



Sustainability-related disclosures for abrdn ACS I - abrdn Sustainable Index World Equity Fund

This document provides you with a summary of sustainability-related information available on our website about this financial product. It is prepared in relation to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088. The information disclosed is required by law to help you understand the sustainability characteristics and/or objectives and risks of this financial product.

Date of Publication: 2023-07-19

Legal entity identifier 213800C37UC91PS7F385

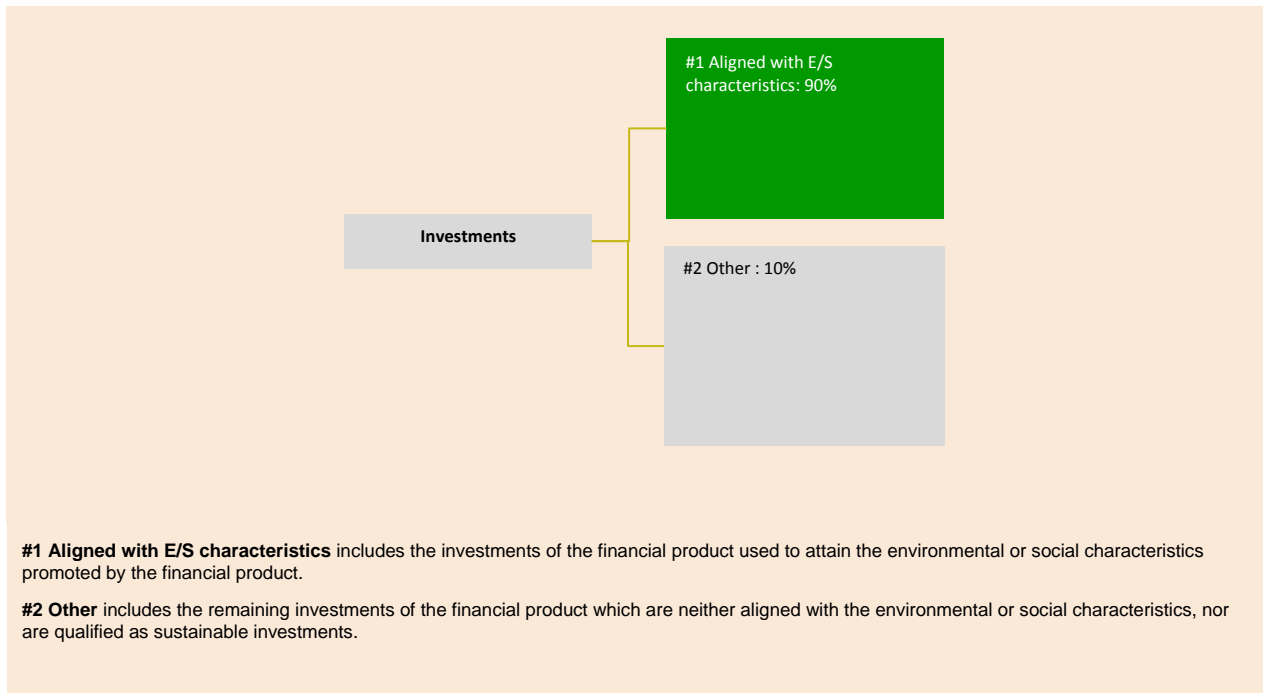
Summary	<p>The Fund is subject to article 8 of the European Union's (EU) 2019/2088 Sustainable Finance Disclosure Regulation ("SFDR") and thus it promotes environmental or social characteristics but does not have a sustainable investment objective.</p> <p>In line with the SFDR criteria for sustainable investments (positive contribution of the economic activity, no significant harm of the investment and good governance by the investee company) abrdn have developed an approach to identifying sustainable investments, the methodology of which is detailed in the Q&A below. The Fund has an expected minimum of 0% in Sustainable Investments.</p> <p>The Fund has not set a minimum proportion of investment in Taxonomy aligned economic activities, including Taxonomy-aligned fossil gas or nuclear energy related activities.</p> <p>The Fund aims to generate growth over the long term (5 years or more) by tracking the return of the MSCI World Select ESG Climate Solutions Target Index.</p> <p>The Fund will invest at least 90% in equities (company shares) and equity related securities (such as depositary receipts) of companies that make up the MSCI World Select ESG Climate Solutions Target Index (the "Index"). The Fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective. Indirect investment may be achieved via derivatives. The Fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash. These investments may not comply with the sustainable approach applied by the Index.</p> <p>The Fund combines abrdn's experience of passive index management with a deep understanding of sustainable and responsible investment. The Fund seeks to generate strong, long term returns by investing in an index that target improved outcomes in ESG, carbon and clean technology solutions. The index focuses on managing exposure to both long term financial risks and opportunities.</p> <p>The Fund is an index tracking product that aims to closely replicate the constituents and risk / return outcome of a specified index. The index in question has been customised by abrdn in partnership with the calculation agent MSCI, a global leader in index design and provision of ESG data and analytics. The approach varies from traditional market cap through the exclusion of companies who undertake specific adverse activities and then optimising the remaining universe of stocks to target enhanced outcomes in ESG, carbon and clean technology. Both the exclusions and the targeted sustainable outcomes aim to improve the long term financial returns in the Fund by helping to manage emerging risks and benefiting from transition activities.</p> <p>The Fund aims to achieve clear and material enhancements to its sustainable outcomes when compared to traditional index tracking funds.</p> <p>The range of target outcomes focuses on minimising long term risks associated with ESG and climate as well as benefiting from opportunities arising from the transition to cleaner technologies. To achieve this, the Index will:</p> <ul style="list-style-type: none">• target an increase in the ESG score of the Index by 20% relative to the Parent Index (as measured by MSCI);• target a reduction in the carbon intensity of the index by 50% relative to the Parent Index (as measured by MSCI); and• target an increase in clean technology solutions (including alternative energy, energy efficiency, green building, pollution prevention, or sustainable water) by 50% relative to the Parent Index (as measured by MSCI) . <p>All the above Index criteria are subject to risk diversification constraints, for example, minimum and maximum constituent, sector and country weights relative to the Parent Index and aim to minimise the tracking error relative to the Parent Index.</p> <p>To complement this, we also utilise our active stewardship and engagement activities.</p> <p>Binary exclusions are also applied to the Index to exclude the particular areas of investment related to MSCI ESG Controversy, Controversial Weapons, Tobacco, Unconventional Oil and Gas and Thermal Coal. These screening criteria apply in a binding manner and on an ongoing basis.</p>
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	<p>Due diligence for each asset held is detailed in the Fund's Investment Approach document, published at www.abrdn.com, under Fund Centre.</p> <p>The Fund's ESG screening and binding commitments determine that Environmental or Social characteristics of holdings are met and are part of the overall Index design, and consequently portfolio construction. In addition, Principal Adverse Impact Indicators (PAIs) are considered within the Index design, which is detailed in the Q&A below.</p> <p>Monitoring of the Fund's environmental and social characteristics are carried out on desk by the fund managers, through systematic oversight and independently through abrdn's ESG Governance teams.</p> <p>abrdn have selected several internal and external data sources that serve an intended purpose to attain environmental and social characteristics. As part of the onboarding or review process, we have several controls in place to test quality, which includes, but not limited to, coverage, validity checks and consistency.</p> <p>For details on the Stewardship and Engagement policies, please see abrdn's Stewardship Report published on www.abrdn.com under Sustainable Investing, within the Governance and Active Ownership section.</p>
<p>No sustainable investment objective</p>	<p>This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.</p>
<p>Environmental or social characteristics of the financial product</p>	<p>The MSCI World Select ESG Climate Solutions Target Index (the "Index") that the Fund is tracking applies ESG screening criteria, a carbon intensity target lower than the MSCI World Index (the "Parent Index"), ESG score higher than the Parent Index and targets an increase in clean technology solutions relative to the Parent Index, as well as promoting good governance including social factors.</p> <p>This Fund has a financial benchmark that is used for portfolio construction and which incorporates sustainable criteria. The benchmark is also used as a comparator for performance (fund vs benchmark). The ESG metrics are captured by the Fund's benchmark and compared against the Parent Index. The Fund is essentially replicating what the Index has been set up to deliver.</p> <p>The Index will exclude all securities currently included in the Parent Index (i.e. the broad market index) which are involved in: (a) controversial weapons (companies with ties to controversial weapons including cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons) and companies involved in manufacture of components exclusively designed for nuclear weapons (warheads, missiles, delivery platforms); (b) thermal coal (companies deriving 5% or more revenue from thermal coal mining or unconventional oil/gas including oil sands/shale, shale gas); (c) tobacco production & distribution (companies that derive 5% or more aggregate revenue from the manufacture, distribution, retailing, licensing, and supply of tobacco products); and (d) very severe controversies pertaining to ESG issues as measured by securities with a MSCI ESG Controversy score of zero.</p> <p>In addition, the Index will adjust the Index weights to:</p> <ol style="list-style-type: none"> 1. target an increase in the ESG score of the Index by 20% relative to the Parent Index (as measured by MSCI); 2. target a reduction in the carbon intensity of the index by 50% relative to the Parent Index (as measured by MSCI); and 3. target an increase in clean technology solutions (including alternative energy, energy efficiency, green building, pollution prevention, or sustainable water) by 50% relative to the Parent Index (as measured by MSCI). <p>All the above Index criteria are subject to risk diversification constraints, for example, minimum and maximum constituent, sector and country weights relative to the Parent Index and aim to minimise the tracking error relative to the Parent Index.</p>
<p>Investment strategy</p>	<p>The Fund combines abrdn's experience of passive index management with a deep understanding of sustainable and responsible investment. The Fund seeks to generate strong, long term returns by investing in the Index that targets improved outcome in ESG, carbon and clean technology solutions. The Index focuses on managing exposure to both long term financial risks and opportunities.</p> <p>The Fund is an index tracking product that aims to closely replicate the constituents and risk / return outcome of a specified index. The Index in question has been customised by abrdn in partnership with the calculation agent MSCI, a global leader in index design and provision of ESG data and analytics. The approach varies from traditional market cap through the exclusion of companies who undertake specific adverse activities and then optimising the remaining universe of stocks to target enhanced outcomes in ESG, carbon and clean technology. Both the exclusions and the targeted sustainable outcomes aim to improve the long term financial returns in the Fund by helping to manage emerging risks and benefiting from transition activities.</p> <p>The Index will exclude all securities currently included in the Parent Index which are involved in: (a) controversial weapons (companies with ties to controversial weapons including cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons) and companies involved in manufacture of components exclusively designed for nuclear weapons (warheads, missiles, delivery platforms); (b) thermal coal (companies</p>



	<p>deriving 5% or more revenue from thermal coal mining or unconventional oil/gas including oil sands/shale, shale gas); (c) tobacco production & distribution (companies that derive 5% or more aggregate revenue from the manufacture, distribution, retailing, licensing, and supply of tobacco products); and (d) very severe controversies pertaining to ESG issues as measured by securities with a MSCI ESG Controversy score of zero*.</p> <p>In addition, the Index will adjust the Index weights to:</p> <ol style="list-style-type: none"> 1. target an increase in the ESG score of the Index by 20% relative to the Parent Index (as measured by MSCI); 2. target a reduction in the carbon intensity of the index by 50% relative to the Parent Index (as measured by MSCI); and 3. target an increase in clean technology solutions (including alternative energy, energy efficiency, green building, pollution prevention, or sustainable water) by 50% relative to the Parent Index (as measured by MSCI). <p>All the above Index criteria are subject to risk diversification constraints, for example, minimum and maximum constituent, sector and country weights relative to the Parent Index and aim to minimise the tracking error relative to the Parent Index.</p> <p>For this Fund, good governance assessment is incorporated in the methodology of the Index, which includes social factors: the investment must be aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human rights; it must have an ESG Controversy score above zero; and it must have an MSCI ESG Score.</p>
<p>Proportion of investments</p>	<p>A minimum of 90% of the Fund's assets are aligned with E/S characteristics. Environmental and social safeguards are met by applying certain PAI's, where relevant, to these underlying assets within the methodology of the Index that the Fund is tracking. The Fund invests a maximum of 10% of assets in the "Other" category, which include cash, money market instruments and derivatives.</p>



<p>Monitoring of environmental or social characteristics</p>	<p>First line Our investment teams have the primary responsibility for implementing the investment strategy.</p> <p>Our sustainable investing governance committees support investment desks with regards to the implementation of the framework as well as understanding the regulatory environment.</p> <p>Compliance abrdn's Compliance function reviews a range of funds' legal and regulatory documents to ensure they comply with regulations. Compliance also reviews marketing communications, including fund and non-fund specific material, to ensure marketing material and ESG related statements are clear, fair and non-misleading.</p> <p>Through the ESG Regulatory & Standards Taskforce, Compliance feeds all sustainability-related regulatory developments and new requirements to relevant first line stakeholders to ensure these are duly considered and integrated into abrdn's investment approach and adequately reflected in our disclosures. In this taskforce, Compliance teams from all jurisdictions in which abrdn operates are represented.</p>
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	<p>Finally, a dedicated Monitoring & Oversight team operates a risk-based programme to provide assurance to senior management over the effectiveness of controls to ensure regulatory compliance. The outcome of the reviews is reported to the relevant entity boards and other governance forums, including the Risk and Capital Committee, Group Audit Committee and Executive Leadership Team Controls meeting. Assurance activities include both thematic reviews of risk or regulatory topics and focused reviews on specific regulatory or customer outcomes.</p> <p>Third line abrDN's Internal Audit function conducts internal audits including of sustainability rule implementation as part of its internal audit agenda.</p>
<p>Methodologies</p>	<p>The MSCI World Select ESG Climate Solutions Target Index (the "Index") that the Fund is tracking applies ESG screening criteria, a carbon intensity target lower than the MSCI World Index (the "Parent Index"), ESG score higher than the Parent Index and targets an increase in clean technology solutions relative to the Parent Index, as well as promoting good governance including social factors.</p> <p>This Fund has a financial benchmark that is used for portfolio construction and which incorporates sustainable criteria. The benchmark is also used as a comparator for performance (fund vs benchmark). The ESG metrics are captured by the Fund's benchmark and compared against the Parent Index. The Fund is essentially replicating what the Index has been set up to deliver.</p> <p>The Index will exclude all securities currently included in the Parent Index (i.e. the broad market index) which are involved in: (a) controversial weapons (companies with ties to controversial weapons including cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons) and companies involved in manufacture of components exclusively designed for nuclear weapons (warheads, missiles, delivery platforms); (b) thermal coal (companies deriving 5% or more revenue from thermal coal mining or unconventional oil/gas including oil sands/shale, shale gas); (c) tobacco production & distribution (companies that derive 5% or more aggregate revenue from the manufacture, distribution, retailing, licensing, and supply of tobacco products); and (d) very severe controversies pertaining to ESG issues as measured by securities with a MSCI ESG Controversy score of zero.</p> <p>In addition, the Index will adjust the Index weights to:</p> <ol style="list-style-type: none"> 1. target an increase in the ESG score of the Index by 20% relative to the Parent Index (as measured by MSCI); 2. target a reduction in the carbon intensity of the index by 50% relative to the Parent Index (as measured by MSCI); and 3. target an increase in clean technology solutions (including alternative energy, energy efficiency, green building, pollution prevention, or sustainable water) by 50% relative to the Parent Index (as measured by MSCI). <p>All the above Index criteria are subject to risk diversification constraints, for example, minimum and maximum constituent, sector and country weights relative to the Parent Index and aim to minimise the tracking error relative to the Parent Index. this Fund considers Principal Adverse Impacts (PAI) on sustainability factors.</p> <p>Principal Adverse Impact Indicators are metrics that show the negative effects of investments on environmental and social matters. The Index being tracked lowers exposure to material environmental risks, versus the Parent Index, through excluding or lowering exposure to companies participating or generating revenue from certain activities and PAI indicators referred to in the SFDR Delegated Regulation are considered in the Index design. The outcome of the Index design, and therefore the Fund, is to exclude companies involved in very severe controversies, increase the ESG score, and thereby exclude companies with greater exposure to adverse sustainability factors and to reduce exposure to carbon and GHG emissions.</p> <p>Further information on the above considerations will be made available in annual report.</p>
<p>Data sources and processing</p>	<p>Data Sources We have selected several data sources which serve an intended purpose to attain environmental and social characteristics. abrDN uses a combination of the following approaches:</p> <ol style="list-style-type: none"> 1. a combination of publicly available data sources to identify companies that may fail to meet our screening requirements, our DNSH or PAI assessments. In addition, we use external data to identify green and/or social Bonds, plus to calculate environmental or social revenues through disclosed data or estimates; and 2. using our own insight we overlay the quantitative methodology with a number of internal data sources including proprietary on-desk ESG scoring frameworks, central proprietary ESG scores, economic contribution sector estimates or disclosed data through our own engagement activities or primary research. <p>The EU Regulatory Technical Standards calls on financial market participants to source sustainability data in various ways, including research providers, internal analysis, commissioned studies, publicly available information, and direct engagement with companies. The following sources are used by abrDN and our 3rd party data providers to collect company reported data:</p> <ul style="list-style-type: none"> • Company direct disclosure: sustainability reports, annual reports, regulatory filings, company websites and direct engagement with company representatives.



	<ul style="list-style-type: none"> • Company indirect disclosure: government agency published data, industry and trade associations, and financial data providers. • Direct communication with companies as described above in Company Communication. <p>Where company disclosure is unavailable, we may choose to leverage estimated metrics . These datasets are built based on proprietary methodologies and informed by data from companies, market and industry peers, media, NGOs, multilateral and other credible institutions. Our 3rd party providers use a wide range of information derived from various tools and sources, including:</p> <ul style="list-style-type: none"> • Company websites • Company annual reports and regulatory filings • Government financial agencies and disclosures • Financial data providers • Media and periodicals • Non-governmental organization (NGO) reports and websites <p>Data Quality assurance process</p> <p>Third Party Data Sources We ensure that our third party data sources follow a rigorous quality assurance process. Data accuracy and company profiles are peer-reviewed before final inclusion into datasets. Additionally, our third party data providers have an escalation method to allow for cases that require further interpretation or an update to the relevant methodology.</p> <p>As part of our onboarding or review process, we have several controls in place to test quality, which includes, but not limited to, coverage, validity checks and consistency. Our company's Data Governance Framework and Data Management operating models include the application of toolkits which profile data, capture full lineage and apply quality rules to monitor data that is critical to our investment processes. These services are further complimented by the existence of data owners and stewards across the business.</p> <p>For each external data source, we retain records of the proportion of data that are estimated (ie not available in company reports), and we seek to minimise this with disclosed data where possible.</p> <p>Qualitative Assessment Process In all cases where we apply a qualitative overlay or insight, this analysis is followed by a rigorous quality assurance and oversight process.</p> <p>Data Quality For both 3rd party and qualitative assessments, the percentage of disclosed data varies from holding to holding on a case by case basis depending on company size and the region it is located in. For example, a large European company will typically be required to disclose data due to regulation and there will be limited or zero estimates used in our methodology. However, where there is limited disclosed data for example within smaller companies, it is possible that the majority of the sustainable investment value is derived from estimates. In most cases, there is a blend of disclosed data and estimated data used in the methodology, typically with more disclosed data in relation to Environmental Characteristics, and more estimated data in relation to Social Characteristics. We use several data providers and the available actual and estimated data varies depending on the providers but the average estimated data is around 20%.</p>
<p>Limitations to methodologies and data</p>	<p>We recognise that relying solely on quantitative disclosed data can be a limitation due to the difficulties obtaining consistent data from companies, and also as in some regions there are no regulatory requirements to disclose such data. As such, we also leverage our investment research and insights to supplement our assessments, with estimated data or assessments. However, this may differ from data that is subsequently disclosed in company reports or via engagements.</p> <p>The EU Taxonomy focusses on the underlying economic activity that is aligned with an environmental (or in future social) objective. The EU taxonomy relies on demonstrable aligned revenue, opex or capex to demonstrate compliance. As a result, abrdn have aligned our method of calculating SFDR sustainable investments with this approach as we believe it is closer to the likely future direction of regulation.</p>
<p>Due diligence</p>	<p>Due diligence for each asset held is detailed in the Fund's Investment Approach document, published at www.abrdn.com, under Fund Centre.</p>
<p>Engagement policies</p>	<p>Active Ownership In our view, good governance and stewardship are vital to safeguard the way in which a company is managed and to ensure that it operates responsibly in relation to its customer, employees, shareholders, and the wider community. abrdn also believe that markets and companies which adopt best practices in corporate governance and risk management – including the management of environmental and social risks – are more likely to deliver sustainable, long-term investment performance. As owners of companies, the process of stewardship is a natural part of our investment approach as we seek to benefit from their long-term success on our clients' behalf. Our fund managers and analysts regularly meet with the management and non-executive directors of companies in which we invest.</p> <p>ESG Engagement</p>



	<p>Engagement with company management teams is key and a standard part of our equity investment process and ongoing stewardship programme. It provides us with a more holistic view of a company, including current and future ESG risks that the firm needs to manage and opportunities from which it may benefit. It also provides the opportunity for us to discuss areas of concern, share best practice and drive positive change. Priorities for engagement are established by:</p> <ul style="list-style-type: none"> • The use of the ESG House Score, in combination with • Bottom-up research insights from investment teams across asset classes, and • Areas of thematic focus from our company level stewardship activities. <p>Please also see our Stewardship Report published on www.abrdn.com under Sustainable Investing.</p>
<p>Designated reference benchmark</p>	<p>The benchmark is composed of a subset of equity securities within the MSCI World Index (the “Parent Index”). Unlike the Parent Index, the Index incorporates a sustainable approach by applying higher weights to constituent companies with stronger Environmental, Social and Governance (ESG) scores, lower carbon footprints (as measured by MSCI carbon intensity score) and a higher exposure to clean technology solutions. In addition, the Index excludes companies which are involved in certain controversial activities (further details about this sustainable approach, including details of the MSCI methodology, are included under “Fund Benchmark” in the Prospectus). For further information in relation to the methodology, ESG scores and ESG Controversy scores used by MSCI, please refer to: https://www.msci.com/esg-investing. Details regarding the Index constituents are available on the index provider’s website at https://www.msci.com/constituents. The methodology used by MSCI ESG Select Climate Solutions Indexes can be found on https://www.msci.com/index-methodology. Further information about the sustainable approach used by the Index can be found the ACS Manager’s website at www.abrdn.com.</p>