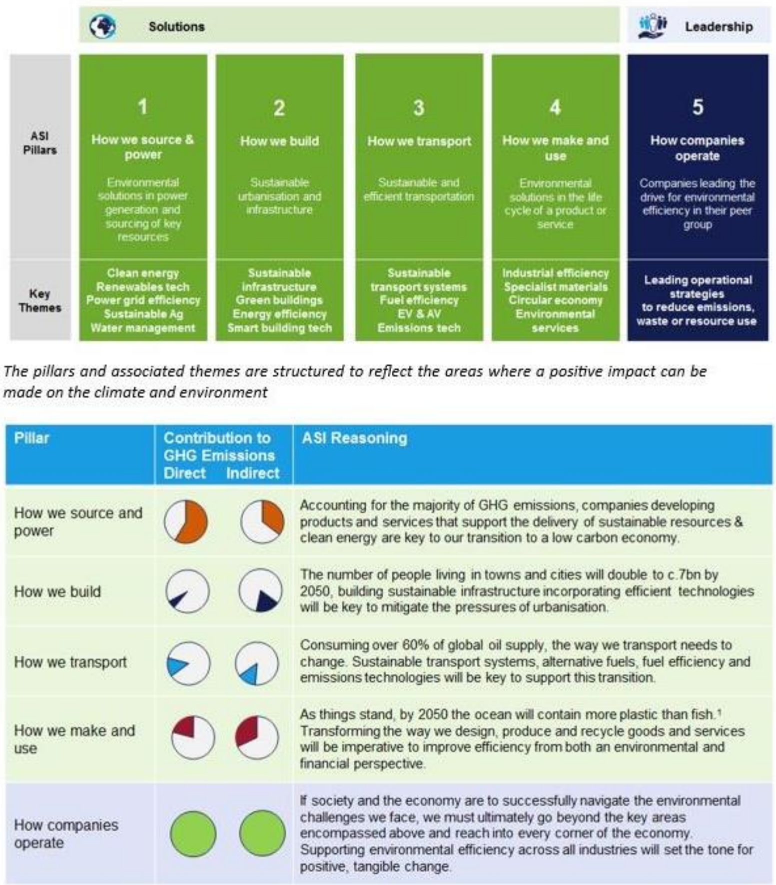
To what extent was the sustainable investment objective of this financial product met?

The Fund aims to provide long term growth by investing in companies listed globally that develop or use products and services designed to maximize resource efficiency, support the transition to a low carbon economy and address wider environmental challenges.

The abrdn Climate and Environment Global Equity Fund invests in companies that make positive contributions to the climate and environmental challenges aligned with at least one of the five portfolio construction pillars. They ensure the portfolio is addressing the biggest areas of GHG emissions as identified by the WRI. The fund aims to benefit from these long term structural dynamics by investing in companies that are delivering solutions and driving leadership to these issues.

Fund exposure to these thematic pillars as at 30 Sept 2023:

- How we source and power: 23.39%
- How we build: 23.96%
- How we transport: 13.01%
- How we make and use: 19.15%
- How companies operate: 17.80%



The pillars and associated themes are structured to reflect the areas where a positive impact can be made on the climate and environment

Pillar	Contribution to GHG Emissions Direct	Contribution to GHG Emissions Indirect	ASI Reasoning
How we source and power			Accounting for the majority of GHG emissions, companies developing products and services that support the delivery of sustainable resources & clean energy are key to our transition to a low carbon economy.
How we build			The number of people living in towns and cities will double to c.7bn by 2050, building sustainable infrastructure incorporating efficient technologies will be key to mitigate the pressures of urbanisation.
How we transport			Consuming over 60% of global oil supply, the way we transport needs to change. Sustainable transport systems, alternative fuels, fuel efficiency and emissions technologies will be key to support this transition.
How we make and use			As things stand, by 2050 the ocean will contain more plastic than fish.[1] Transforming the way we design, produce and recycle goods and services will be imperative to improve efficiency from both an environmental and financial perspective.
How companies operate			If society and the economy are to successfully navigate the environmental challenges we face, we must ultimately go beyond the key areas encompassed above and reach into every corner of the economy. Supporting environmental efficiency across all industries will set the tone for positive, tangible change.

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

How did the sustainability indicators perform?

This approach identifies companies delivering a positive change through the products and services they provide in those areas of the economy that directly influence the environment and emissions, and also identifies companies delivering a positive impact through leading operational performance with respect to emissions, resource efficiency or waste-minimisation compared to peers.

The Fund also targets a minimum 20% exclusion of the equity investment team's active research coverage and met this during the reported period.

The fund has achieved a carbon intensity relative to the benchmark of 88.5%. The fund invests in the companies that are providing solutions that enable emission reduction and resource conservation.

Weighted Average Carbon Intensity (WACI) in tonnes of CO_2e / million USD revenue

	Scope 1 & 2	Scope 1	Scope 2	Scope 3 Upstream	Scope 3 Downstream
Portfolio	126.10	91.55	34.55	238.61	1463.33
Benchmark	142.52	112.68	29.83	107.31	551.46
Relative carbon intensity %	88.48	81.25	115.81	222.36	265.36

It is also a requirement that names classified as climate and environment leaders stocks have global warming aligned ambitions. All holdings met this requirement, which was 17% of the portfolio.

We also confirm that during the reporting period, binary exclusions are applied to exclude the particular areas of investment related to UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal. These screening criteria apply in a binding manner and there are no holdings in the fund that fail the agreed criteria.

…and compared to previous periods?

N/A

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

As required by the SFDR Delegated Regulation, the investment does not cause Significant Harm ("Do No Significant Harm"/ "DNSH") to any of the sustainable investment objectives.

We have created a 3-step process to ensure consideration of DNSH:

i. Sector Exclusions

We have identified a number of sectors which automatically do not qualify for inclusion as a Sustainable Investment as they are considered to be causing significant harm. These include, but are not limited to: (1) Defence, (2) Coal, (3) Oil & Gas Exploration, Production and associated activities, (4) tobacco, (5) gambling and (6) alcohol.

ii. DNSH Binary Test

The DNSH test, is a binary pass/fail test which signals if the company passes or fails criteria for the SFDR Article 2 (17) "do no significant harm".

Pass indicates under abrdn's methodology the company has no ties to controversial weapons, less than 1% of revenue from thermal coal, less than 5% of revenue from tobacco related activities, is not a tobacco producer, and has no red/severe ESG Controversies. If the company fails this test, it cannot be considered a Sustainable Investment. Our approach is aligned with the SFDR PAIs included within tables 1, 2 & 3 of the SFDR Delegated Regulation and is based on external data sources and abrdn internal insights.

iii. DNSH Materiality Flag

Using a number of additional screens and flags, we consider the additional SFDR PAI's indicators as defined by the SFDR Delegated Regulation to identify areas for improvement or potential future concern. These indicators are not considered to cause significant harm and therefore a company with active DNSH materiality flags may still be considered to be a Sustainable Investment. We aim to enhance our engagement activities to focus on these areas and seek to deliver better outcomes by resolving the issue. However, such indicators are not considered to cause significant harm and therefore a company with active DNSH materiality flags can still be considered to be a sustainable investment.

How were the indicators for adverse impacts on sustainability factors taken into account?

Principal adverse impacts consideration

The Fund considers the following PAIs in its investment process, this means that there is pre- and post-trade monitoring is in place and that every investment for the Fund is assessed on these factors to determine its appropriateness for the Fund.

- PAI 1: GHG emissions (scope 1 and 2)
- PAI 10: Violations of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Adverse impacts monitoring

Pre investment, abrdn applies a number of norms and activity-based screens related to the above PAIs, including but not limited to:

- UNGC: The Fund uses norms-based screens and controversy filters to exclude companies that may be in breach of international norms described in the OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights, as well as state owned entities in countries which violate norms.
- Controversial Weapons: The Fund excludes companies with business activities related to controversial weapons (cluster munitions, anti-personnel landmines, nuclear weapons, chemical and biological weapons, white phosphorus, non-detectable fragments, incendiary devices, depleted uranium ammunition or blinding lasers).
- Thermal Coal Extraction: The Fund excludes companies with exposure to the fossil fuels sector based on percentage of revenue from thermal coal extraction.

abrdn apply a fund specific set of company exclusions, more detail on these and the overall process is captured within the Investment Approach, which is published at www.abrdn.com under "Fund Centre".

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

- Company carbon intensity and GHG emissions is monitored via our Climate tools and risk analysis
- On an on-going basis the investment universe is scanned for companies that may be in breach of international norms described in the OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights.

Post-investment we also undertake the following activities in relation to additional PAI’s:

- Dependent on data availability, quality and relevance to the investments the consideration of additional PAI indicators will be on a case-by- case basis.
- abrdn monitors PAI indicators via our ESG integration investment process using a

combination of our proprietary house score and 3rd party data feeds.

- Governance indicators are monitored via our proprietary governance scores and risk framework, including consideration of sound management structures, and remuneration.

Adverse impacts mitigation

- PAI indicators that fail a defined pre-investment screen are excluded from the investment universe and can not be held by the fund.

- PAI indicators that are monitored post investment which fail a specific binary test or are considered above typical are flagged for review and may be selected for company engagement. These adverse indicators may be used as a tool for engagement, for example where there is no policy in place and this would be beneficial abrdn may engage with the issuer or company to develop one, or where carbon emissions are considered to be high, abrdn may engage to seek the creation of a long-term target and reduction plan.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes, all sustainable investments are aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human rights. Breaches and violations of these international norms are flagged by an event-driven controversy and are captured in the investment process, and in turn excluded from consideration as a sustainable investment.

How did this financial product consider principal adverse impacts on sustainability factors?

(1) GHG Emissions Scope 1 & 2 and carbon footprint: This is undertaken via monitoring of the carbon benchmark and we confirm that during the reporting period that the portfolio performed better than the benchmark and in line with our overall commitment.

(2) Exclusions: We confirm that screening in line with our approach documents has been undertaken during the reporting period

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:
- - 30/09/2023

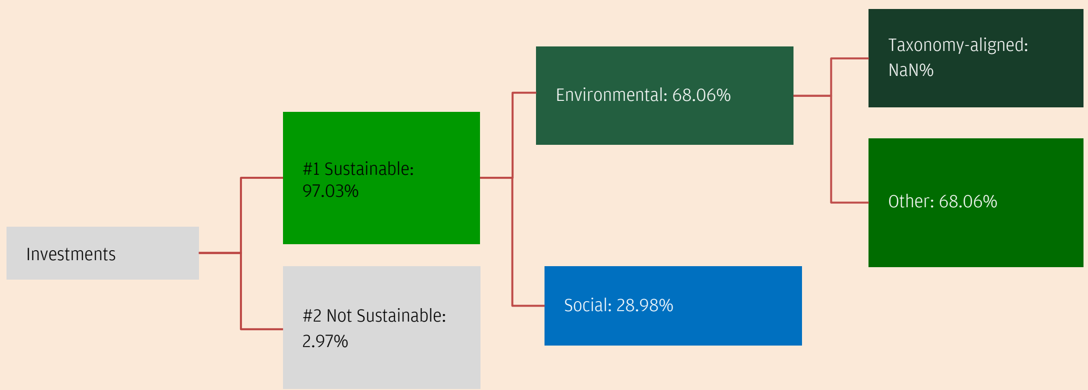
Largest Investments	Sector	% Assets	Country
SCHNEIDER ELECTRIC SE	Industrials	5.48	United States of America
TETRA TECH INC	Industrials	5.30	United States of America
ANALOG DEVICES INC	Information Technology	4.35	United States of America
NOVO NORDISK A/S-B	Health Care	4.24	Denmark
MICROSOFT CORP	Information Technology	4.18	United States of America
SSE PLC	Utilities	3.89	United Kingdom
CROWN HOLDINGS INC	Materials	3.72	United States of America
DEERE & CO	Industrials	3.71	United States of America
GRAPHIC PACKAGING HOLDING CO	Materials	3.63	United States of America
ORSTED A/S	Utilities	3.54	Denmark
WASTE MANAGEMENT INC	Industrials	3.52	United States of America
AstraZeneca PLC	Consumer Non-cyclical	3.37	United Kingdom
AMERICAN WATER WORKS CO INC	Utilities	3.19	United States of America
TRANE TECHNOLOGIES PLC	Industrials	2.96	United States of America
AMERESCO INC-CL A	Industrials	2.92	United States of America

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The fund committed to hold a minimum of 75% in Sustainable Investments, including a minimum commitment of 20% to assets with an environmental objective and 5% to social objectives. The Fund invests a maximum of 25% of assets in the “Non Sustainable” category, which is mainly made up of cash, money market instruments and derivatives.



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

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

In which economic sectors were the investments made?

Sector	Sub-sector	% Assets
Industrials	Capital Goods	25.54
Materials	Materials	19.41
Utilities	Utilities	13.23
Information Technology	Software & Services	11.66
Industrials	Commercial & Professional Services	8.51
Information Technology	Semiconductors & Semiconductor Equipment	4.63
Health Care	Pharmaceuticals Biotechnology & Life Sciences	3.63
Consumer Staples	Household & Personal Products	3.31
Consumer Staples	Food Beverage & Tobacco	2.87
Information Technology	Technology Hardware & Equipment	2.36

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund holds 0% sustainable investments with an environmental objective aligned with the EU Taxonomy. This assessment has not been subject to an external review.

These sustainable investments will not be EU Taxonomy aligned as the environmental objective does not have associated technical standards for comparison and relevant data is not available to confirm alignment.

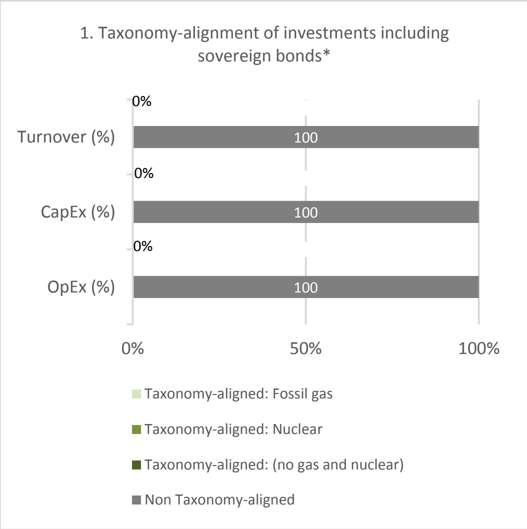
☐ Yes

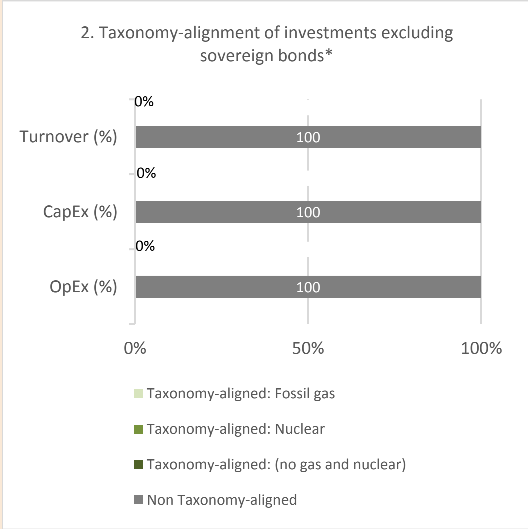
☐ In fossil gas ☐ In nuclear energy

☒ No

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents % of the total investment.

*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

- ***What was the share of investments made in transitional and enabling activities?***

The fund holds 0% investments made in transitional and enabling activities.

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 22/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 68.05% of assets as at the year end date and is representative of the Reference Period

What was the share of socially sustainable investments?

The share of sustainable investments with a social objective is 28.97%

What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The Fund invested 2.96% of assets in the “not sustainable” category. The investments included are cash, money market instruments, and may also include derivatives. The purpose of these assets are to meet liquidity, target return or manage risk and may not contribute to the environmental or social aspects of the Fund.

What actions have been taken to attain the sustainable investment objective during the reference period?

Engagement:

For these Fund, engagement priorities will include engagements designed to encourage companies to improve climate disclosure. We will work with companies to better understand how they allocate capital to the areas of under-investment highlighted by the UN SDGs. We will look to encourage better disclosure of this capital allocation process and measurement of positive contribution.

Some examples over the year include:

- Ameresco: We have written to Ameresco stating our intention to vote against any company whose board lacks ethnic/racially diverse members. The company has not appointed new members and is seeking assistance to achieve this. We have also communicated our concerns over the company having a controlling shareholder, but the company believes that this his significant share ownership is aligned with the public market interest. We have also voiced concerns about the long tenure of the lead director and two other directors although the company does not consider the need to make changes, considering their contributions valuable. They have a plan to align their own carbon reduction goals to SBTi by 2025 and are working towards preparing all information and data for this presently. In prior conversations they noted that they had signed the SEIA pledge that commits them to avoiding the use of forced labour in the solar supply chain. This assisted with regard to getting through WRO on US solar imports as hey are able to provide some documentation. They are now working on new language to include in MSAs stating their expectations and zero tolerance stance around the use of forced labour and slavery anywhere in the supply chain.

- SSE: we met with the Chair of SSE, Sir John Manzoni and the Chief Sustainability Officer, Rachel McEwen. The growth opportunities at SSE have accelerated significantly given the T&D investment requirements, thermal decarbonisation and renewable infrastructure development. They have no issues attracting a supply of labour given their reputation. At executive level there has been a carefully managed process to manage the CFO succession. At the board level also new skill and diversity is being gathered. The need to gain technology knowledge at this level (CCUS, H2, floating wind) is noted. They are evidently aware of the technology needs and limitations in availability and how this impacts networks and renewables, growth and returns. Regulation has changed to allow more investment in networks. They talk of the need for change both in thermal generation (CCUS) and renewables (auctions) to facilitate emission reduction plans.

- Waste Management: We met with Waste Management and concluded that the company remains at the forefront of transitioning the US waste industry to a more sustainable footing via increased recycling opportunity and renewable fuel production. Waste management has a high carbon footprint. This is the nature of the operations, but they have helped customers avoid 3x the emissions generated from their own operations and seek to achieve a 4x multiple. They continue to improve their own operations and with 74% of the fleet of vehicles running on compressed natural gas, they target 90% in the coming months. .

Climate & Environment Governance

The Impact Management Group is the governance body that maintains the definition of ‘positive impact’ and alignment with climate goals and oversees the Climate & Environment Universe. The Impact Management Group includes:

- Elizabeth Meyer, Senior Responsible Investment Manager
- Ann Meoni, Senior Responsible Investment Manager
- Nick Gaskell, Responsible Investment Manager
- Tony Hood, Investment Director
- Blair Couper, Investment Manager
- David Smith, Senior Investment Director
- Catriona Macnair, Investment Director
- Nina Petry, Investment Manager
- Fraser Harle, Investment Manager
- Mubashira Bukhar Khwaja, Investment Director
- Daniel Ng, Investment Manager

- Jerry Goh, Investment Manager
- Sarah Norris, Head of ESG-Equities
- Dominic Byrne, Deputy Head of Global Equities
- Tzouliana Leventi, ESG Analyst

Members of this group write company-specific impact research and the group debates the merits of a company's inclusion in the universe. Covering the unmet need, materiality figures, intentionality and measurability, the Impact Management Group evaluates the alignment of a company to the fund's climate and environment goals.

We consider the materiality of any potential negative externalities from the company's business activities or management practices. Companies with material exposure to operations running in direct opposition to any of the SDGs, and with no explicit statement of proposed divestment, will not be eligible where that specific business accounts for >10% of revenues or profits. An example would be excluding food and beverage companies that generate over 10% of revenues from selling items with high sugar or trans-fat content. Likewise, companies held in the strategy must not have had any significant ESG controversies which in the opinion of the analyst or the SDG Governance Group undermine the company's alignment to the UN SDGs or are in direct contravention of the UN SDGs.

How did this financial product perform compared to the reference sustainable benchmark?

Not applicable

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

- ***How did the reference benchmark differ from a broad market index?***

  Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

  Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable

- ***How did this financial product perform compared with the broad market index?***

  Not applicable